

TOWN OF MAMMOTH LAKES
California

Annual Financial Report

June 30, 2009

TOWN OF MAMMOTH LAKES

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INTRODUCTION SECTION



Finance Department (760) 934-8989
P.O. Box 1609, Mammoth Lakes, CA 93546

October 4, 2009

To the Citizens, Honorable Mayor and Members of the Town Council of the
Town of Mammoth Lakes:

We submit to you the comprehensive annual financial report (CAFR) of the Town of Mammoth Lakes (Town) for the fiscal year ended June 30, 2009. This report has been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and other accounting rule making bodies. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Town. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it.

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this Letter of Transmittal. The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis, audited Basic Financial Statements, Notes, Required Supplementary Information, supporting statements and schedules necessary to fairly present the financial position and the changes in financial position of the Town in conformity with accounting principles generally accepted in the United States. The audited basic financial statements include the government-wide financial statements that present an overview of the Town's entire financial operation and the fund financial statements that present the financial information of each of the Town's major funds, as well as non-major governmental, fiduciary and other funds. The Statistical Section includes additional historical financial and demographic information, generally presented on a multi-year basis.

General Information about the Town of Mammoth Lakes

The Town of Mammoth Lakes (which was incorporated in 1984) is located in the heart of California's eastern Sierra Nevada Mountain range. The Town is approximately 300 miles north of Los Angeles, and 160 miles south of Reno, Nevada, both reached via U.S. Highway 395, and approximately 250 miles east of San Francisco).

Mammoth Lakes is the premier ski and outdoor recreation area in the eastern Sierra. It has a year round population of approximately 7,400 people. During peak winter weekends the population swells to an excess of 35,000. The eastern Sierra provides extensive all-year recreation and resort facilities and caters to a large number of tourists who reach the area either through Yosemite (access limited to summer season) or from the north or south via U.S. Highway 395.

Winter recreation is centered primarily on skiing and snowboarding activities at Mammoth Mountain. All year recreational sports include hiking, fishing, bicycling, horseback riding, water sports, etc. throughout the area. The elevation of the Town is approximately 7,000 feet above sea level with that of the main ski facility at approximately 9,000 feet. The Town of Mammoth Lakes provides full tourist and commercial services including rentals (both motels and condos), restaurants, shopping, gas stations, sporting goods dealers, and other commercial, recreation related enterprises.

A five member Town Council, the members of which are elected by the voters of the Town to serve staggered four year terms, governs the Town. The Mayor is a member of the Town Council. The Council appoints a Town Manager who is responsible for administration of the Town under the policy direction of the Council.

Town services include police protection and animal control; planning and zoning; parks and recreation activities; tourism development and marketing; transit services; airport operations; general administrative support; and public works, including snow removal and storm drainage services, affordable and employee housing, construction and maintenance of streets, parks, and other infrastructure.

The Mono County Local Transportation Commission, the Mammoth Unified School District, the Mammoth Community Water District, the Mammoth Lakes Fire Protection District, Cerro Coso Community College, Eastern Sierra Transit Authority, and the Southern Mono Hospital District have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

Internal Control

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefit likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. Management's continuing commitment to a sound and viable internal control structure is emphasized through written policies and procedures, an effective internal audit function, and a well qualified accounting staff.

Budgeting Controls

The Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Town Council. Budgetary control for operations is maintained at the department level by fund. Budgetary control for capital improvement projects (i.e., project-length financial plans) is maintained at the individual project level by fund. The Town's budgeted expenditure authority lapses at the end of each fiscal year. However, outstanding purchase order commitments may be reappropriated for the subsequent fiscal year upon Council approval. This approval is generally limited to capital improvement projects. As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to fulfill its responsibility for sound fiscal management.

Development Impact Fees

New development increases the demand for public facilities and services. The DIFs were established to mitigate the increased demand on the public facilities and services that new development in the Town would create. A Capital Project Fund has been established for each fee type to account for the collection of the fees and the cost of the capital projects that the DIFs are established to mitigate. Town future capital projects are extremely dependent on an adequate DIF that is supported by a Justification Study Report. Adequate DIF fees that require new development to fund new development's fair share of public projects is what will make it possible for the Town to fund essential projects over time.

Expenditures out of the DIF funds during the last fiscal year include administrative costs and costs associated with updating the DIF projects and fee schedules. Expenditures were also expended on drainage projects along Canyon Blvd., Tavern Road, Laurel Mountain Road. Other projects include: pedestrian improvements along Canyon, traffic monitoring stations, payment for financed snow removal equipment, Lake Mary Road Bike Lane, Airport Terminal, Trails Master Plan, and Main Street Promenade. Projects that incurred initial planning, design or architect costs were the public safety facility, transit stops, pedestrian improvements on Meridian Blvd and Main Street Cross Walks, Minaret/Meridian Intersection improvements, Meridian Blvd Improvements, Meridian/Sierra Park Intersection, Lakeview Road/Lake Mary Road Intersection improvements and various street lighting projects. All of the DIF funds are reported and their financial activity is included with the Capital Projects section with the one exception of the Administrative Overhead Fund that is reported in the Special Revenue section. Both the Capital Projects and Special Revenue Funds can be found in the Supplemental Information Section in the report.

Cash Management

The Town Treasurer manages the Cash Management and Investment Program of the Town. The Town's policy is to pool all cash for purposes of investment. This cash investment pool contains resources from all of the Town's funds. In accordance with the Town Council-approved investment policy, cash temporarily idle may be invested in U.S. government securities, certificates of deposit, A1 and P1 commercial paper, the Local Agency Investment Fund, and passbook deposits without the specific approval of the Town Council. The Town's total investment pool is small enough to permit all funds to be invested in the Local Agency Investment Fund (L.A.I.F.).

The following table presents an overview of the Town's month-end investment balances in L.A.I.F., and the average annualized yield for each respective month.

<u>Month Ended</u>	<u>Closing Balance</u>	<u>Annualized Effective Yield</u>
July 31, 2008	\$10,492,050	2.787%
August 31, 2008	\$10,062,050	2.779%
September 30, 2008	\$ 8,039,423	2.774%
October 31, 2008	\$ 8,044,423	2.709%
November 30, 2008	\$ 8,181,423	2.568%
December 31, 2008	\$ 6,487,185	2.353%
January 31, 2009	\$ 9,487,185	2.046%
February 29, 2009	\$11,587,185	1.869%
March 31, 2009	\$11,837,185	1.822%
April 30, 2009	\$12,834,546	1.607%
May 31, 2009	\$14,634,546	1.530%
June 30, 2009	\$11,134,546	1.377%

The investment policy of the Town of Mammoth Lakes is to maximize investment income consistent with safe and prudent investment practices. The policy states: "It is the primary duty of the Treasurer to protect, preserve and maintain cash and investments placed in his/her trust on behalf of the citizens of the community." The investment policy specifies the standards and requirements set forth by the Town Council, and the responsibility for administering the funds is under the control of the Town Treasurer.

Risk Management

The Town, along with seventy-plus other California cities, is a member of the California Joint Powers Insurance Authority (CJPIA). The CJPIA provides self-insured and pooled liability coverage up to the program limits of \$50 million combined single limit per occurrence. This coverage protects the Town, its officers and employees, as well as elected and appointed officials, from liability for monetary damages resulting from an occurrence because of Bodily Injury, Property Damage, Errors and Omissions including Misfeasance, Malfeasance and Nonfeasance, and Personal Injury, including False Arrest, Libel, Wrongful Entry, Discrimination and Assault.

Participation in the pooled liability program is mandatory for all member cities. The Town and other member cities bear the first \$20,000 of each liability loss. Higher losses are pooled in layers and shared by all cities participating in those layers. The cost for each policy year is equal to the sum of each of the following:

- 1) The Town's losses up to \$20,000 for each occurrence.
- 2) The Town's share of pooled losses above \$20,000 but less than \$500,000 for each occurrence, which is prorated on the basis of total losses under \$20,000 excluding occurrences for "property damage only" with a total value of \$2,000 or less occurring on or after July 1, 1996.
- 3) The Town's share of pooled losses above \$500,000 but less than \$5,000,000 for each occurrence, which is prorated on the basis of total members' payroll with a minimum imputed payroll of \$300,000.
- 4) The Town's share of all other expenses of CJPIA, which is prorated on the basis of total members' payroll, with a minimum imputed payroll of \$815,000 for the periods ended June 30, 1990 and thereafter and \$500,000 for the periods ended June 30, 1989, 1988, and 1987.

In addition to the general liability the Town also purchases All Risk Property Insurance through CJPIA.

The Town also receives workers compensation coverage from the CJPIA, the same organization that provides liability and property coverage for the Town.

Pension Plan

In September 1985, the Town entered into a contract with the State of California Public Employees Retirement System (CalPERS) for the provision of a pension plan for all full-time permanent and part-time qualified miscellaneous employees. Subsequently, safety employees were added to CalPERS effective August 1986. As more fully disclosed in Note 12 of the notes to financial statements, the Town is funding the plan in accordance with the actuarial assumptions determined by CalPERS.

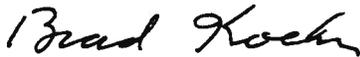
The Town has also entered into a contract with the Public Agency Retirement Services (PARS) effective July 2003 for the provision of an additional pension plan for full-time vested safety employees. A third part actuary has provided the Town with funding recommendations based on actuarial assumptions; the Town is funding more than this minimum recommendation.

The Town requires all part-time, seasonal, and temporary non-CalPERS qualified employees to participate in an Alternative Retirement System (ARS) administered by PARS. The ARS replaces participation in the Federal Insurance Contributions Act (FICA), commonly called Social Security.

Independent Audit

The Town Council requires an annual audit of the financial statements of the Town. This requirement has been fulfilled and the auditor's unqualified opinion has been included in this report.

Respectfully submitted,



Brad Koehn
Finance Director

MARCELLO & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

2701 Cottage Way, Suite 30 / Sacramento, California 95821 / 916.979.9079

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
Members of the Town Council
Town of Mammoth Lakes, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mammoth Lakes, California as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Mammoth Lakes' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 Town of Mammoth Lakes, California, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2009, on our consideration of the Town of Mammoth Lakes' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Honorable Mayor
Members of the Town Council
Town of Mammoth Lakes, California

The management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 3 through 9, and 43 through 48, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mammoth Lakes' basic financial statements. The introductory section, budgetary comparison information of nonmajor funds, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section, budgetary comparison information of nonmajor funds, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The combining financial statements of nonmajor funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Manuello & Company

Certified Public Accountants
Sacramento, California
October 16, 2009



Finance Department (760) 934-8989
P.O. Box 1609, Mammoth Lakes, CA 93546

MANAGEMENT'S DISCUSSION AND ANALYSIS

The discussion and analysis of the Town of Mammoth Lakes financial performance for the fiscal year ended June 30, 2009 provides an analysis on the Town's overall financial position and results of operations to assist users in evaluating the Town's financial position, and provides discussion of significant changes that occurred in funds and significant budget variances. In addition, it describes the activities during the year for capital assets and long-term debt. We end our discussion and analysis with a description of currently known facts, decisions, and conditions that are expected to have a significant effect on the financial position or results of operations. Please read it in conjunction with the transmittal letter and the Town's financial statements.

The Statement of Net Assets and the Statement of Activities:

A frequent question asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that answers this question. These statements include all assets and liabilities of the Town using the accrual basis of accounting; this is similar to the accounting used by most private-sector companies.

These two statements report the Town's net assets and changes to the assets. Net assets are the difference between assets and liabilities, which is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are an indication of whether its financial health is improving or deteriorating. It is important to remember that this measure of financial health is reviewing all of the Town's assets, including street infrastructure, storm drainage, and street lights; these assets are valuable to the Town, but their asset value would not be available to be sold and fund other Town priorities. Furthermore the depreciation of these assets is recorded as an expense in the Statement of Activities and can be confusing if the goal of the reader is to follow the flow of cash and expenditures. That is why the Fund Financial Statements continue to be an important part of the Town financial story and are presented after the Statement of Activities report.

In the Statement of Net Assets and the Statement of Activities, the Town's Activities are separated as follows:

Governmental activities – Almost all of the Town's services are reported in this category, including the general administration (Town Manager, Town Clerk, Personnel, Finance etc.), police protection, public works, and tourism and recreation, and community development. Transient occupancy tax, sales tax, property taxes, other taxes, interest, grants,

The Statement of Net Assets and the Statement of Activities: (continued)

intergovernmental revenue and service charges finance these activities. The Statement of Net Assets also includes the value of capital assets (net of depreciation, future debt payments and the assets and liabilities of the internal service funds); while the Statement of Activities includes depreciation expense and some of the activity in the internal service funds on the accrual basis. These are significant differences from the Fund Financial Statements.

Business-type activities – The Town's Airport charges fees to customers to cover all or most of the cost of certain services that the Airport provides. The increase in net assets at the airport beginning \$2 million and ending in \$7 million is primarily from the value of the new runway funded by grants. The Town also operates the Long Valley Mineral Pit that is a business-type activity charging customers for the cost of services (dumping of clean materials).

Fund Financial Statements:

The fund financial statements provide detailed information about the most significant funds and other funds – not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. The Town's two types of funds are governmental and proprietary.

Government funds – Most of the Town's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. There is a reconciliation of the significant differences between the Government Fund Balance Sheet and the Net Assets of Governmental Activities. These differences are unavoidable, because by definition the reports are looking at different financial activity. Both reports provide a different perspective on the Town's finances that are beneficial.

Proprietary funds – When the Town charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the Town's enterprise funds (Airport & Long Valley Mineral Pit) are the same as the business-type activities that are reported in the government-wide statements but provide more detail and additional information such as a Statement of Cash Flows.

Reporting the Town's Fiduciary Responsibilities:

The Town is the trustee, or fiduciary, for certain funds held on behalf of developers or Assessment Districts. The Town's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. The fiduciary activities have been excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Financial Analysis of the Town as a whole

Net Assets: A condensed presentation of the Town's net assets shown in the following table totals, \$133,290,287 for the general government and \$7,874,249 for business-type activities as of June 30, 2009. The Town had an increase in total net assets of \$4,704,642 compared to the prior year's decrease of \$(558,764).

Town of Mammoth Lakes Net Assets						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Current and other assets	31,649,740	31,567,361	(4,225,395)	(1,242,846)	27,424,345	30,868,831
Capital assets, net of depreciation	111,076,293	114,608,259	12,816,667	5,745,863	123,892,960	119,809,806
Total assets	142,726,033	146,175,620	8,591,272	4,503,017	151,317,305	150,678,637
Long-term debt outstanding	6,546,797	8,056,913	292,280	329,973	8,386,886	8,386,886
Other liabilities	2,888,949	4,166,198	424,743	1,665,658	5,831,856	5,831,856
Total liabilities	9,435,746	12,223,111	717,023	1,995,631	14,218,742	14,218,742
Net assets:						
Invested in capital assets,	105,238,996	102,624,650	12,547,726	2,471,494	117,786,722	105,096,144
Restricted	783,270	786,563			783,270	786,563
Unrestricted	27,268,021	30,541,296	(4,673,477)	35,892	22,594,544	30,577,188
Total net assets	133,290,287	133,952,509	7,874,249	2,507,386	141,164,536	136,459,895

By far the largest portion of the net assets reflects the Town's investment in capital assets (e.g., land, buildings, streets, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; and are therefore not available for future spending. Even the unrestricted net asset total includes funding that has been set aside or reserved for various purposes. For illustration purposes the table below details the breakdown for the portion of the 'unrestricted' net assets that has been set aside or reserved for various purposes for the governmental activities, as follows:

	<u>2008-09</u>	<u>2007-08</u>
Long term receivables	\$ 6,432,964	\$ 6,432,964
Self insurance	\$ 15,000	\$ 345,000
Debt service	\$ 782,738	\$ 912,094
Economic uncertainties	\$ 2,782,839	\$ 2,782,839
Subsequent years' expenditures	\$ 3,278,979	\$ 2,908,685
Vehicle and equipment replacement	\$ 4,835,176	\$ 4,789,589

Long term receivables is made up of a loan to the airport of just over \$3.2 million to cover costs associated with bringing commercial air service to the Town; as well as a loan to the development impact fee funds (Capital Projects) of just under \$3.3 million. The loan was to fund current capital projects so that grant funding for projects already in progress would not have to be returned to the grantee. Reserve for economic uncertainties remained unchanged and was not used to fund any operations even though the economy suffered a severe recession. Overall, the reserves had relatively no change from the prior year.

General Fund Budgetary Highlights:

The recession that began December 2008 affected revenues negatively although transient occupancy taxes continued to grow and expand through December 2008. The January through March 2009 period of TOT revenue experienced a sharp decrease, then returned to growth in the April through June reporting period. Council reacted swiftly to the revenue shortfall by reducing the projected revenue and reduced expenditures by accepting employee concessions which included an incentive for early retirements, furlough days, layoffs, and department staff restructuring in response to service level decreases. Council also gave a reduction to real estate developer's *development impact fees* and *building permit fees* in order to try to spark building activity.

General Government Functions:

The revenue and expenditure activity for the governmental activities and the business-type activities are summarized in the following table.

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
Revenue:						
Program revenue:						
Charges for services	2,032,081	4,250,654	446,337	442,570	2,478,418	4,693,224
Operating grants and contributions	9,444,093	4,632,519	-	-	9,444,093	4,632,519
Capital grants and contributions	-	5,108,696	6,634,813	1,951,184	6,634,813	7,059,880
General revenue:						
Transient occupancy tax	9,693,570	10,653,886	-	-	9,693,570	10,653,886
Sales tax	2,413,024	2,141,846	-	-	2,413,024	2,141,846
Property tax	3,911,453	3,779,033	-	-	3,911,453	3,779,033
Other taxes	2,583,397	2,796,767	-	-	2,583,397	2,796,767
Other	333,537	426,405	448	17,625	333,537	444,030
Transfers in (out)	(1,256,453)	(2,534,598)	1,256,453	2,534,598	-	-
Total revenue	29,154,702	31,255,208	8,338,051	4,945,977	37,492,305	36,201,185
Expenses:						
General government	4,491,186	4,348,142	-	-	4,491,186	4,348,142
Public safety	6,171,169	6,393,279	-	-	6,171,169	6,393,279
Tourism & recreation	3,135,315	3,426,580	-	-	3,135,315	3,426,580
Community development	3,426,668	5,090,341	-	-	3,426,668	5,090,341
Public works	13,586,950	14,440,777	-	-	13,586,950	14,440,777
Airport			2,950,402	2,558,007	2,950,402	2,558,007
Waste (Mineral Pit)			30,785	87,182	30,785	87,182
Debt service (Interest)	262,089	415,641	-	-	262,089	415,641
Total expenses	31,073,377	34,114,760	2,981,187	2,645,189	34,054,564	36,759,949
Change in net assets	(662,222)	(2,859,552)	5,366,864	2,300,788	4,704,642	(558,764)
Net assets - beginning, as restated	133,952,509	136,812,061	2,507,386	206,598	136,459,895	137,018,659
Net assets - ending	133,290,287	133,952,509	7,874,249	2,507,386	141,164,536	136,459,895

Fund Balance:

The Town's Fund Balance sometimes referred to as the Town's savings account includes amounts that are set aside for specific purposes, or offset long term receivables or are restricted by other entities or even by local commitments such as through Council's commitment to the Measure A formula. However, portions of the fund balance designations are set by Council resolutions or could be redirected to other uses or are available to be appropriated. Below is a summary of those General Fund balances (this is different than the Governmental Funds discussed above that broadly incorporates more funds) over the last 5 years:

	Year Ended 6/30/2009	Year Ended 6/30/2008	Year Ended 6/30/2007	Year Ended 6/30/2006	Year Ended 6/30/2005
Self Insurance	\$15,000	\$345,000	\$345,000	\$345,000	\$345,000
Economic Uncertainties Subsequent Years' Expenditures	2,782,839	2,782,839	4,417,319	3,824,605	3,476,938
Undesignated	-	21,344	5,802,930	4,788,219	1,832,5563
	91,372	-	8,968	874,784	546,646

General fund reserves are detailed in Note 13 of the notes to the general-purpose financial statements.

Internal Service Fund:

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 Town and to other government units on a cost reimbursement basis. The Town garage is operated as an internal service fund. Services provided by the garage are charged to the governmental agencies that have contracted with the Town to receive the garage services. Also, services that the garage provides to other Town departments are charged to the department that benefits from the service. The fund also is used to account for purchases of vehicles and equipment when adequate funds have been accumulated and replacement is necessary. The Town also uses an internal service fund to account for certain insurance and benefit programs offered to employees. Premiums are collected from the employee or the department, depending on the benefit and paid to the internal service fund. The internal service fund, in turn, processes certain medical expense reimbursements and premiums.

Enterprise Funds:

Enterprise funds are used to finance and account for the acquisition, operation, and maintenance of Town facilities and services that are entirely or predominantly self-supporting from user charges. Enterprise operations are accounted for in such a manner as to show a profit or loss as in comparable private enterprises. At June 30, 2009, the Town operated two enterprise funds: the Mammoth Yosemite Airport, and the Long Valley Mineral Pit. The airport Fiscal Year 2008-09 operating income (loss) was (\$2,297,476). The general fund covered the litigation costs which reduced the operating (loss) to \$1.5 million which is related to the recording of depreciation that began this year on the runway improvements. The Long Valley Mineral Pit operating income (loss) was (\$19,275). The Airport Enterprise Fund paid down principal of \$40,336 in aviation loans from the California Department of Transportation Aviation Division during the fiscal year. The total aviation loan debt as of June 30, 2009 was \$268,941. Significantly after almost 20 years, the airport began receiving 1 flight per day of commercial air service that began in December 2008 bringing easy access for visitors in the rest of the world, increasing economic activity and providing easier connectivity for town residents to the "outside world."

Debt Administration:

The Town paid down principal of \$1,138,456 in existing Certificates of Participation debt during the fiscal year. Total Certificates of Participation debt as of June 30, 2009 was \$4,748,379. The Town has never issued general obligation bonds or revenue bonds. The Town also has received a California State Water Resources Control Board loan; the outstanding balance at June 30, 2009 was \$691,246 and has an interest rate of 2.5%.

Outlook for the future:

The Town has benefited enormously from the increased property valuations that many California communities have experienced. Town appraised valuations in the community has increased 210% in the last 10 years. This stunning growth is not expected to continue in the near future, real estate transactions and new development have both slowed dramatically. Mammoth Lakes will likely now follow the nationwide trend to lower property valuations and the Mono County Assessor has announced that 5,000 properties countywide will be automatically reviewed for potential lower assessed valuations. This may be mitigated somewhat by the higher reassessment of Mammoth Mountain. The County is currently valuing the sale of Mammoth Mountain and that reassessment will be an increase over the existing property tax roll valuation. It is likely that the Town will experience a minimal growth factor or even small negative growth in property tax receipts for the next couple fiscal years.

Transient Occupancy Tax is the largest generator of General Fund dollars and TOT revenue decreased significantly for the January to March 2009 quarter (December 2008 was the first month of the recession). However, all of the other quarters during the year experienced an increase over the prior year. The budget for 2009-10 anticipated that the recession would continue to impact visitor generated revenues and TOT has been budgeted at almost 10% less than the actual TOT received for fiscal year 2008-09. The July to September 2009 period did not follow that decreased expectation and is indicating that visitation may not only have stabilized, but has the potential for continued growth. Another positive growth indicator is the announcement by Horizon Airlines that winter air service will increase from one daily flight experienced during fiscal year 2008-09 to 4 daily winter flights beginning mid December 2009 with one flight continuing through most of the rest of the year. Even if visitation has stabilized, or is positioned to grow, it is unlikely that the Town will return quickly to growth levels that were experienced before the recession. Reduced rental rates and visitors' more cautious approach to spending will likely mean that the return to growth will be in single digit increases.

At the June 2008 election, the voters approved a 0.5% increase to the sales tax rate. This new revenue was restricted by the voters to funding parks, recreation and trails, and will allow the Town to provide both better facilities and services in the realm of parks, recreation and trails. This will be approximately a net increase of 50% over the current sales tax revenues. The increased service levels or new and enhanced facilities will be implemented in the upcoming fiscal years as this new revenue source is appropriated.

Litigation costs were a large expense during the last several fiscal years, and will likely continue in fiscal year 2009-10. The Town has been sued by Mammoth Lakes Land Acquisition, LLP (Hot Creek) stating that the Town breached its Development Agreement and during April 2008 the trial court jury found in favor of Hot Creek and set damages at \$30 million. The Town has appealed the ruling to the appellant court and legal costs will likely exceed \$3 million for fiscal years 2007-08 through 2009-10. The insurance provider has denied insurance coverage for the litigation costs, but the Town is pursuing the administrative appeal process to reinstate the insurance coverage, and receive a reimbursement of the litigation costs.

Outlook for the future: (continued)

Since the adoption of the fiscal year 2009-10 budget, the nationwide recession has been declared officially over, but a return to 'normal' economic activity is not expected in the near term. Visitation seems to be experiencing moderate growth, or at the least stabilized. However, development and construction activity still has not shown any signs that growth is around the corner. The fiscal year 2009-10 budgeted revenue is very conservatively forecasted and actual revenues will likely exceed projections. This will provide an opportunity for the Town to increase its 'Reserve for Economic Uncertainty' at a time when many communities are drawing down their reserves.

In conclusion, financial challenges caused by the nationwide recession have confronted the Town, with Council taking swift action to reduce expenditures, delay certain capital projects and negotiate with employees on salary and benefits concessions (\$1,300,000 savings). Visitation generated revenue has already begun to increase over the recession lows and increased winter commercial air service will also have a positive impact on visitations. These positive trends are expected to create a revenue surplus in the upcoming fiscal year.

Respectfully submitted,



Brad Koehn

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF MAMMOTH LAKES
Government-Wide Financial Statements
Statement of Net Assets
June 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 7,675,116	\$ 114,461	\$ 7,789,577
Accounts and grants receivable	4,682,612	838,642	5,521,254
Loans receivable	591,372	-	591,372
Internal balances	5,236,997	(5,236,997)	-
Inventory	343,470	709	344,179
Prepaid rent	98,486	-	98,486
Notes receivable	12,238,417	57,790	12,296,207
Restricted Cash with fiscal agent	783,270	-	783,270
Capital assets not being depreciated	17,574,933	544,316	18,119,249
Capital assets, net of depreciation	93,501,360	12,272,351	105,773,711
Total assets	<u>142,726,033</u>	<u>8,591,272</u>	<u>151,317,305</u>
Liabilities			
Accounts payable	1,530,205	409,731	1,939,936
Accrued liabilities	506,904	15,012	521,916
Deferred revenue	851,840	-	851,840
Noncurrent liabilities:			
Due within one year	1,449,223	42,066	1,491,289
Due in more than one year	4,388,074	226,875	4,614,949
Compensated absences	709,500	23,339	732,839
Total liabilities	<u>9,435,746</u>	<u>717,023</u>	<u>10,152,769</u>
Net Assets			
Invested in capital assets, net of related debt	105,238,996	12,547,726	117,786,722
Restricted	783,270	-	783,270
Unrestricted	27,268,021	(4,673,477)	22,594,544
Total net assets	<u>\$ 133,290,287</u>	<u>\$ 7,874,249</u>	<u>\$ 141,164,536</u>

The accompanying notes to financial statements are an integral part of this financial statement

FUND FINANCIAL STATEMENTS

TOWN OF MAMMOTH LAKES
Balance Sheet
Governmental Funds
June 30, 2009

	General Fund	Housing & Community Development Fund	Capital Projects Fund	General Facilities DIF	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 2,741,387	\$ -	\$ -	\$ 356,691	\$ 901,109	\$ 3,999,187
Account receivables	1,798,654	-	2,382,253	1,022	403,162	4,585,091
Due from other funds	-	-	-	706,591	-	706,591
Notes receivable	900,000	11,338,417	-	-	-	12,238,417
Advance loans to other funds	9,114,633	-	-	-	-	9,114,633
Prepaid rent	98,486	-	-	-	-	98,486
Restricted cash with fiscal agent	-	-	-	-	783,270	783,270
Total assets	\$ 14,653,160	\$ 11,338,417	\$ 2,382,253	\$ 1,064,304	\$ 2,087,541	\$ 31,525,675
Liabilities						
Accounts payable	\$ 451,093	\$ -	\$ 944,721	\$ -	\$ 96,256	\$ 1,492,070
Accrued liabilities	391,002	-	9,945	-	81,685	482,632
Due to other funds	-	-	1,547,987	-	706,591	2,254,578
Deferred revenue	851,840	11,338,417	-	-	-	12,190,257
Cash overdraft	-	-	-	-	197,082	197,082
Advance loans from the general fund	-	-	-	1,850,000	1,436,263	3,286,263
Advance loan from other funds	-	-	-	1,275,000	-	1,275,000
Total liabilities	1,693,935	11,338,417	2,502,653	3,125,000	2,517,877	21,177,882
Fund Balances						
Reserved for:						
Long term receivables	900,000	-	-	-	-	900,000
Advances	9,114,633	-	-	-	-	9,114,633
Prepaid rent	98,486	-	-	-	-	98,486
Unreserved, reported in:						
General fund	2,846,106	-	-	-	-	2,846,106
Special revenue funds	-	-	-	-	684,926	684,926
Capital projects funds	-	-	(120,400)	(2,060,696)	(1,898,000)	(4,079,096)
Debt service funds	-	-	-	-	782,738	782,738
Total fund balances	12,959,225	-	(120,400)	(2,060,696)	(430,336)	10,347,793
Total liabilities and fund balances	\$ 14,653,160	\$ 11,338,417	\$ 2,382,253	\$ 1,064,304	\$ 2,087,541	\$ 31,525,675

The accompanying notes to financial statements are an integral part of this financial statement

TOWN OF MAMMOTH LAKES
Statement of Revenue, Expenditures, and Change in Fund Balances
Governmental Funds
Year Ended June 30, 2009

	General Fund	Housing & Community Development Fund	Capital Projects Fund	General Facilities DIF	Other Governmental Funds	Total Governmental Funds
Revenue						
Taxes and assessments	\$ 17,396,176	\$ -	\$ -	\$ -	\$ 582,389	\$ 17,978,565
Licenses and permits	271,806	-	-	-	-	271,806
Intergovernmental	732,461	548,466	5,828,923	-	2,334,243	9,444,093
Charge for services (refund)	1,972,389	-	-	(27,670)	87,362	2,032,081
Fines and penalties	52,041	-	-	-	-	52,041
Use of money and property (refund)	173,425	-	-	-	(1,357)	172,068
Other revenue	64,948	-	215,334	-	53,255	333,537
Total revenue	20,663,246	548,466	6,044,257	(27,670)	3,055,892	30,284,191
Expenditures						
General government	3,920,935	-	-	-	75	3,921,010
Public safety	5,189,854	-	-	-	13,755	5,203,609
Tourism and recreation	3,057,943	-	-	-	77,372	3,135,315
Community development	2,343,342	-	-	-	-	2,343,342
Public ways and facilities	563,156	-	-	613	3,309,018	3,872,787
Capital projects	-	-	6,451,287	144,645	84,464	6,680,396
Transportation and transit	1,184,006	-	-	-	370,722	1,554,728
Workforce housing	534,860	548,466	-	-	-	1,083,326
Debt service	-	-	-	-	1,480,651	1,480,651
Total expenditures	16,794,096	548,466	6,451,287	145,258	5,336,057	29,275,164
Excess of Revenue over (under) Expenditures	3,869,150	-	(407,030)	(172,928)	(2,280,165)	1,009,027
Other Financing Sources (Uses)						
Transfers in	11,420,694	-	457,012	-	3,234,139	15,111,845
Transfers (out)	(15,639,519)	-	(170,382)	(45,592)	(653,675)	(16,509,168)
Total other financing sources (uses)	(4,218,825)	-	286,630	(45,592)	2,580,464	(1,397,323)
Change in Fund Balances	(349,675)	-	(120,400)	(218,520)	300,299	(388,296)
Fund Balances - beginning	13,308,900	-	-	(1,842,176)	(730,635)	10,736,089
Fund Balances - end of year	\$ 12,959,225	\$ -	\$ (120,400)	\$ (2,060,696)	\$ (430,336)	\$ 10,347,793

The accompanying notes to financial statements are an integral part of this financial statement

TOWN OF MAMMOTH LAKES
Proprietary Funds
Statement of Net Assets
June 30, 2009

	Business-type Activities			Governmental Activities - Internal Service Funds
	Airport	Landfill	Total Enterprise Funds	
Assets				
Current assets:				
Cash and investments	\$ 98,131	\$ 16,330	\$ 114,461	\$ 3,873,011
Receivables - accounts and grants	837,863	779	838,642	97,520
Due from other funds	-	-	-	1,547,987
Inventory	709	-	709	343,470
Advance loans to other funds	-	-	-	1,275,000
Total current assets	936,703	17,109	953,812	7,136,988
Noncurrent assets:				
Note receivable	57,790	-	57,790	-
Capital assets not being depreciated	544,316	-	544,316	-
Capital assets, net of depreciation	12,272,351	-	12,272,351	3,988,521
Total noncurrent assets	12,874,457	-	12,874,457	3,988,521
Total assets	13,811,160	17,109	13,828,269	11,125,509
Liabilities				
Current liabilities:				
Accounts payable	409,687	44	409,731	38,135
Accrued liabilities	15,012	-	15,012	24,272
Current portion of long term debt	42,066	-	42,066	211,645
Advance loan from the general fund	5,236,997	-	5,236,997	-
Total current liabilities	5,703,762	44	5,703,806	274,052
Noncurrent liabilities:				
Due in more than one year	226,875	-	226,875	182,015
Compensated absences	23,339	-	23,339	43,930
Total noncurrent liabilities	250,214	-	250,214	225,945
Total liabilities	5,953,976	44	5,954,020	499,997
Net Assets				
Invested in capital assets, net of related debt	12,547,726	-	12,547,726	3,594,861
Unrestricted	(4,690,542)	17,065	(4,673,477)	7,030,651
Total net assets	\$ 7,857,184	\$ 17,065	\$ 7,874,249	\$ 10,625,512

The accompanying notes to financial statements are an integral part of this financial statement

TOWN OF MAMMOTH LAKES
Proprietary Funds
Statement of Revenue, Expenses, and Change in Net Assets
Year Ended June 30, 2009

	Business-type Activities			Governmental Activities - Internal Service Funds
	Airport	Landfill	Total Enterprise Funds	
Operating Revenue				
Charges for services	\$ 434,827	\$ 11,510	\$ 446,337	\$ 2,567,065
Operating grants	10,000	-	10,000	-
Total operating revenue	<u>444,827</u>	<u>11,510</u>	<u>456,337</u>	<u>2,567,065</u>
Operating Expenses				
Personnel services	177,259	17,016	194,275	836,496
Maintenance and operations	531,774	13,769	545,543	465,232
Depreciation	1,288,029	-	1,288,029	706,645
Total operating expenses	<u>1,997,062</u>	<u>30,785</u>	<u>2,027,847</u>	<u>2,008,373</u>
Operating Income (Loss)	<u>(1,552,235)</u>	<u>(19,275)</u>	<u>(1,571,510)</u>	<u>558,692</u>
Nonoperating Revenue (Expenses)				
Investment earnings	-	448	448	126,964
Other revenue	-	-	-	68,932
Professional services	(845,241)	-	(845,241)	-
Interest expense	(108,099)	-	(108,099)	-
Total nonoperating revenue (expenses)	<u>(953,340)</u>	<u>448</u>	<u>(952,892)</u>	<u>195,896</u>
Income Before Contributions/Transfers	<u>(2,505,575)</u>	<u>(18,827)</u>	<u>(2,524,402)</u>	<u>754,588</u>
Capital contributions - grant proceeds	6,634,813	-	6,634,813	-
Transfers in	3,320,229	-	3,320,229	73,281
Transfers (out)	(2,063,776)	-	(2,063,776)	(54,125)
Change in Net Assets	<u>5,385,691</u>	<u>(18,827)</u>	<u>5,366,864</u>	<u>773,744</u>
Net Assets - beginning	<u>2,471,493</u>	<u>35,892</u>	<u>2,507,385</u>	<u>9,851,768</u>
Net Assets - end of year	<u>\$ 7,857,184</u>	<u>\$ 17,065</u>	<u>\$ 7,874,249</u>	<u>\$ 10,625,512</u>

The accompanying notes to financial statements are an integral part of this financial statement

**TOWN OF MAMMOTH LAKES
Proprietary Funds
Statement of Cash Flows
Year Ended June 30, 2009**

CASH FLOWS PROVIDED BY (USED FOR)

	Business-type Activities			Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Airport	Landfill			
Operating Activities					
Cash received from customers	\$ 438,311	\$ 19,299	\$	457,610	\$ 2,572,412
Cash paid for employee compensation	(172,816)	(18,378)		(191,194)	(549,400)
Cash paid to suppliers of goods and services	(754,215)	(13,740)		(767,955)	(544,850)
Cash paid for benefit claims	-	-		-	(267,879)
Cash received from operating grants	10,000	-		10,000	-
Net cash provided (used)	<u>(478,720)</u>	<u>(12,819)</u>		<u>(491,539)</u>	<u>1,210,283</u>
Noncapital Financing Activities					
Transfers in	3,320,229	-		-	73,281
Advance to DIF funds	-	-		-	(1,275,000)
Advance to capital projects fund	-	-		-	(1,547,987)
Transfers (out)	(2,063,776)	-		-	(54,125)
Net cash provided (used)	<u>1,256,453</u>	-		-	<u>(2,803,831)</u>
Capital & Related Financing Activities					
Proceeds from capital grants	7,873,902	-		7,873,902	-
Advance from general fund	1,741,545	-		1,741,545	-
Cash paid for professional services	(845,241)	-		(845,241)	-
Other cash received	-	-		-	68,932
Purchase of capital assets	(9,323,294)	-		(9,323,294)	(60,630)
Repayment of capital lease obligations	(37,963)	-		(37,963)	(308,439)
Interest paid on debt obligations	(108,099)	-		(108,099)	-
Net cash provided (used)	<u>(699,150)</u>	-		<u>(699,150)</u>	<u>(300,137)</u>
Investing Activities					
Investment earnings	-	448		448	126,964
Net Increase (Decrease) in Cash					
Cash and cash equivalents - beginning	78,583	(12,371)		(1,190,241)	(1,766,721)
Cash and cash equivalents - end of year	<u>98,131</u>	<u>\$ 16,330</u>		<u>\$ (1,141,992)</u>	<u>\$ 5,639,732</u>
Operating Activities Analysis					
Operating Income (Loss) (page 17)	\$ (1,552,235)	\$ (19,275)	\$	(1,571,510)	\$ 558,692
Reconciliation adjustments:					
Depreciation and disposals	1,402,275	-		1,402,275	706,645
(Increase) decrease in trade receivables	3,484	7,789		11,273	5,347
(Increase) decrease in inventory	(57,123)	-		(57,123)	19,052
Increase (decrease) in accounts payable	(279,564)	29		(279,535)	(79,618)
Increase (decrease) in accrued liabilities	4,443	(1,362)		3,081	165
Net cash provided (used)	<u>(478,720)</u>	<u>\$ (12,819)</u>		<u>\$ (491,539)</u>	<u>\$ 1,210,283</u>

The accompanying notes to financial statements are an integral part of this financial statement

TOWN OF MAMMOTH LAKES
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2009

Assets	
Cash and investments	\$ 3,305,869
Cash with fiscal agent	2,085,930
Accounts receivables	116,210
Total Assets	<u>5,508,009</u>
Liabilities	
Accounts payable	27,375
Accrued liabilities	5,900
Loan payable	591,372
Total Liabilities	<u>624,647</u>
Net Assets Held in Trust	<u>\$ 4,883,362</u>

The accompanying notes to financial statements are an integral part of this financial statement

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the Town.

Note 1 - Significant Accounting Policies

Note 2 - Stewardship, Compliance, and Accountability

Note 3 - Cash and Investments

Note 4 - Accounts and Grants Receivables

Note 5 - Loans and Notes Receivables

Note 6 - Capital Assets

Note 7 - Payables and Accrued Liabilities

Note 8 - Long Term Debt Obligations

Note 9 - Due to Other Funds / Due from Other Funds

Note 10 - Advances to Other Funds / Advances from Other Funds

Note 11 - Interfund Transfers

Note 12 - Defined Benefit Pension Plan

Note 13 - Nature and Purpose of Reported Reserves and Designations

Note 14 - Risk Management

Note 15 - Commitments and Contingencies

Note 16 - Assessment District Debt

Note 17 - Dependence upon Tourism Industry

Note 18 - New Pronouncements

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

The accounting policies of the Town of Mammoth Lakes conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA) as applicable to governments. The following is a summary of the more significant policies.

A. Description of the Reporting Entity

The Town of Mammoth Lakes, and the Mammoth Lakes Municipal Service Corporation, comprise the reporting entity. Although these entities are legally separate from each other, they are presented on a blended basis as part of the primary government because their governing boards consist exclusively of all five members of the Town Council. Under the criteria in GASB Statement No. 14, as amended by GASB No. 39, these entities meet the criteria for inclusion within the Town's financial reports. Financial information for the Town of Mammoth Lakes Municipal Service Corporation is available at the Finance Department of the Town of Mammoth Lakes. The Town has no discretely presented component units. The accompanying financial statements contain information for the total reporting entity.

Mammoth Lakes Municipal Service Corporation - This corporation was organized on August 1, 1989, pursuant to the Nonprofit Public Benefit Corporations Law of the State of California, solely for the purpose of providing assistance to the Town by acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The Corporation was formed at the request of the Town to assist in lease financing of certain capital improvement projects. The Corporation's financial data and transactions are included within the Debt Service Fund. Oversight responsibility is determined by such criteria as financial interdependency, selection of governing authority and designation of management, budget control and the ability to significantly influence operations in accordance with GASB Statement No. 14, and amended by GASB No. 39.

B. Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. 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 and charges for support.

The statement of activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Expenses reported for functional activities include allocated indirect expenses.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements

The accounting system of the Town is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operation fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund or enterprise fund are at least 10% of the corresponding total for all funds of that category or type.
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. The government has determined that a fund is important to the financial statement user.

The funds of the financial reporting entity are described below:

Governmental Fund Types - Governmental funds are the funds through which most general government functions typically are financed. The Town maintains the following fund types:

General Fund - the general fund accounts for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds – these funds are used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – these funds are used to account for the accumulation of resources for, and the repayment of, general long-term debt obligation payments for principal, interest and related costs.

Capital Projects Fund – these funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Fund Types - Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the Town's proprietary fund types:

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

Enterprise Funds – these funds are established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Town is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Mammoth Yosemite Airport and the Long Valley Landfill are reported as enterprise funds.

Internal Service Funds – these funds are established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, and to other government units on a cost reimbursement basis. The Town's purchasing of vehicles and equipment, and the self insurance employee benefit program, is reported as internal service funds.

Fiduciary Fund Types - Fiduciary funds account for assets held by the Town as a trustee or agent for individuals, private organizations, and other units of governments. The Town's funds included in this category are as follows:

Expendable Trust Funds – these funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

Agency Funds – these funds account for assets held by the Town as trustee or agent for individuals, private organizations, assessment districts, or other governmental units and/or other funds.

The Major Funds are as follows:

General Fund - this fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Housing and Community Development Fund - this fund is used to account for funds received by the Town and loaned to real estate developers for the sole purpose of building affordable housing.

Capital Projects Fund - this fund is used to account for general construction and rehabilitation projects of the Town, such as street projects grant funded by the State Transportation Improvement Program (STIP).

General Facilities Developer Impact Fee Fund - this fund is used to account for revenues received from real estate developers to mitigate the additional burden placed upon the Town for the additional facilities cost associated with providing services to the Town's citizens.

Measurement Focus

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The Government-wide Statement of Net Assets, and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus. The accounting objectives of the economic measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

In the fund financial statement, the “current financial resources” measurement focus or the “economic resources” measurement focus is used, as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an “economic resources” measurement focus. Proprietary fund equity is classified as net assets.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets, and Statement of Activities, both governmental and business-like activities are presented using the “accrual basis of accounting.” Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred and the amount of obligation is ascertainable. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

On the fund financial statements, governmental funds are presented on the “modified accrual basis of accounting.” Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Revenues which are susceptible to accrual include property taxes and special assessments that are levied for and due for the fiscal year and collected within 60 days after year-end. Licenses, permits, fines, penalties, charges for services and miscellaneous revenues are recorded as governmental fund type revenues when received in cash because they are not generally measurable until actually received. Revenue from taxpayer assessed taxes, such as sales taxes, are recognized in the accounting period in which they became both measurable and available to finance expenditures of the fiscal period. Grant revenues, which are normally reimbursements of expenses under contractual agreements, are recorded as a receivable when earned rather than when susceptible to accrual. Generally, this occurs when authorized expenditures are made under the grant program or contractual agreement. Expenditures are recognized when the fund liability is incurred, if measurable, except for unmatured interest on long-term debt in the governmental funds, which is recognized when due.

Proprietary funds use the “accrual basis of accounting” which records the financial effect on an enterprise of transactions and other events and circumstances that have cash consequences for an enterprise in the periods in which those transactions, events and circumstances occur rather than only when cash is received or paid by the enterprise. The Town has made an election in accordance with GASB Statement No. 20, not to follow the Financial Accounting Standards Board Statements after November 30, 1989, but rather use the Governmental Accounting Standards Board (GASB) Statements for accounting and financial statement presentation purposes.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

C. Budgetary Data

General Budget Policies - the Town maintains budgetary controls of which the objective is to ensure compliance with legal provisions embodied in the annual budget approval by the Town Council. Budgetary control for operations is maintained at the department level by individual funds. Budgetary control for capital improvement projects (i.e., project-length financial plans) is maintained at the individual project level by fund. The Town's budgeted expenditure authority lapses at the end of each fiscal year. However, outstanding purchase order commitments may be reappropriated for the subsequent fiscal year upon Town Council approval. This approval is generally limited to capital improvement projects.

Budget Basis of Accounting - budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America as prescribed by the GASB and the American Institute of Certified Public Accountants (AICPA). The Budgetary Comparison Schedules of the General Fund and Major Funds present comparisons of legally adopted budget amounts (both the original budget and final budget), and actual amounts, on the budgetary basis. The budgeting basis is substantially equivalent to the Town's accounting basis; thus no reconciliation between the two is considered necessary.

D. Other Accounting Policies

Cash and Investments – the Town follows the requirements of GASB 3, as amended by GASB 31, and GASB 40, in reporting cash and investments at fair value and disclosing risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk, as applicable.

Compensated Absences - the Town utilizes the general fund and proprietary funds to account for its compensated absences. Resources have been set aside to cover short-term and long-term liabilities. The Town's method of calculating the liability is in accordance with GASB Statement No. 16, except that additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer's share of pension contributions, social security and medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole. Comprehensive leave pay is payable to employees at the time the leave is taken or upon termination of employment. Comprehensive leave is payable for any type of employee leave, and may not exceed 1,040 hours cumulative. Any excess leave is paid to an employee at the end of each fiscal year. In addition, an employee may request a *pay out* of comprehensive leave twice a year but must maintain a balance of 240 hours to receive a *pay out*.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Inventories

Inventories are physically counted annually and are valued at cost, on the weighted average method, which approximates fair value. Inventories primarily consist of expendable supplies in the vehicle service fund.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

G. Capital Assets

Capital assets used in governmental fund type operations are accounted for on the statement of net assets. Public domain (infrastructure) general capital assets consisting of certain improvements other than buildings, such as roads, sidewalks and bridges are capitalized prospectively starting July 1, 2003 in accordance with GASB Statement No. 34. Town policy has set the capitalization threshold for reporting capital assets at \$5,000. Capital outlay is recorded as *expenditures* of the general and special revenue funds and as *assets* in the government-wide financial statements to the extent the Town's capitalization threshold is met. Donated assets are recorded at estimated fair value at the date of donation.

Property, plant and equipment acquired for proprietary funds are capitalized in the respective fund to which it applies and are stated at their cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the capital assets which range from 3 to 15 years for equipment and vehicles, and 20 to 50 years for buildings and improvements. Land, art and treasurers are not considered exhaustible, therefore are not being depreciated. In the government-wide statement of activities, depreciation expense is allocated to the following functions or programs as follows:

- General government 80%
- Public safety 10%
- Public ways 10%

H. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Property Taxes

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations - are established by the Assessor of the County of Mono for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies - are limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies

Tax Levy Dates - are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections - are the responsibility of the Mono County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by Mono County for late payments. The Town has elected to receive the Town's portion of the property taxes from the County under the State enacted "Teeter Bill." Under this program, the Town receives 100% of the Town's share of the levied property taxes in periodic payments, with the County assuming responsibility for collecting the delinquencies as well as keeping the late penalties and interest.

Tax Levy Apportionments - due to the nature of the Town-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total Town-wide levy for the three fiscal years prior to fiscal year 1979.

Property Tax Administration Fees - the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

J. Receivables and Payables

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due to/due from other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation, and are not expendable available financial resources. Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable, and considered available if received within 60 days of year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net assets.

The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The Town considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur. Grants, entitlements or shared revenues are recorded as receivables and revenues in the General, Special Revenue and Capital Projects Funds when they are received or susceptible to accrual.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 1 - Significant Accounting Policies (concluded)

K. Allowance for Uncollectible Accounts

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

L. Net Assets

The Town's net assets are classified on the Statement of Net Assets as follows:

Invested in Capital Assets - represents the Town's total investment in capital assets net of any related acquisition debt.

Restricted Net Assets - include resources that the Town is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted Net Assets - represent resources derived from sources without spending restrictions. These resources are used for transactions relating the general operations of the Town, and may be used at the discretion of the Town Council to meet current expenses for any purpose.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

The Town follows these annual procedures in establishing the budgetary data reflected in the financial statements:

- The Town Manager submits to the Town Council a proposed draft budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- The Town Council reviews the proposed budget at special scheduled sessions which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
- Prior to July 1, the budget is adopted by minute action of the Town Council.
- 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 Town departments. The Town Council may amend the budget by minute action during the fiscal year. The Town Manager may authorize transfers from one object or purpose to another within the same department. All appropriations lapse at year end.

Excess of Expenditures over Appropriations

For the year ended June 30, 2009, expenditures exceeded appropriations in the general fund by \$349,640. These over-expenditures were funded by both greater than anticipated revenues in the case of the general fund, and by less actual expenditures than were budgeted in the general fund.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 2 - Stewardship, Compliance, and Accountability (continued)

Revenue Limitations Imposed By California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

Note 3 - Cash and Investments

The Town follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets	
Cash and investments	\$ 7,789,577
Investments with fiscal agent	783,270
subtotal	8,572,847
Statement of Fiduciary Assets and Liabilities	
Cash and investments	3,305,869
Investments with fiscal agent	2,085,930
subtotal	5,391,799
Total cash and investments	\$ 13,964,646

Cash and Investments at June 30, 2009 consist of the following:

Deposits with financial institutions	\$ 126,306
Cash on hand	1,900
Investment with Local Agency Investment Fund	11,134,546
Investments by fiscal agents	2,701,894
Total cash and investments	\$ 13,964,646

Investment in State Investment Pool

The Town is a voluntary participant in the Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day to day administration of the State Treasurer. There is a five member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. As of June 30, 2009, LAIF had more than 2,770 participants and approximately \$22 billion in investments.

The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 3 - Cash and Investments (continued)

The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Annual reports of the Local Agency Investment Fund may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

Investment Policy

Authorized investment instruments which may be utilized and which are in accordance with California Government Code Section 53601 are as follows:

<u>Permitted Investments/Deposits</u>	<u>Maximum Percentages</u>	<u>Maximum Maturity</u>
<u>Investment Type A:</u>		
Securities of the US Government	Unlimited	5 years
Certificates of Deposit	Unlimited	5 years
Commercial Paper (A-1, P-1, F-1, only)	25%	270 days
Local Agency Investment Fund (LAIF)	\$40,000,000	n/a
Passbook Deposits	—	n/a
<u>Investment Type B:</u>		
Negotiable Certificates of Deposit	30%	5 years
Bankers Acceptances	40%	180 days
Repurchase Agreements	—	1 year
Mutual Funds	15%	5 years
Medium Term Notes	30%	5 years

Type A investments do not require any specific approval of the Town Council. All Type B investments require a specific resolution of the Town Council prior to the investment purchase/deposit.

Disclosures Relating to 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

	<u>Fair Value</u>	<u>Maturity Date / Yield</u>
State investment pool	\$ 11,134,546	7.8 months average maturity, 1.51% yield
Money Market funds	2,701,894	due on demand, yield under 1%

Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California Government Code. There are no investments in any single issuer that represent 5% or more of total Town investments. Nearly 81% of the Town's investments at year end are in LAIF.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 3 - Cash and Investments (concluded)

Investment of debt proceeds held by a bond trustee in any single issuer that represent 5% or more of total investments by a reporting unit (primary government, discretely presented component unit, governmental activities, major fund, nonmajor funds in the aggregate and fiduciary funds) are as follows: \$2,701,894 of the cash and investment amounts held by bond trustee are invested in money market funds, with a current yield of under 1%. \$783,270 represents amounts in the Town's debt service fund, and \$1,918,624 represents amounts held in the Town's fiduciary fund, which total represents 19% of the Town's cash and investments at year end.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government 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 and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

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 (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Note 4 - Accounts and Grants Receivables

At June 30, 2009, accounts and grants receivables as reported in the Statement of Net Assets consist of the following:

Transit occupancy tax	\$	477,700
Sales tax		161,100
Gasoline tax		40,618
Property tax		448,591
Utility users tax		50,700
Franchise fees		74,225
Grants - FAA		456,723
Grants - capital projects		2,381,981
Grants - transportation		250,860
Grants - public safety		142,064
Mono County - reimbursements		94,641
Developer		367,500
Interest		6,429
Charge for services		471,142
Other		96,980
	\$	<u>5,521,254</u>

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 5 - Loans and Notes Receivable

The Town participates in "Housing Rehabilitation and Affordable Housing Loan Programs" designed to encourage construction and improvement to low-to-moderate income housing or other similar projects. Under these programs, grants and loans are provided under favorable terms to homeowners and real estate developers who agree to spend these funds in accordance with the Town's loan agreement terms. Although these loans are expected to be repaid in full, their balance has been offset by a deferred revenue account, as they are not expected to be repaid during the next fiscal year.

At June 30, 2009, notes receivables as reported in the Statement of Net Assets consist of the following:

General Fund:	
Aspen Village housing	\$ 900,000
Special Revenue Funds:	
Bristlecone Apartments	977,684
Inyo Mono Advocates	820,532
Aspen Village housing	2,000,000
Aspen Village housing	3,412,500
Jeffries Apartments	3,412,500
MLF, Inc, HELP housing	468,794
HELP housing grant loan	246,407
	<u>\$ 12,238,417</u>

Note 6 - Capital Assets

Governmental-type capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Non-depreciable assets:				
Land	\$ 17,574,933	\$ -	\$ -	\$ 17,574,933
Depreciable assets:				
Buildings and structures	18,874,525	323,208	-	19,197,733
Streets and roads	169,314,090	5,994,469	-	175,308,559
Storm drains	13,297,796	-	-	13,297,796
Vehicles and equipment	792,355	45,560	(12,320)	825,595
subtotal-depreciable assets	202,278,766	6,363,237	(12,320)	208,629,683
Less depreciation	(109,879,976)	(9,242,451)	5,583	(119,116,844)
Depreciable assets, net	92,398,790	(2,879,214)	(6,737)	89,512,839
Total capital assets, net	<u>\$ 109,973,723</u>	<u>\$ (2,879,214)</u>	<u>\$ (6,737)</u>	<u>\$ 107,087,772</u>

Depreciation expense was charged to governmental activity functions as follows:

General government	\$ 7,210,492
Public safety	901,312
Public ways	901,312
	<u>\$ 9,013,116</u>

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 6 - Capital Assets (continued)

Internal Service Fund capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Vehicles and equipment	\$ 9,458,870	\$ 60,630	\$ (290,344)	\$ 9,229,156
Less depreciaton	(4,824,334)	(706,645)	290,344	(5,240,635)
Total capital assets, net	<u>\$ 4,634,536</u>	<u>\$ (646,015)</u>	<u>\$ -</u>	<u>\$ 3,988,521</u>

Reported in the Statement of Net Assets are the combined capital assets of the governmental-type and internal service funds, as follows:

	Govermental type	Internal Service	Total
Capital assets, not being depreciated	\$ 17,574,933	\$ -	\$ 17,574,933
Capital assets, net of depreciation	89,512,839	3,988,521	93,501,360
			<u>\$ 111,076,293</u>

Business-type capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Non-depreciable assets:				
Land	\$ 544,316	\$ -	\$ -	\$ 544,316
Depreciable assets:				
Buildings and runway	6,605,002	7,770,664	-	14,375,666
Vehicles and equipment	1,329,341	588,171	(147,425)	1,770,087
subtotal-depreciable assets	7,934,343	8,358,835	(147,425)	16,145,753
Less depreciation	(2,732,797)	(1,288,030)	147,425	(3,873,402)
Depreciable assets, net	5,201,546	7,070,805	-	12,272,351
Total capital assets, net	<u>\$ 5,745,862</u>	<u>\$ 7,070,805</u>	<u>\$ -</u>	<u>\$ 12,816,667</u>

Reported in the Statement of Net Assets are the airport enterprise fund capital assets, net of depreciation (the landfill fund does not own capital assets), as follows:

Capital assets, not being depreciated	\$ 544,316
Capital assets, net of depreciaton	12,272,351

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 7 - Payables and Accrued Liabilities

At June 30, 2009, accounts payables and accrued liabilities as reported in the Statement of Net Assets consist of the following:

Capital projects in progress	\$ 1,450,708
Utilities	30,762
Fuel	38,135
Transit	37,766
Various consultants and vendors	382,565
Total accounts payable	\$ 1,939,936
Accrued wages, taxes and benefits	\$ 521,916
Total accrued liabilities	\$ 521,916

Note 8 - Long Term Debt Obligations

A. Compensated Absences

Town employees accumulate earned but unused vacation pay benefits which can be converted to cash at termination of employment. Since no means exists to reasonable estimate the amounts that might be liquidated with expendable currently available resources, if any, they are reported as long-term debt obligations on the statement of net assets. No expenditure is reported for these amounts in the fund statements. However, in the statement of activities the expenditure is allocated to each function based on usage. The non-current portion of these vested benefits, payable in accordance with various collective bargaining agreements at year end totaled \$709,500 for governmental activities, and \$23,339 for business-type activities.

B. Capital Lease Obligations

As lessee, the Town is obligated under certain capital lease-purchase agreements. The assets and corresponding liabilities are accounted for in the vehicle internal service fund. Assets acquired under such agreements amounted to \$393,660 at June 30, 2009. The schedule of future minimum lease payments due, together with the present value of the minimum lease payments, is as follows:

<u>Year Ending June 30,</u>	<u>Annual</u> <u>Payments</u>
2010	\$ 211,645
2011	193,596
Total minimum lease payments	405,241
Less: amount representing interest	(11,581)
Present value of future minimum lease payments	\$ 393,660

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 8 - Long Term Debt Obligations (continued)

C. Loans Payable - Governmental Activities

On August 16, 2004, the Municipal Finance Corporation loaned the Town \$500,000 for financing construction of the Visitors Welcome Center. Principal and interest payments in the amount of \$40,600 are due semi-annually on January 15 and July 15, with interest at 3.5% per annum. The debt matures in 2011. As of June 30, 2009, the outstanding balance was \$192,657.

Between 1999 and 2001 the Town borrowed \$1,182,000 from the California State Water Resources Control Board's Revolving Loan Fund, for storm drain improvements. Principal and interest payments in the amount of \$79,000 are due each January, including interest at 2.5% per annum. This debt matures in 2019. As of June 30, 2009, the outstanding balance was \$695,239.

Year Ending June 30,	Loans Payable - Governmental Activities		
	Principal	Interest	Total
2010	\$ 136,768	\$ 23,375	\$ 160,143
2011	140,961	19,182	160,143
2012	104,710	14,856	119,566
2013	66,449	12,538	78,987
2014-2018	358,012	36,925	394,937
2019-2023	80,996	1,926	82,922
	\$ 887,896	\$ 108,802	\$ 996,698

D. Certificates of Participation

On June 1, 2000, the Town issued \$2,470,000 in Certificates of Participation to purchase land. Interest is due semi-annually on June 1 and December 1, with principal payments due June 1 annually. Total annual payments are approximately \$200,000, with an average interest rate of 6.43%. The debt matures in 2025. As of June 30, 2009, the outstanding balance was \$1,960,000.

On April 1, 2003, the Town issued \$5,770,000 in Certificates of Participation to refinance the 1997 COP of the Town, which was issued to refinance 1989 and 1991 COPs of the Town, which were both for capital improvement projects. Interest is due semi-annually on June 1 and December 1, with principal payments due June 1 annually. Total annual payments are approximately \$840,000 per year, with an average interest rate of 2.34%. The debt matures in 2011. As of June 30, 2009, the outstanding balance was \$1,370,000.

On January 7, 2004, the Town issued \$1,370,000 in Certificates of Participation to purchase land for an affordable/workforce housing project. Principal and interest payments in the amount of \$83,300 are due semi-annually on January 27 and July 27, with interest at 3.8% per annum. The debt matures in 2014. As of June 30, 2009, the outstanding balance was \$750,773.

On January 8, 2004, the Town issued \$845,500 in Certificates of Participation of which \$422,750 is taxable to the lender. The COP was issued to purchase land for an affordable/workforce housing project. Principal and interest payments in the amount of \$53,000 are due semi-annually on January 27 and July 27. The interest rate for the non-taxable portion of the COP is 3.89% per annum, while the interest on the taxable portion is 5.65% per annum. The debt matures in 2014. As of June 30, 2009, the outstanding balance was \$474,948.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 8 - Long Term Debt Obligations (continued)

Year Ending June 30,	Certificates of Participation		
	Principal	Interest	Total
2010	\$ 1,100,809	\$ 214,422	\$ 1,315,231
2011	885,723	176,971	1,062,694
2012	329,982	144,389	474,371
2013	344,604	135,049	479,653
2014-2018	799,604	469,067	1,268,671
2019-2023	730,000	270,880	1,000,880
2024-2026	365,019	36,630	401,649
	<u>\$ 4,555,741</u>	<u>\$ 1,447,408</u>	<u>\$ 6,003,149</u>

E. Loans Payable - Business type Activities

The Town is obligated under two loans with the Department of Transportation Aeronautics Division for improvements and operations at the airport. These loans are summarized as follows:

Loaned on September 30, 1985, by the Department of Transportation to the County of Mono in the amount of \$208,222. Pursuant to a subsequent agreement between the Town of Mammoth Lakes and the County of Mono, ownership of the airport and the debt identified above transferred to the Town of Mammoth Lakes in 1991. The purpose of the loan was for an airport improvement project. The loan is amortized over 25 years, with an interest rate of 8.03% per annum. As of June 30, 2009, the outstanding balance was \$16,657.

Loaned on September 14, 1998, by the Department of Transportation to the Town of Mammoth Lakes for a water system and taxi lane extension at the Mammoth Lakes Airport. The loan amount was \$500,000, amortized over 17 years, with an interest rate of 5.0498% per annum. As of June 30, 2009, the outstanding balance was \$252,284.

Year Ending June 30,	Department of Transportation Loans		
	Principal	Interest	Total
2010	\$ 42,066	\$ 14,077	\$ 56,143
2011	43,796	11,705	55,501
2012	37,197	9,245	46,442
2013	38,927	7,367	46,294
2014-2016	106,955	9,956	116,911
	<u>\$ 268,941</u>	<u>\$ 52,350</u>	<u>\$ 321,291</u>

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 8 - Long Term Debt Obligations (concluded)

F. Long term debt activity for the year was comprised of the following:

	Beginning			Ending	Due Within
<u>Governmental Activities</u>	Balance	Additions	Reductions	Balance	One Year
Certificates of participation	\$ 5,621,694	\$ -	\$ (1,065,953)	\$ 4,555,741	\$ 1,100,809
Loans payable	1,020,600	-	(132,704)	887,896	136,769
Capital leases	706,799	39,810	(352,949)	393,660	211,645
Compensated absences	707,840	1,660	-	709,500	-
	<u>\$ 8,056,933</u>	<u>\$ 41,470</u>	<u>\$ (1,551,606)</u>	<u>\$ 6,546,797</u>	<u>\$ 1,449,223</u>
<u>Business-type Activities</u>					
Loans payable	\$ 309,276	\$ -	\$ (40,335)	\$ 268,941	\$ 42,066
Compensated absences	20,697	2,642	-	23,339	-
	<u>\$ 329,973</u>	<u>\$ 2,642</u>	<u>\$ (40,335)</u>	<u>\$ 292,280</u>	<u>\$ 42,066</u>

Note 9 - Due to Other Funds / Due from Other Funds

The following summarizes short-term interfund loans entitled due to and due from other funds. During the year, several funds did not have adequate cash for operations; consequently other funds were able to provide short-term loans for working capital requirements. These balances have been eliminated in the government-wide statements and are expected to be repaid within the next fiscal year.

Due from other funds / receivables

DIF general facilities	\$ 706,591
Internal service fund	1,547,987

Due to other funds / payables

Capital projects fund	\$ 1,547,987
DIF administration overhead	53,821
DIF law enforcement	512,210
DIF storm drains	139,519
DIF circulation (streets)	1,041
	<u>\$ 2,254,578</u>
	<u>\$ 2,254,578</u>

Note 10 - Advances to Other Funds / Advances from Other Funds

The Town in its efforts to become a destination resort has been working for years towards the future development of expanded airport facilities in order to accommodate larger aircraft and has been working closely with the Federal Aviation Administration (FAA) in order to achieve this goal. Scheduled airline service commenced in the fall of 2008. The Town's general fund advanced the Airport enterprise fund the necessary capital funds to accomplish the required capital improvements. A formal interest bearing loan agreement was established.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 10 - Advances to Other Funds / Advances from Other Funds (continued)

The Town has developed a Fractional Assessment District that will capture much needed funding that would otherwise be lost with the development of fractional ownership facilities. Because current State law prohibits the Town from collecting transient occupancy taxes from owners of fractional development, the Fractional Assessment District will provide a taxing mechanism in order to reduce the impact of these facilities on the Town. The Town's general fund loan agreement provides for loan repayment in future years as new Fractional Developments are annexed into the District.

The following summarizes advances to and from other funds. These internal balances have been eliminated in the government-wide financial statements.

<u>Advance loans due from other funds / receivables</u>	
General fund - airport fund	\$ 5,236,997
General fund - other funds	3,375,011
GF recreation fund	502,625
Internal service fund	1,275,000
 <u>Advance loans due to other funds / payables</u>	
Airport enterprise fund	\$ 5,236,997
DIF administrative overhead	365,000
DIF general facilities	3,125,000
DIF law enforcement	176,263
DIF circulation (streets)	895,000
Agency fractional mello tax district	591,373
	<u>\$ 10,389,633</u> <u>\$ 10,389,633</u>

Note 11 - Interfund Transfers

During the fiscal year, various interfund transfers were made to finance expenditures, subsidize operating losses and to service debt. The Town accounts for its capital improvement and construction projects primarily through its gas tax and capital project funds. Such expenditures are primarily funded from general fund revenues, tax revenues, grants and developer impact fees. These transfers are reported in the fiscal period in which the transactions are approved and recorded. Operating transfers for the fiscal year are summarized as follows:

<u>Fund type</u>	<u>Operating transfers</u>	
	<u>In</u>	<u>Out</u>
General fund	\$ 11,420,694	\$ 15,639,519
Special revenue funds	1,626,325	196,662
Capital projects funds	658,346	613,234
Debt service fund	1,406,480	59,753
Internal service fund	73,281	54,125
Airport enterprise fund	3,193,531	74,596
Airport debt service fund	126,698	1,989,180
Agency funds	121,714	-
	<u>\$ 18,627,069</u>	<u>\$ 18,627,069</u>

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 12 - Defined Benefit Pension Plan

Plan Description

All eligible full-time employees participate in the Town's defined benefit pension plan, administered through the California Public Employee's Retirement System, which provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The California Public Employees' Retirement System (CalPERS) is an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provision as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Town selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local resolution (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California, 95814.

Funding Status and Progress

Non-public safety participants are required to contribute 7% of their annual covered salary, while public safety employees are required to contribute 9% of their annual covered salary. The Town makes the contributions required of Town employees on their behalf and for their account. The Town's required contribution is based upon an actuarially determined rate. The current 2008-2009 year rate was 15.1% for non-public safety employees (miscellaneous plan) and 25.3% for public safety employees (safety plan), of annual covered payroll. The projected 2009-2010 year rate is 15.3% for non-public safety employees and 25.4% for public safety employees, of annual covered payroll. The contribution requirements of plan members, and the Town, are established and may be amended by CalPERS.

Annual Pension Cost

The Town's total annual pension cost of \$2,175,960 to CalPERS was equal to the Town's required and actual contributions of \$1,557,928, and the employee share of \$745,134. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method.

The actuarial assumptions included:

- a 7.75% investment rate of return (net of administrative expenses).
- projected annual salary increases of 3.25% to 14.45% depending on age, service and type of employment.
- an inflation rate of 3.0%.
- a payroll growth rate of 3.25%.
- individual salary growth merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.0% and an annual production growth of 0.25%.

The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value). The Schedule of Funding Progress on page 43 shows that both plans were underfunded as of June 30, 2007. Information for the year ending June 30, 2009 has not been released by the Plan Actuary.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 12 - Defined Benefit Pension Plan (continued)

The contribution rate for normal cost is determined using the entry-age normal actuarial cost method, a projected benefit cost method. It takes into account those benefits that are expected to be earned in the future as well as those already accrued. Significant actuarial assumptions used in the 2007 and 2008 valuations to compute the actuarially determined contribution requirement are the same as those used to compute the pension benefit obligation as described above.

Historic Trend Information

Three-year trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 1,414,646	100%	\$-0-
6/30/2008	\$ 2,303,062	100%	\$-0-
6/30/2009	\$ 2,175,960	100%	\$-0-

Other Plans

The Town entered into a contract with the Public Agency Retirement Services (PARS) effective July 2003 for the provision of an additional pension plan for full-time vested safety employees. The Town is funding the plan in accordance with actuarial assumptions as determined by a third party actuary. The Town requires all part-time, seasonal, and temporary non-CalPERS qualified employees to participate in an Alternative Retirement System (ARS) administered by PARS. The ARS replaces participation in the Federal Insurance Contributions Act program also known as Social Security.

Note 13 - Nature and Purpose of Reported Reserves and Designations

The difference between assets and liabilities of governmental funds is reported as fund balance, which is divided into *reserved* and *unreserved* components, with *unreserved* representing amounts considered available for new spending. *Unreserved fund balance* may be further divided into *designated* and *undesignated* portions. Designations represent management's *self imposed* intended future use of available resources (i.e., contingencies, equipment replacement) and generally reflect actual plans approved by the Town Council or senior management. Reservations of fund balance are intended to reflect *demands* or *limitations* on net current financial resources. A summary of the reported reserves and designations by fund at June 30, 2009, follows:

<u>Reserved</u>	
General fund - reserve for long term loans receivables	\$ 900,000
General fund - reserve for long term advance receivable	9,114,633
General fund - reserve for prepaid rent expense	98,486
<u>Unreserved, but designated</u>	
Debt Service fund - designated for future debt service payments	783,270

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 14 - Risk Management

The Town 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 Town is a member of the California Joint Powers Insurance Authority (California JPIA), a public entity risk pool currently operating as a common risk management and insurance program for member cities and townships. The relationship between the Town and the JPIA is such that the JPIA is not a component unit of the Town for financial reporting purposes. The general liability and workers compensation coverages are pooled self-insurance programs administered by the California JPIA on behalf of the member. The comprehensive general and automobile liability insurance, property insurance, and crime insurance are purchased from private insurance companies on behalf of the member.

Note 15 - Commitments and Contingencies

There are various legal claims and legal actions pending against the Town for which no provision has been made in the financial statements because the amount of liability, if any, is unknown except as discussed in the next paragraph. In the opinion of the Town Attorney and Town Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

The Town was the defendant in litigation with a real estate developer for alleged breach of contract. In 2008 a jury awarded the developer \$30 million in damages, and subsequently the judge awarded the prevailing party an additional \$2.3 million for attorney fees. The Town has appealed the judgments.

At June 30, 2009, the Town was in contract in the amount of \$1.6m for street repairs and construction projects which are expected to be completed by December 31, 2009.

Note 16 - Assessment District Debt

The Town acts as an agent for collection of property taxes and repayment of several special assessment improvement bonds issued for assessment districts within the Town. Since the Town is not obligated in the event of any manner for these special assessment bonds, the debt is not recorded in these financial statements.

Note 17 - Dependence upon Tourism Industry

The Town is strongly dependent on tourism generated tax dollars for providing revenue for its *general fund*, the main operating fund of the Town. For example, in fiscal year 2008-09, transient occupancy tax generated 51.2% of general fund revenue with sales tax at 12.8%. Property tax revenue also contributed 20.7% to the general fund. These three revenue sources provided 85% of the Town's general fund revenue.

The tourism industry accounts for all the transient occupancy taxes collected and a significant portion of all sales taxes collected. Consequently, a downturn in the tourism industry for the Town would result in a substantial reduction in general fund revenues. In the event of such a downturn, the Town may have insufficient resources in its general fund to pay all of its obligations or provide services to its citizens at the current level.

TOWN OF MAMMOTH LAKES
Notes to the Financial Statements
June 30, 2009

Note 18 - New Pronouncements

The GASB has issued Statement No. 51, "Accounting and Financial Reporting for Intangible Assets." This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010.

The GASB issued Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions," issued in March 2009, initially distinguishes fund balance between amounts that are considered nonspendable, such as fund balance associated with long-term notes receivable or inventory, and other amounts that are classified as spendable based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts will be reported in the following classifications:

- **Restricted** - Amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.
- **Committed** - Amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority.
- **Assigned** - Amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed.
- **Unassigned** - The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The new standard also clarifies the definitions of individual governmental fund types. It also specifies how economic stabilization or "rainy day" amounts should be reported. Because of the specific nature of these accounts, the statement considers stabilization amount as *specific purposes*. Stabilization amounts should be reported in the general fund as restricted or committed if they meet the appropriate criteria. Only if the resources in the stabilization arrangement derive from a restricted or committed revenue source could a stabilization fund be reported as a special revenue fund.

The definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are clarified by this statement. The capital projects fund type was clarified for better alignment with the needs of financial statement users and prepares. Definitions are as follows:

- **General fund** - Account for and report all financial resources and uses not accounted for and reported in another fund.
- **Special revenue funds** - 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 projects funds** - Account for and report financial resources that are restricted, committed, or assigned to the expenditure for capital outlays, including the acquisition of construction of capital facilities and other capital assets.
- **Debt service funds** - Account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.
- **Permanent funds** - Account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs, that is, for the benefit of the government or its citizenry.

The requirements of this statement are effective for fiscal periods beginning after June 15, 2010 with earlier implementation encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MAMMOTH LAKES
Schedule of Funding Progress
Defined Benefit Pension Plan
Year Ended June 30, 2009

Pooled Report Format

Since the Town has less than 100 active members in each plan, it is required by CalPERS to participate in a risk pool. Therefore, no required supplementary information is required to be reported in this report regarding the funded status of the plan, however the Town believes this information is particularly useful to users of this financial statement report because it displays the unfunded status of the plans. The following valuation reports the activity of the risk pool as a whole, and not the specific activity of individual members such as the Town of Mammoth Lakes.

Miscellaneous 2.7% at 55 Risk Pool

	Actuarial Valuation Date - Year Ended		
	June 30, 2005	June 30, 2006	June 30, 2007
Accrued Liabilities (AL)	\$ 872,346,612	\$ 1,280,157,040	\$ 1,627,025,950
Actuarial Value of Assets (AVA)	\$ 729,556,809	\$ 1,069,546,974	\$ 1,362,059,317
Unfunded Liabilities (UL)	\$ 142,789,803	\$ 210,610,066	\$ 264,966,633
Funded Ratio (AVA/AL)	83.6%	83.6%	83.7%
Annual Covered Payroll	\$ 203,995,039	\$ 304,898,179	\$ 376,292,121
UL As a Percentage of Payroll	70.0%	69.1%	70.4%

Safety 3% at 50 Risk Pool

Accrued Liabilities (AL)	\$ 6,367,049,264	\$ 7,278,049,834	\$ 7,986,055,176
Actuarial Value of Assets (AVA)	\$ 5,295,150,375	\$ 6,102,615,567	\$ 6,826,599,459
Unfunded Liabilities (UL)	\$ 1,071,898,889	\$ 1,175,434,267	\$ 1,159,455,717
Funded Ratio (AVA/AL)	83.2%	83.9%	85.5%
Annual Covered Payroll	\$ 664,147,796	\$ 754,730,438	\$ 831,607,658
UL As a Percentage of Payroll	161.4%	155.7%	139.4%

Note - Details of the defined benefit pension plan can be found in Note 12 of the financial statements. Information for the year ended June 30, 2009 has not been released by the Plan Actuary.

TOWN OF MAMMOTH LAKES
Note to Required Supplementary Information on
Budgetary Comparison Schedules
Year Ended June 30, 2009

The Town follows these procedures in establishing the budgetary date reflected in the financial statements:

- Prior to the close of each fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenues and expenditures.
- Public hearings are conducted at Town Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through Council approved budget.
- The Town Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Town's needs; however, revisions that alter the total expenditures must be approved by the Town Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the Town Council.

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
General Fund
Year Ended June 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Resources (Inflows)				
Taxes and assessments	\$ 21,467,044	\$ 19,864,111	\$ 17,396,176	\$ (2,467,935)
Licenses and permits	1,008,132	354,989	271,806	(83,183)
Intergovernmental	1,163,026	1,358,929	732,461	(626,468)
Charge for services	1,683,325	1,299,012	1,972,389	673,377
Fines and penalties	105,250	105,250	52,041	(53,209)
Use of money and property	387,710	139,278	173,425	34,147
Other revenue	40,800	40,800	64,948	24,148
Transfers in from other funds	7,678,866	7,712,735	11,420,694	3,707,959
Amounts Available for Appropriation	<u>33,534,153</u>	<u>30,875,104</u>	<u>32,083,940</u>	<u>1,208,836</u>
Charges to Appropriations (Outflow)				
General government	3,589,190	3,455,494	3,540,347	(84,853)
Public safety	5,425,589	5,328,340	5,203,609	124,731
Tourism and recreation	3,871,549	3,421,454	3,057,943	363,511
Community development	2,135,909	1,845,877	2,343,342	(497,465)
Public ways and facilities	774,588	697,262	929,989	(232,727)
Transportation and transit	1,474,432	1,189,081	1,184,006	5,075
Workforce housing	534,276	764,232	534,860	229,372
Transfers out to other funds	15,545,298	15,382,235	15,639,519	(257,284)
Total Charges to Appropriations	<u>33,350,831</u>	<u>32,083,975</u>	<u>32,433,615</u>	<u>(349,640)</u>
Surplus (Deficit)	<u>\$ 183,322</u>	<u>\$ (1,208,871)</u>	<u>\$ (349,675)</u>	<u>\$ 859,196</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Housing and Community Development Fund
Year Ended June 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows)				
Intergovernmental	\$ -	\$ -	\$ 548,466	\$ 548,466
Transfers in from other funds	-	-	-	-
Amounts Available for Appropriation	<u>-</u>	<u>-</u>	<u>548,466</u>	<u>548,466</u>
Charges to Appropriations (Outflow)				
Workforce housing	-	-	548,466	(548,466)
Transfers out to other funds	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>548,466</u>	<u>(548,466)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Capital Projects Fund
Year Ended June 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows)				
Intergovernmental	\$ 9,021,741	\$ 9,265,741	\$ 5,828,923	\$ (3,436,818)
Proceeds from debt offering	-	-	-	-
Other revenues	80,000	80,000	215,334	135,334
Transfers in from other funds	1,071,394	1,073,119	457,012	(616,107)
Amounts Available for Appropriation	<u>10,173,135</u>	<u>10,418,860</u>	<u>6,501,269</u>	<u>(3,917,591)</u>
Charges to Appropriations (Outflow)				
Capital projects	10,173,135	10,517,135	6,451,287	4,065,848
Transfers out to other funds	-	-	170,382	(170,382)
Total Charges to Appropriations	<u>10,173,135</u>	<u>10,517,135</u>	<u>6,621,669</u>	<u>3,895,466</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (98,275)</u>	<u>\$ (120,400)</u>	<u>\$ (22,125)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
General Facilities DIF Fund
Year Ended June 30, 2009

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Resources (Inflows)				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-
Charge for services (refund)	105,591	105,591	(27,670)	(133,261)
Transfers in from other funds	-	-	-	-
Amounts Available for Appropriation	<u>105,591</u>	<u>105,591</u>	<u>(27,670)</u>	<u>(133,261)</u>
Charges to Appropriations (Outflow)				
Capital projects	255,110	255,110	144,645	110,465
Public ways and facilities	-	-	613	(613)
Transfers out to other funds	-	-	45,592	(45,592)
Total Charges to Appropriations	<u>255,110</u>	<u>255,110</u>	<u>190,850</u>	<u>64,260</u>
Surplus (Deficit)	<u>\$ (149,519)</u>	<u>\$ (149,519)</u>	<u>\$ (218,520)</u>	<u>\$ (69,001)</u>

OTHER SUPPLEMENTARY INFORMATION

TOWN OF MAMMOTH LAKES
Other Governmental Funds
Combining Balance Sheet
June 30, 2009

	Capital Project Funds:										Total Capital Project Nonmajor Funds
	DIF Admin Overhead	DIF Law Enforcement	DIF Storm Drains	DIF Parks & Recreation	DIF MCOE (Library)	DIF Circulation (Streets)	DIF Fire Facility, Veh. & Eq.	DIF Airport Improvement			
Assets											
Cash and investments	\$ -	\$ -	\$ -	\$ 197,154	\$ 4,441	\$ -	\$ 29,782	\$ 15,540	\$ -	\$ 246,917	
Account receivables (refund)	(170)	(1,752)	255	444	16	457	106	(9)	-	(653)	
Due from other funds	-	-	-	-	-	-	-	-	-	-	
Note Receivable	-	-	-	-	-	-	-	-	-	-	
Restricted Cash with fiscal agent	-	-	-	-	-	-	-	-	-	-	
Total Assets	\$ (170)	\$ (1,752)	\$ 255	\$ 197,598	\$ 4,457	\$ 457	\$ 29,888	\$ 15,531	\$ -	\$ 246,264	
Liabilities											
Accounts payable	\$ 45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45	
Accrued liabilities	1,365	-	-	-	-	-	-	-	-	1,365	
Due to the general fund	365,000	176,263	-	-	-	895,000	-	-	-	1,436,263	
Due to other funds	53,821	512,210	139,518	-	-	1,042	-	-	-	706,591	
Cash overdraft	-	-	-	-	-	-	-	-	-	-	
Total Liabilities	420,231	688,473	139,518	-	-	896,042	-	-	-	2,144,264	
Fund Balances											
Unreserved, reported in:											
Special revenue funds	-	-	-	-	-	-	-	-	-	-	
Capital projects funds	(420,401)	(690,225)	(139,263)	197,598	4,457	(895,585)	29,888	15,531	-	(1,898,000)	
Debt service fund	-	-	-	-	-	-	-	-	-	-	
Total Fund Balances	(420,401)	(690,225)	(139,263)	197,598	4,457	(895,585)	29,888	15,531	-	(1,898,000)	
Total Liabilities and Fund Balances	\$ (170)	\$ (1,752)	\$ 255	\$ 197,598	\$ 4,457	\$ 457	\$ 29,888	\$ 15,531	\$ -	\$ 246,264	

TOWN OF MAMMOTH LAKES
Other Governmental Funds
Combining Balance Sheet
June 30, 2009

Special Revenue Funds:											
	Gas Tax	LTC Planning Transportation & Transit	Measure R	Drug Enforcement	Pending Assessment Districts	Total Special Revenue Nonmajor Funds	Total Capital Project Nonmajor Funds	Debt Service Fund	Total Other Governmental Funds		
Assets											
Cash and investments	\$ 221,845	\$ -	\$ 394,857	\$ 37,486	\$ -	\$ 654,188	\$ 246,917	\$ 4	\$ 901,109		
Account receivables (refund)	40,618	250,197	113,000	-	-	403,815	(653)	-	403,162		
Due from other funds	-	-	-	-	-	-	-	-	-		
Note Receivable	-	-	-	-	-	-	-	-	-		
Restricted Cash with fiscal agent	-	-	-	-	-	-	-	783,270	783,270		
Total Assets	\$ 262,463	\$ 250,197	\$ 507,857	\$ 37,486	\$ -	\$ 1,058,003	\$ 246,264	\$ 783,274	\$ 2,087,541		
Liabilities											
Accounts payable	\$ 67,072	\$ 25,682	\$ 2,840	\$ 81	\$ -	\$ 95,675	\$ 45	\$ 536	\$ 96,256		
Accrued liabilities	75,391	4,929	-	-	-	80,320	1,365	-	81,685		
Due to the general fund	-	-	-	-	-	-	1,436,263	-	1,436,263		
Due to other funds	-	-	-	-	-	-	706,591	-	706,591		
Cash overdraft	-	196,991	-	-	91	197,082	-	-	197,082		
Total Liabilities	\$ 142,463	\$ 227,602	\$ 2,840	\$ 81	\$ 91	\$ 373,077	\$ 2,144,264	\$ 536	\$ 2,517,877		
Fund Balances											
Unreserved, reported in:											
Special revenue funds	120,000	22,595	505,017	37,405	(91)	684,926	-	-	684,926		
Capital projects funds	-	-	-	-	-	-	(1,898,000)	-	(1,898,000)		
Debt service fund	-	-	-	-	-	-	-	782,738	782,738		
Total Fund Balances	\$ 120,000	\$ 22,595	\$ 505,017	\$ 37,405	\$ (91)	\$ 684,926	\$ (1,898,000)	\$ 782,738	\$ (430,336)		
Total Liabilities and Fund Balances	\$ 262,463	\$ 250,197	\$ 507,857	\$ 37,486	\$ -	\$ 1,058,003	\$ 246,264	\$ 783,274	\$ 2,087,541		

TOWN OF MAMMOTH LAKES
Other Governmental Funds

Combining Statement of Revenue, Expenditures, and Change in Fund Balances
Year Ended June 30, 2009

	Capital Project Funds:										Total Capital Project Nonmajor Funds
	DIF Admin Overhead	DIF Law Enforcement	DIF Storm Drains	DIF Parks & Recreation	DIF MCOE (Library)	DIF Circulation (Streets)	DIF Fire Facility, Veh. & Eq.	DIF Airport Improvement			
Revenue											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge for services (refund)	528	2,339	40,934	(18,435)	(1,369)	40,865	(19,277)	(4,704)			40,881
Taxes and assessments	-	-	-	-	-	-	-	-	-	-	-
Use of money and property	(211)	(10,393)	1,311	2,934	123	2,083	837	(4)			(3,320)
Other revenue	26,355	-	-	-	-	810	-	-			27,165
Total Revenue	26,672	(8,054)	42,245	(15,501)	(1,246)	43,758	(18,440)	(4,708)			64,726
Expenditures											
General government	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-
Public ways and facilities	-	-	-	-	-	-	-	-	-	-	-
Capital projects	84,464	-	-	-	-	-	-	-	-	-	84,464
Transportation and transit	-	-	-	-	-	-	-	-	-	-	-
Tourism and recreation	-	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	84,464	-	-	-	-	-	-	-	-	-	84,464
Excess of Revenue over (under) Expenditures	(57,792)	(8,054)	42,245	(15,501)	(1,246)	43,758	(18,440)	(4,708)			(19,738)
Other Financing Sources (Uses)											
Transfers In	-	-	-	74,756	-	108,680	-	17,898			201,334
Transfers (out)	-	(33,436)	(207,771)	-	-	(156,053)	-	-			(397,260)
Total Other Financing Sources (Uses)	-	(33,436)	(207,771)	74,756	-	(47,373)	-	17,898			(195,926)
Change in Fund Balances	(57,792)	(41,490)	(165,526)	59,255	(1,246)	(3,615)	(18,440)	13,190			(215,664)
Fund Balances - beginning	(362,609)	(648,735)	26,263	138,343	5,703	(891,970)	48,328	2,341			(1,682,336)
Fund Balances - end of year	\$ (420,401)	\$ (690,225)	\$ (139,263)	\$ 197,598	\$ 4,457	\$ (895,585)	\$ 29,888	\$ 15,531			\$ (1,898,000)

TOWN OF MAMMOTH LAKES
Other Governmental Funds

Combining Statement of Revenue, Expenditures, and Change in Fund Balances

Year Ended June 30, 2009

	Special Revenue Funds:					Pending Assessment Districts	Total			Total		
	LTC Planning						Special Revenue Nonmajor Funds	Capital Project Nonmajor Funds	Debt Service Fund	Total Governmental Funds	Other	Total
	Gas Tax	Transportation & Transit	Measure R	Drug Enforcement								
Revenue												
Intergovernmental	\$ 1,926,784	\$ 393,553	\$ -	\$ 13,906	\$ -	\$ 2,334,243	\$ -	\$ -	\$ -	\$ 2,334,243		\$ 2,334,243
Charge for services (refund)	46,481	-	-	-	-	46,481	-	40,881	-	87,362		87,362
Taxes and assessments	-	-	582,389	-	-	582,389	-	-	-	582,389		582,389
Use of money and property	-	(2,605)	-	-	-	(2,605)	-	(3,320)	4,568	(1,357)		(1,357)
Other revenue	26,090	-	-	-	-	26,090	-	27,165	-	53,255		53,255
Total Revenue	1,999,355	390,948	582,389	13,906	-	2,986,598	-	64,726	4,568	3,055,892		3,055,892
Expenditures												
General government	-	-	-	-	75	75	-	-	-	75		75
Public safety	-	-	-	13,755	-	13,755	-	-	-	13,755		13,755
Public ways and facilities	3,309,018	-	-	-	-	3,309,018	-	-	-	3,309,018		3,309,018
Capital projects	-	-	-	-	-	-	-	84,464	-	84,464		84,464
Transportation and transit	-	370,722	-	-	-	370,722	-	-	-	370,722		370,722
Tourism and recreation	-	-	77,372	-	-	77,372	-	-	-	77,372		77,372
Debt service	-	-	-	-	-	-	-	-	1,480,651	1,480,651		1,480,651
Total Expenditures	3,309,018	370,722	77,372	13,755	75	3,770,942	-	84,464	1,480,651	5,336,057		5,336,057
Excess of Revenue over (under) Expenditures	(1,309,663)	20,226	505,017	151	(75)	(784,344)	-	(19,738)	(1,476,083)	(2,280,165)		(2,280,165)
Other Financing Sources (Uses)												
Transfers in	1,626,325	-	-	-	-	1,626,325	-	201,334	1,406,480	3,234,139		3,234,139
Transfers (out)	(196,662)	-	-	-	-	(196,662)	-	(397,260)	(59,753)	(653,675)		(653,675)
Total Other Financing Sources (Uses)	1,429,663	-	-	-	-	1,429,663	-	(195,926)	1,346,727	2,580,464		2,580,464
Change in Fund Balances	120,000	20,226	505,017	151	(75)	645,319	-	(215,664)	(129,356)	300,299		300,299
Fund Balances - beginning	-	2,369	-	37,254	(16)	39,607	-	(1,682,336)	912,094	(730,635)		(730,635)
Fund Balances - end of year	\$ 120,000	\$ 22,595	\$ 505,017	\$ 37,405	\$ (91)	\$ 684,926	\$ (1,898,000)	\$ 782,738	\$ (430,336)	\$ (430,336)		\$ (430,336)

TOWN OF MAMMOTH LAKES
Internal Service Funds
Combining Statement of Net Assets
June 30, 2009

	Vehicle Service	Self- Insurance	Totals
Assets			
Cash and investments	\$ 3,682,740	\$ 190,271	\$ 3,873,011
Accounts receivable	83,829	13,691	97,520
Inventory	343,470	-	343,470
Due from other funds	1,547,987	-	1,547,987
Note receivable	1,275,000	-	1,275,000
Capital assets, net of depreciation	3,988,521	-	3,988,521
Total Assets	10,921,547	203,962	11,125,509
Liabilities			
Accounts payable	18,219	19,916	38,135
Accrued liabilities	23,571	701	24,272
Compensated absences	43,930	-	43,930
Capital lease obligations	393,660	-	393,660
Total Liabilities	479,380	20,617	499,997
Net Assets			
Invested in capital assets, net of related debt	3,594,861	-	3,594,861
Unrestricted	6,847,306	183,345	7,030,651
Total Net Assets	\$ 10,442,167	\$ 183,345	\$ 10,625,512

TOWN OF MAMMOTH LAKES

Internal Service Funds

Combining Statement of Revenues, Expenses, and Change in Net Assets

Year Ended June 30, 2009

	<u>Vehicle Service</u>	<u>Self- Insurance</u>	<u>Totals</u>
Operating Revenues			
Charges for services	\$ 2,186,962	\$ 380,103	\$ 2,567,065
Operating Expenses			
Personal services	568,617	-	568,617
Maintenance and operations	465,232	-	465,232
Benefit claims	-	267,879	267,879
Depreciation	706,645	-	706,645
Total Operating Expenses	<u>1,740,494</u>	<u>267,879</u>	<u>2,008,373</u>
Operating Income (Loss)	<u>446,468</u>	<u>112,224</u>	<u>558,692</u>
Nonoperating Revenues (Expenses)			
Investment earnings	126,964	-	126,964
Other revenues	68,932	-	68,932
Total Nonoperating Revenues (Expenses)	<u>195,896</u>	<u>-</u>	<u>195,896</u>
Income Before Transfers	<u>642,364</u>	<u>112,224</u>	<u>754,588</u>
Transfers in from other funds	67,281	6,000	73,281
Transfers (out) to other funds	<u>(54,125)</u>	<u>-</u>	<u>(54,125)</u>
Change in Net Assets	<u>655,520</u>	<u>118,224</u>	<u>773,744</u>
Net Assets - Beginning	<u>9,786,647</u>	<u>65,121</u>	<u>9,851,768</u>
Net Assets - End of year	<u>\$ 10,442,167</u>	<u>\$ 183,345</u>	<u>\$ 10,625,512</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Administrative Overhead Fund 830
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	78,362	528	(77,834)
Taxes and assessments	-	-	-
Use of money and property (refund)	-	(211)	(211)
Other revenue	-	26,355	26,355
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>78,362</u>	<u>26,672</u>	<u>(51,690)</u>
Charges to Appropriations (Outflow):			
General government	7,225	-	7,225
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	84,464	(84,464)
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>7,225</u>	<u>84,464</u>	<u>(77,239)</u>
Surplus (Deficit)	<u>\$ 71,137</u>	<u>\$ (57,792)</u>	<u>\$ (128,929)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Law Enforcement Fund 832
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	42,976	2,339	(40,637)
Taxes and assessments	-	-	-
Use of money and property (refund)	-	(10,393)	(10,393)
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>42,976</u>	<u>(8,054)</u>	<u>(51,030)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	107,640	33,436	74,204
Total Charges to Appropriations	<u>107,640</u>	<u>33,436</u>	<u>74,204</u>
Surplus (Deficit)	<u>\$ (64,664)</u>	<u>\$ (41,490)</u>	<u>\$ 23,174</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Storm Drains Fund 833
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	399,759	40,934	(358,825)
Taxes and assessments	-	-	-
Use of money and property	-	1,311	1,311
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>399,759</u>	<u>42,245</u>	<u>(357,514)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	207,771	(207,771)
Total Charges to Appropriations	<u>-</u>	<u>207,771</u>	<u>(207,771)</u>
Surplus (Deficit)	<u>\$ 399,759</u>	<u>\$ (165,526)</u>	<u>\$ (565,285)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Parks and Recreation Fund 834
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	342,948	(18,435)	(361,383)
Taxes and assessments	-	-	-
Use of money and property	-	2,934	2,934
Other revenue	-	-	-
Transfers in from other funds	-	74,756	74,756
Amounts Available for Appropriation	<u>342,948</u>	<u>59,255</u>	<u>(283,693)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>\$ 342,948</u>	<u>\$ 59,255</u>	<u>\$ (283,693)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF MCOE (Library) Fund 835
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	\$ -	\$ -	-
Charge for services (refund)	78,757	(1,369)	(80,126)
Taxes and assessments	-	-	-
Use of money and property	-	123	123
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>78,757</u>	<u>(1,246)</u>	<u>(80,003)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>\$ 78,757</u>	<u>\$ (1,246)</u>	<u>\$ (80,003)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Circulations (Streets) Fund 836
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	430,224	40,865	(389,359)
Taxes and assessments	-	-	-
Use of money and property	-	2,083	2,083
Other revenue	-	810	810
Transfers in from other funds	108,680	108,680	-
Amounts Available for Appropriation	<u>538,904</u>	<u>152,438</u>	<u>(386,466)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	771,394	156,053	615,341
Total Charges to Appropriations	<u>771,394</u>	<u>156,053</u>	<u>615,341</u>
Surplus (Deficit)	<u>\$ (232,490)</u>	<u>\$ (3,615)</u>	<u>\$ 228,875</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Fire Facility, Vehicles, and Equipment Fund 838
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	65,266	(19,277)	(84,543)
Taxes and assessments	-	-	-
Use of money and property	-	837	837
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>65,266</u>	<u>(18,440)</u>	<u>(83,706)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	65,266	-	65,266
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>65,266</u>	<u>-</u>	<u>65,266</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ (18,440)</u>	<u>\$ (18,440)</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
DIF Airport Improvements Fund 839
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	11,064	(4,704)	(15,768)
Taxes and assessments	-	-	-
Use of money and property (refund)	-	(4)	(4)
Other revenue	-	-	-
Transfers in from other funds	-	17,898	17,898
Amounts Available for Appropriation	<u>11,064</u>	<u>13,190</u>	<u>2,126</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	95,000	-	95,000
Total Charges to Appropriations	<u>95,000</u>	<u>-</u>	<u>95,000</u>
Surplus (Deficit)	<u>\$ (83,936)</u>	<u>\$ 13,190</u>	<u>\$ 97,126</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Gasoline Tax Fund 210
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	\$ 1,761,687	\$ 1,926,784	\$ 165,097
Charge for services (refund)	-	46,481	46,481
Taxes and assessments	-	-	-
Use of money and property (refund)	-	-	-
Other revenue	-	26,090	26,090
Transfers in from other funds	1,985,764	1,626,325	(359,439)
Amounts Available for Appropriation	<u>3,747,451</u>	<u>3,625,680</u>	<u>(121,771)</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	3,555,503	3,309,018	246,485
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	191,948	196,662	(4,714)
Total Charges to Appropriations	<u>3,747,451</u>	<u>3,505,680</u>	<u>241,771</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 120,000</u>	<u>\$ 120,000</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
LTC Planning Transportation and Transit Fund 420
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	\$ 303,500	\$ 393,553	\$ 90,053
Charge for services (refund)	-	-	-
Taxes and assessments	-	-	-
Use of money and property (refund)	-	(2,605)	(2,605)
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>303,500</u>	<u>390,948</u>	<u>87,448</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	338,501	370,722	(32,221)
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>338,501</u>	<u>370,722</u>	<u>(32,221)</u>
Surplus (Deficit)	<u>\$ (35,001)</u>	<u>\$ 20,226</u>	<u>\$ 55,227</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Measure R Sales Tax Fund 16
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	\$ -	\$ -	\$ -
Charge for services (refund)	-	-	-
Taxes and assessments	-	582,389	582,389
Use of money and property (refund)	-	-	-
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>-</u>	<u>582,389</u>	<u>582,389</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	77,372	(77,372)
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>77,372</u>	<u>(77,372)</u>
Surplus (Deficit)	<u>\$ -</u>	<u>\$ 505,017</u>	<u>\$ 505,017</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Drug Enforcement Fund 480
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	\$ 3,000	\$ 13,906	\$ 10,906
Charge for services (refund)	-	-	-
Taxes and assessments	-	-	-
Use of money and property (refund)	-	-	-
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	3,000	13,906	-
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	3,000	13,755	(10,755)
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	3,000	13,755	(10,755)
Surplus (Deficit)	-	\$ 151	\$ (10,755)

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Pending Assessment Districts Funds
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	44,614	-	(44,614)
Taxes and assessments	-	-	-
Use of money and property (refund)	-	-	-
Other revenue	-	-	-
Transfers in from other funds	-	-	-
Amounts Available for Appropriation	<u>44,614</u>	<u>-</u>	<u>-</u>
Charges to Appropriations (Outflow):			
General government	43,648	75	43,573
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	-	-	-
Transfers out to other funds	-	-	-
Total Charges to Appropriations	<u>43,648</u>	<u>75</u>	<u>43,573</u>
Surplus (Deficit)	<u>\$ 966</u>	<u>\$ (75)</u>	<u>\$ 43,573</u>

TOWN OF MAMMOTH LAKES
Budgetary Comparison Information
Debt Service Fund 990
Year Ended June 30, 2009

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Resources (Inflows):			
Intergovernmental	-	-	-
Charge for services (refund)	-	-	-
Taxes and assessments	-	-	-
Use of money and property (refund)	4,094	4,568	474
Other revenue	-	-	-
Transfers in from other funds	1,544,395	1,406,480	(137,915)
Amounts Available for Appropriation	<u>1,548,489</u>	<u>1,411,048</u>	<u>-</u>
Charges to Appropriations (Outflow):			
General government	-	-	-
Public safety	-	-	-
Public ways and facilities	-	-	-
Capital projects	-	-	-
Transportation and transit	-	-	-
Tourism and recreation	-	-	-
Debt service	1,481,659	1,480,651	1,008
Transfers out to other funds	192,360	59,753	132,607
Total Charges to Appropriations	<u>1,674,019</u>	<u>1,540,404</u>	<u>133,615</u>
Surplus (Deficit)	<u>\$ (125,530)</u>	<u>\$ (129,356)</u>	<u>\$ 133,615</u>

STATISTICAL SECTION

**TOWN OF MAMMOTH LAKES
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	General Government	Public Safety	Public Works	Community Development	Capital Outlay	Debt Service	Total
1999-2000	1,807,721	2,268,795	2,324,097	4,053,225	4,671,311	1,060,204	16,185,353
2000-2001	2,983,037	2,342,185	2,284,736	4,043,636	4,113,214	1,283,197	17,050,005
2001-2002	1,892,476	2,856,112	2,462,344	3,771,229	2,814,630	1,340,849	15,137,640
2002-2003	3,410,266	3,002,924	2,925,892	4,648,569	1,868,145	1,219,753	17,075,549
2003-2004	2,353,005	3,456,226	3,437,601	5,168,802	6,199,982	1,123,417	21,739,033
2004-2005	2,373,117	3,595,198	4,016,334	9,028,139	3,888,961	1,436,018	24,337,767
2005-2006	3,134,364	4,398,404	4,549,057	11,703,584	4,484,051	1,476,384	29,745,844
2006-2007	3,359,836	4,855,412	6,170,608	11,549,799	8,109,807	1,475,301	35,520,763
2007-2008	3,335,351	5,431,676	5,933,228	8,516,921	12,705,934	1,571,000	37,494,110
2008-2009	3,921,010	5,203,609	5,427,515	6,561,983	6,680,396	1,480,651	29,275,164

General Government Expenditures includes General, Special Revenue, Capital Projects and Debt Service Funds. Excludes Expendable Trusts.

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
GENERAL GOVERNMENT REVENUE BY SOURCE
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	Taxes and Assessments	Licenses and Permits	Fines and Forfeits	Use of Money and Property	Inter-Governmental	Charge for Services	Other	Total
1999-2000	8,595,727	1,019,388	79,043	366,271	2,608,621	1,286,059	506,163	14,461,272
2000-2001	9,067,873	843,210	83,607	423,417	3,039,154	1,392,566	95,034	14,944,861
2001-2002	9,877,388	921,534	102,870	230,340	3,331,631	1,503,042	65,352	16,032,157
2002-2003	11,989,207	1,584,193	109,871	169,831	3,663,476	1,282,164	163,051	18,961,793
2003-2004	13,075,825	1,676,978	143,287	125,022	4,588,539	1,003,392	208,336	20,821,379
2004-2005	14,901,464	2,467,546	139,994	225,344	4,690,539	2,502,549	1,500,404	26,427,840
2005-2006	16,762,448	3,085,985	172,453	468,782	8,861,483	4,130,094	69,362	33,550,607
2006-2007	17,058,676	777,423	156,497	693,194	8,876,439	3,575,913	145,040	31,283,182
2007-2008	18,489,921	617,853	152,678	504,171	8,651,667	3,632,801	426,405	32,475,496
2008-2009	17,978,565	271,806	52,041	172,068	9,444,093	2,032,081	333,537	30,284,191

General Government Revenue include General, Special Revenue, Capital Projects and Debt Service Funds. Excludes Expendable Trusts.

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE - GENERAL FUND
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	Property	Sales	Transient Occupancy	Property Transfer	Business	Utility User	Other	Total
1999-2000	670,682	1,641,799	4,965,752	114,596	228,678	465,650	62	8,087,219
2000-2001	881,564	1,685,341	5,497,810	119,252	243,581	583,197	-	9,010,745
2001-2002	977,014	1,761,430	6,056,254	111,934	276,987	636,259	-	9,819,878
2002-2003	1,074,603	1,878,808	7,666,430	168,816	286,953	634,558	-	11,710,168
2003-2004	1,292,552	1,944,986	8,378,985	264,057	315,719	554,492	-	12,750,791
2004-2005	1,529,751	2,105,148	9,614,445	303,081	326,190	684,920	-	14,563,534
2005-2006	2,237,167	2,326,410	10,665,165	327,563	404,287	797,774	-	16,758,366
2006-2007	2,913,128	2,492,706	9,647,846	183,878	354,672	843,443	-	16,435,673
2007-2008	3,630,677	2,007,446	10,659,627	148,356	356,994	934,263	-	17,737,364
2008-2009	3,609,019	1,830,635	9,642,677	302,434	289,492	887,573	-	16,561,830

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
GENERAL GOVERNMENTAL SUMMARY OF REVENUE, EXPENDITURES AND
CHANGE IN FUND BALANCE
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue										
Taxes and Assessments	8,595,727	9,067,873	9,877,388	11,989,207	13,075,825	14,901,464	16,762,448	17,058,676	18,489,921	17,978,565
Licenses and Permits	1,019,388	843,210	921,534	1,584,193	1,676,978	2,467,546	3,085,985	777,423	617,853	271,806
Fines and Forfeits	79,043	83,607	102,870	109,871	143,287	139,994	172,453	156,497	152,678	52,041
Use of Money and Property	366,271	423,417	230,340	169,831	125,022	225,344	468,782	693,194	504,171	172,068
Inter-Governmental	2,608,621	3,039,154	3,331,631	3,663,476	4,588,539	4,690,539	8,861,483	8,876,439	8,651,667	9,444,093
Charges for Services	1,286,059	1,382,566	1,503,042	1,282,164	1,003,392	2,502,549	4,130,094	3,575,913	3,632,801	2,032,081
Other	506,163	95,034	65,352	163,051	3,420,192	1,500,404	69,362	145,040	426,405	333,537
Total Revenue	14,461,272	14,944,861	16,032,157	18,961,793	24,033,235	26,427,840	33,550,607	31,283,182	32,475,496	30,284,191
Expenditures										
General Government	1,807,721	2,983,037	1,898,528	3,418,925	2,562,792	2,373,117	3,134,364	3,359,836	3,335,351	3,921,010
Public Safety	2,268,795	2,342,185	2,856,112	3,020,924	3,456,226	3,595,198	4,398,404	4,855,412	5,431,676	5,203,609
Public Works	2,324,097	2,284,736	2,462,344	3,057,772	3,447,753	4,016,334	4,549,057	6,170,608	5,933,228	5,427,515
Community Development	3,360,421	3,273,823	3,084,887	3,742,825	4,267,055	4,742,522	-	-	1,812,738	-
Community Services	692,804	769,813	686,342	773,864	901,747	4,285,617	-	-	435,085	-
Community Development	4,053,225	4,043,636	3,771,229	4,516,689	5,168,802	9,028,139	11,703,584	11,549,799	8,516,921	6,561,983
Capital Outlay	4,671,311	4,113,214	2,814,630	1,868,145	10,041,650	3,888,961	4,484,051	8,109,807	12,705,934	6,680,396
Debt Service	1,060,204	1,283,197	1,303,088	1,219,753	1,123,417	1,436,018	1,476,384	1,475,301	1,571,000	1,480,651
Total Expenditures	16,185,353	17,050,005	15,105,931	17,102,208	25,800,640	24,337,767	29,745,844	35,520,763	37,494,110	29,275,164
Other Financing Sources, Uses & Transfers	2,592,339	1,601,819	100,825	(394,624)	2,215,500	460,000	1,351,262	3,164,207	(2,674,751)	(1,397,323)
Net increase (decrease) in fund balance	(1,724,081)	(2,105,144)	926,226	1,859,585	(1,767,405)	2,090,073	3,804,763	(4,237,561)	(5,018,614)	1,009,027
Net Change in Fund Balances	868,258	(503,325)	1,027,051	1,464,961	448,095	2,550,073	5,156,025	(1,073,374)	(7,693,365)	(386,296)

General Government Expenditures includes General, Special Revenue, Capital Projects and Debt Service Funds. Excludes Expendable Trusts. Excludes Fiduciary Funds

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
 ASSESSED VALUATION OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
 (Unaudited)**

Fiscal Year	Net Secured Property	Net Unsecured Property	Gross Assessed Value	Less Exemptions	Net Assessed Value
1999-2000	1,131,852,757	102,767,950	1,234,620,707	6,638,800	1,227,981,907
2000-2001	1,333,489,322	104,276,089	1,437,765,411	6,871,087	1,430,894,324
2001-2002	1,507,635,177	119,747,995	1,627,383,172	6,743,687	1,620,639,485
2002-2003	1,679,241,452	149,825,924	1,829,067,376	6,953,851	1,822,113,525
2003-2004	1,948,603,835	157,682,756	2,106,286,591	6,920,000	2,099,366,591
2004-2005	2,208,399,787	162,365,506	2,370,765,293	6,756,431	2,364,008,862
2005-2006	2,593,102,658	168,394,995	2,761,497,653	6,303,504	2,755,194,149
2005-2006	2,593,102,658	168,394,995	2,761,497,653	6,303,504	2,755,194,149
2006-2007	3,172,749,628	186,662,129	3,359,411,757	5,957,000	3,353,454,757
2007-2008	3,783,161,585	208,205,119	3,991,366,704	6,081,600	3,985,285,104
2008-2009	4,240,808,646	219,932,941	4,460,741,587	6,014,400	4,466,755,987

Source: Mono County Auditor/Controller's Office

TOWN OF MAMMOTH LAKES
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)

Fiscal Year	Property Value	Commercial Number of Units	Construction Value	Residential Number of Units	Construction Value
1999-2000	1,227,981,907	30	3,611,096	114	22,443,348
2000-2001	1,430,894,324	39	4,836,974	187	33,020,242
2001-2002	1,620,639,485	5	1,040,232	228	14,252,687
2002-2003	1,822,113,525	11	4,589,049	187	43,617,079
2003-2004	2,099,366,591	9	4,851,681	160	45,161,135
2004-2005	2,364,008,862	6	1,308,993	482	124,344,184
2005-2006	2,755,194,149	7	59,770,042	537	139,866,254
2006-2007	3,353,454,757	7	30,378,170	66	75,505,654
2007-2008	3,985,285,104	0	-	1	1,592,775
2008-2009	4,240,808,646	0	-	30	7,384,141

Source: Town of Mammoth Lakes Community Development Department/ Building Division.
 Federal Deposit Insurance Corporation - Summary of Deposits, Institution and Branch Selection.

**TOWN OF MAMMOTH LAKES
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	Basic Countywide Levy	Mammoth Unified School District	Southern Mono Hospital District	Mammoth Community Water District	Total Overlapping Tax Rate
1999-2000	1.0000	0.0178	0.0000	0.0165	1.0343
2000-2001	1.0000	0.0262	0.0000	0.0120	1.0382
2001-2002	1.0000	0.0614	0.0000	0.0133	1.0747
2002-2003	1.0000	0.0294	0.0323	0.0125	1.0742
2003-2004	1.0000	0.0353	0.0253	0.0102	1.0708
2004-2005	1.0000	0.0177	0.0238	0.0059	1.0474
2005-2006	1.0000	0.0266	0.0448	0.0106	1.0820
2006-2007	1.0000	0.0196	0.0000	0.0047	1.0243
2007-2008	1.0000	0.0161	0.0215	0.0006	1.0382
2008-2009	1.0000	0.0117	0.0669	0.0073	1.0859

Source: Mono County Auditor/Controller's Office

**TOWN OF MAMMOTH LAKES
TOP TEN SALES TAX REMITTERS
FOR THE YEAR ENDING JUNE 30, 2009
(Listed Alphabetically)
(Unaudited)**

<u>Taxpayer</u>	<u>Type of Business</u>
Amerigas Propane	Fuel/Ice Dealers
Footloose Sports	Retail Sporting Goods
High Country Lumber & Building Supply	Lumber/Building Materials
Lumber City	Lumber/Building Materials
Main Lodge	Hotels-Liquor
Mammoth Chevron	Service Stations
Mammoth Shell Mart	Service Stations
Rite Aid	Drug Stores
Vons	Grocery Stores Liquor
Wave Rave Snowboard Shop	Retail Sporting Goods

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
 TEN LARGEST EMPLOYERS
 FOR THE YEAR ENDING JUNE 30, 2009
 (Unaudited)**

<u>Company</u>	<u>Product / Service</u>	<u>Employees</u>
Mammoth Mountain Ski Area	Ski Resort	674-2504
Mammoth Hospital	Healthcare	330
Mammoth Unified School District	Education	200
Vons	Retail Grocery	120
Mono County (South County)	Government	120
Westin	Resort	115-186
Town of Mammoth Lakes	Government	100
Mammoth Lakes Fire Protection District	Fire Department	69
Chart House (Landry Corp)	Restaurant	45-85
Whiskey Creek	Restaurant	40

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
TOP TEN TRANSIENT OCCUPANCY TAX REMITTERS
FOR THE YEAR ENDING JUNE 30, 2009
(Listed Alphabetically)
(Unaudited)**

Taxpayer

Holiday Inn

Intrawest Hospitality Management

Juniper/Sunstone/Eagle Run

Mammoth Mountain Inn

Mammoth Premiere

Mammoth Sierra Reservations

Mammoth Reservations, Inc.

Motel 6

Snowcreek Management

Village Lodging

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
COMPUTATION OF LEGAL DEBT MARGIN
FOR THE YEAR ENDING JUNE 30, 2009
(Unaudited)**

	<u>2008-09</u>
Net Assessed Value	<u>\$ 4,466,755,987</u>
Debt Limit-15% of Assessed Value	670,013,398
Amount of Debt Applicable to Limit:	
Certificates of Participation	5,886,835
Less: Cash available in Debt Service Fund	<u>(786,563)</u>
Total Amount Applicable to Limit	<u>5,100,272</u>
Legal Debt Margin	<u>\$ 664,913,126</u>

Source: Mono County Auditor/Controller's Office

**TOWN OF MAMMOTH LAKES
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	Assessed Value	Debt Limit 15%-Assessed Value	Certification Participation	Less: Cash Available Debt Service Fund	Net Bonded Debt	Legal Debt Margin	Ratio of Bonded Debt to Assessed Value
1999-00	1,227,981,907	184,197,286	10,110,000	(1,218,718)	8,891,282	175,306,004	0.0072
2000-01	1,430,894,324	214,634,149	9,490,000	(1,240,277)	8,249,723	206,384,426	0.0058
2001-02	1,620,639,485	243,095,923	8,840,000	(1,153,612)	7,686,388	235,409,535	0.0047
2002-03	1,822,113,525	273,317,029	8,095,000	(796,130)	7,298,870	266,018,159	0.0040
2003-04	2,099,366,591	314,904,989	9,570,500	(784,191)	8,786,309	306,118,680	0.0042
2004-05	2,364,008,862	354,601,329	9,087,905	(1,296,341)	7,791,564	346,809,765	0.0033
2005-06	2,755,194,149	413,279,122	8,048,602	(791,124)	7,257,478	406,021,645	0.0026
2006-07	3,353,454,757	503,018,214	6,983,407	(791,695)	6,191,712	496,826,502	0.0018
2007-08	3,985,285,104	597,792,766	5,886,835	(786,563)	5,100,272	592,692,494	0.0013
2008-09	4,466,755,987	670,013,398	4,748,379	(783,270)	3,965,109	666,048,289	0.0009

Source: Mono County Auditor/Controller's Office

TOWN OF MAMMOTH LAKES
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)

Fiscal Year	Population	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1999-2000	5,323	1,227,981,907	10,110,000	1,218,718	8,891,282	0.0072	1,670
2000-2001	7,442	1,430,894,324	9,490,000	1,240,277	8,249,723	0.0058	1,109
2001-2002	7,424	1,620,639,485	8,840,000	1,153,612	7,686,388	0.0047	1,035
2002-2003	7,460	1,822,113,525	8,095,000	796,130	7,298,870	0.0040	978
2003-2004	7,472	2,099,366,591	9,570,500	784,191	8,786,309	0.0042	1,176
2004-2005	7,617	2,364,008,862	9,087,905	1,296,341	7,791,564	0.0033	1,023
2005-2006	7,717	2,755,194,149	8,048,602	791,124	7,257,478	0.0026	940
2006-2007	7,560	3,353,454,757	6,983,407	791,695	6,191,712	0.0018	819
2007-2008	7,413	3,985,285,104	5,886,835	786,563	5,100,272	0.0013	688
2008-2009	7,254	4,466,755,987	4,748,379	783,270	3,965,109	0.0009	547

Source: Mono County Auditor/Controller's Office, Town of Mammoth Lakes Finance Dept

**TOWN OF MAMMOTH LAKES
RATIO OF BONDED DEBT SERVICE EXPENDITURES
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total General Governmental Expenditures
1999-2000	545,000	440,950	985,950	16,293,047	0.0605
2000-2001	620,000	567,020	1,187,020	17,727,780	0.0670
2001-2002	704,321	561,006	1,265,327	15,105,931	0.0838
2002-2003	726,910	530,604	1,257,514	17,102,208	0.0735
2003-2004	793,208	330,209	1,123,417	21,739,032	0.0517
2004-2005	1,037,133	398,885	1,436,018	24,337,767	0.0590
2005-2006	1,188,636	287,748	1,476,384	29,745,844	0.0496
2006-2007	1,065,195	325,494	1,390,689	35,520,763	0.0392
2007-2008	1,096,572	294,047	1,390,619	37,494,110	0.0371
2008-2009	1,138,456	260,461	1,398,918	29,275,164	0.0478

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
 BONDED DEBT SERVICE ANALYSIS
 LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
 (Unaudited)**

Fiscal Year	Total Bonded Debt	Principal Debt Payments	Interest Payments
1999-2000	10,110,000	545,000	440,950
2000-2001	9,490,000	620,000	567,020
2001-2002	8,840,000	650,000	536,340
2002-2003	8,095,000	726,910	530,617
2003-2004	9,570,500	793,208	330,209
2004-2005	9,087,905	1,037,133	398,885
2005-2006	8,048,602	1,188,636	287,748
2006-2007	6,983,407	1,065,195	325,494
2007-2008	5,886,835	1,096,572	294,047
2008-2009	4,748,379	1,138,456	260,461

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
 MISCELLANEOUS STATISTICAL INFORMATION
 FOR THE YEAR ENDING JUNE 30, 2009
 (Unaudited)**

Date Incorporated:	August 20, 1984	
Type of Municipality:	General Law	
Form of Government:	Council / Manager	
Area in square miles:	25	
Altitude in feet:	7800-8050	
Town Personnel:	Full time - 95	Part-time/seasonal - 11

Town of Mammoth Lakes facilities and services:

Public Works:

Miles of streets	145 lane mile
Number of street lights/signals	143/5
Number of parking spaces	1100 spaces

Fire Protection:

Number of stations	2
Number of Fire Personnel	full time - 11 part-time/volunteer - 58 paramedics employed by Mono County - 6

Police Services:

Sworn officers - 23	1 police station
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Cultural / Recreational:

Active-Use Parks (5)	Community Center Park, Shady Rest Park Mammoth Creek Park, Whitmore Park, Trails End Park
Acreage	Town limits - 26
Museums (2)	Hayden Cabin Museum, Mammoth Ski Museum
Miles of bike path/trails existing	9.2 miles
Swimming pool (1)	Whitmore Pool
Soccer/Ball fields (3)	Shady Rest/Whitmore Fields
Community Center (1)	Mammoth Lakes Community

Facilities and Services not included in the reporting entity:

Education:

Colleges (1)	Cerro Coso College
Library (1)	Mono County Library
Hospitals (1)	Mammoth Hospital

Water District:

Miles of water mains	42 miles
Annual Water production in gallons	25 million+
Miles of sanitary sewers	35 miles
Golf Courses (2)	Sierra Star and Snowcreek
Ski areas (1)	Mammoth Mountain Ski Area
Cross Country areas (1)	Tamarack plus national forests

Source: Town of Mammoth Lakes Finance Department and Public Works Department

**TOWN OF MAMMOTH LAKES
GENERAL GOVERNMENTAL EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Fiscal Year		General Government	Public Safety	Public Works	Community Development	Tourism Recreation	Airport Operations	Total
1999-2000	Full-time	8	20	21	12	9	2	72
	Part-time	2		3	2	30		37
2000-2001	Full-time	10	21	20	13	11	2	77
	Part-time							0
2001-2002	Full-time	10	22	20	15	13	2	82
	Part-time	2				22		24
2002-2003	Full-time	12	23	22	13	13	2	85
	Part-time	1		1		18		20
2003-2004	Full-time	13	23	22	16	18	2	94
	Part-time	1		1		15		17
2004-2005	Full-time	15	25	25	14	16	2	97
	Part-time			3	1	17	1	22
2005-2006	Full-time	13	26	24	17	16	2	98
	Part-time			5	2	24		31
2006-2007	Full-time	15	27	28	16	21	2	109
	Part-time			3	2	28		33
2007-2008	Full-time	15	27	29	16	19	2	108
	Part-time	1		2		21		24
2008-2009	Full-time	16	23	25	11	17	3	95
	Part-time	0		2		9		11

Source: Town of Mammoth Lakes Finance Department

**TOWN OF MAMMOTH LAKES
 DEMOGRAPHIC STATISTICS
 FOR THE YEAR ENDING JUNE 30, 2009
 (Unaudited)**

Fiscal Year	Population*	Unemployment Rate**
1999-00	5,323	6.7
2000-01	7,442	4.7
2001-02	7,424	4.8
2002-03	7,460	5.2
2003-04	7,472	5.2
2004-05	7,472	4.6
2005-06	7,617	4.5
2006-07	7,560	5.3
2007-08	7,413	5.5
2008-09	7,254	12.4

*California Dept. of Finance, Demographic Research Unit

**California Labor Market Info Data Library--Mono County Overall

**TOWN OF MAMMOTH LAKES
HOTEL, INN, LODGE, AND CAMPGROUND OCCUPANCY INFORMATION
LAST TEN FISCAL YEARS ENDING JUNE 30, 2009
(Unaudited)**

Town of Mammoth Lakes Occupancy Percent Information

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	Monthly Average
January	42.2%	50.7%	55.5%	54.5%	54.1%	58.8%	42.0%	48.5%	39.4%	49.5%
February	55.3%	55.0%	55.8%	56.8%	54.7%	58.5%	48.1%	49.1%	43.2%	52.9%
March	50.9%	57.2%	51.2%	45.6%	56.9%	53.9%	42.5%	50.1%	34.1%	49.2%
April	40.6%	35.9%	41.9%	39.2%	37.5%	52.6%	29.8%	27.6%	30.3%	37.3%
May	20.3%	20.4%	26.0%	20.5%	24.4%	24.8%	16.7%	16.5%	18.0%	20.8%
June	26.4%	28.2%	27.3%	27.4%	28.1%	26.3%	25.7%	27.8%	24.8%	26.9%
July	44.8%	42.5%	40.7%	43.2%	41.0%	40.5%	40.2%	41.7%		41.8%
August	53.5%	53.0%	49.2%	48.5%	47.5%	46.8%	48.3%	51.8%		49.8%
September	29.4%	31.4%	28.8%	33.1%	34.7%	33.2%	28.0%	25.2%		30.5%
October	19.9%	19.7%	21.4%	23.6%	17.0%	19.9%	17.0%	16.0%		19.3%
November	18.4%	22.7%	22.2%	33.1%	19.6%	14.2%	12.2%	13.3%		19.5%
December	44.7%	42.2%	42.3%	50.2%	43.7%	40.9%	41.1%	34.1%		42.4%
Averages:	37.2%	38.2%	38.5%	39.6%	38.3%	39.2%	32.6%	33.5%	31.6%	34.0%

OCCUPANCY RATES %'s										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Reservation Bureaus	28%	28%	27%	28%	27%	30%	30%	42%	22%	
Hotels	48%	58%	52%	53%	60%	59%	59%	54%	48%	
Campgrounds	28%	27%	27%	25%	28%	34%	34%	15%	18%	

TOTAL ROOMS AVAILABLE										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	
Total Res. Bur. Rentals	2602	2586	2632	2706	2763	2913	2957	2834	2809	
Hotel, Inns & Lodges	1281	1215	1231	1210	1232	1335	1182	1177	1181	
Campgrounds	582	561	637	637	635	635	635	635	609	
Total Available	4465	4362	4500	4553	4630	4883	4774	4646	4599	

