



**COUNTY OF INYO
INDEPENDENCE, CALIFORNIA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2021**

**COUNTY OF INYO
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors and Grand Jury
County of Inyo
Independence, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo, California (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit First 5 Inyo County which represents 100% of the assets, liabilities, and revenues of the discretely presented component unit. Those financial statements were audited by other auditors, whose report thereon has been furnished to us. Our opinion as it relates to the amounts included for First 5 Inyo County is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Basis for Qualified Opinion on Discretely Presented Component Unit

The opinion of the other auditors on the financial statements of First 5 Inyo was qualified because First 5 Inyo has not recorded a pension liability required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. The amount of the pension liability could not be determined.

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Qualified Opinion

In our opinion, based on our audits and the report of the other auditors, except for the effects of the matter described in the “Basis for Qualified Opinion on Discretely Presented Component Unit” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Adoption of New Accounting Standard

As described in Note 14 to the financial statements, for the fiscal year ended June 30, 2021, the County adopted new accounting guidance, GASB No. 84, Fiduciary Activities, which has resulted in a restatement of the net position and fund balance as of July 1, 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of changes in net pension liability and related ratios – agent multiple employer plan, schedule of contributions – agent multiple-employer plan, schedule of proportionate share of net pension liability (asset) and related ratios as of the measurement date – cost-sharing multiple-employer plan, schedule of contributions – cost sharing multiple-employer plan, schedule of changes in net OPEB liability and related ratio – retiree healthcare plan, and budgetary comparison information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
January 13, 2023

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF NET POSITION
JUNE 30, 2021**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Inyo
ASSETS				
Cash and investments	\$ 91,393,476	\$ 8,999,726	\$ 100,393,202	\$ 793,134
Cash with fiscal agent	110,429	-	110,429	-
Imprest cash	2,501	1,390	3,891	-
Deposits with others	41,700	-	41,700	-
Restricted cash	-	2,425,997	2,425,997	-
Accounts receivable	4,836,696	1,106,090	5,942,786	64
Due from other governments	2,982,360	176,171	3,158,531	-
Taxes receivable	2,095,383	-	2,095,383	-
Interest receivable	151,651	10,371	162,022	1,218
Loans receivable	780,000	-	780,000	-
Internal balances	4,258,317	(4,258,317)	-	-
Prepaid expenses	46,918	-	46,918	3,125
Inventory	730,129	60,603	790,732	-
Capital assets:				
Nondepreciable	13,046,279	1,851,399	14,897,678	-
Depreciable, net	36,012,962	22,815,569	58,828,531	-
Total assets	<u>156,488,801</u>	<u>33,188,999</u>	<u>189,677,800</u>	<u>797,541</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	12,874,933	465,121	13,340,054	-
Deferred outflows from OPEB	5,685,742	369,362	6,055,104	-
Total deferred outflows of resources	<u>18,560,675</u>	<u>834,483</u>	<u>19,395,158</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,507,656	89,239	1,596,895	49,246
Payroll liabilities	296	-	296	-
Accrued salaries and benefits	2,958,150	93,800	3,051,950	-
Unearned revenue	423,190	9,818	433,008	-
Due to other governments	654,097	1,509,459	2,163,556	-
Interest payable	8,054	1,279	9,333	-
Noncurrent liabilities:				
Portion due or payable within on year:				
Compensated absences	2,011,257	84,995	2,096,252	4,321
Claims liability	100,000	-	100,000	-
Loan payable	317,457	112,797	430,254	-
Capital leases	244,416	108,854	353,270	-
Portion due or payable after one year:				
Compensated absences	-	-	-	4,320
Claims liability	129,606	-	129,606	-
Loan payable	3,379,034	259,649	3,638,683	-
Capital leases	585,009	649	585,658	-
Closure/post-closure liability	-	17,874,111	17,874,111	-
Net pension liability	72,953,852	2,938,292	75,892,144	-
Net OPEB liability	48,422,469	3,145,655	51,568,124	-
Total liabilities	<u>133,694,543</u>	<u>26,228,597</u>	<u>159,923,140</u>	<u>57,887</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	420,408	-	420,408	-
Deferred inflows from OPEB	10,109,789	656,759	10,766,548	-
Total deferred inflows from pensions	<u>10,530,197</u>	<u>656,759</u>	<u>11,186,956</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	47,594,325	24,185,019	71,779,344	-
Restricted for:				
General government	2,495,127	-	2,495,127	-
Public protection	17,484,634	-	17,484,634	-
Public ways and facilities	9,430,634	-	9,430,634	-
Health and sanitation	21,189,501	-	21,189,501	-
Public assistance	3,148,601	-	3,148,601	-
Recreation and culture	156,659	-	156,659	-
Other purposes	-	-	-	677,199
Unrestricted	(70,674,745)	(17,046,893)	(87,721,638)	62,455
Total net position	<u>\$ 30,824,736</u>	<u>\$ 7,138,126</u>	<u>\$ 37,962,862</u>	<u>\$ 739,654</u>

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF INYO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Total	Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-Type Activities	Total	First 5 Inyo
Primary Government:									
Governmental activities:									
General government	\$ 16,602,188	\$ 9,792,909	\$ 7,209,635	\$ -	\$ 17,002,544	\$ 400,356	\$ -	\$ 400,356	\$ -
Public protection	30,190,914	1,822,509	12,046,992	-	13,869,501	(16,321,413)	-	(16,321,413)	-
Public ways and facilities	7,103,236	227,583	7,032,925	1,947,320	9,207,828	2,104,592	-	2,104,592	-
Health and sanitation	12,509,103	2,273,295	11,347,558	-	13,620,853	1,111,750	-	1,111,750	-
Public assistance	11,822,794	88,021	10,727,425	-	10,815,446	(1,007,348)	-	(1,007,348)	-
Education	1,299,421	396	49,924	-	50,320	(1,249,101)	-	(1,249,101)	-
Recreation and culture	1,345,839	443,974	183,521	-	627,495	(718,344)	-	(718,344)	-
Interest on long-term debt	181,057	-	-	-	-	(181,057)	-	(181,057)	-
Total governmental activities	<u>81,054,552</u>	<u>14,648,687</u>	<u>48,597,980</u>	<u>1,947,320</u>	<u>65,193,987</u>	<u>(15,860,565)</u>	<u>-</u>	<u>(15,860,565)</u>	<u>-</u>
Business-type activities:									
Airport	3,301,169	1,153,189	40,000	9,128,788	10,321,977	-	7,020,808	7,020,808	-
Solid waste	5,687,609	2,109,265	106,402	-	2,215,667	-	(3,471,942)	(3,471,942)	-
Water system	290,745	777,917	145,478	-	923,395	-	632,650	632,650	-
CSA #2	38,652	53,383	-	-	53,383	-	14,731	14,731	-
Mosquito abatement	544,410	482,521	43,987	-	526,508	-	(17,902)	(17,902)	-
Total business-type activities	<u>9,862,585</u>	<u>4,576,275</u>	<u>335,867</u>	<u>9,128,788</u>	<u>14,040,930</u>	<u>-</u>	<u>4,178,345</u>	<u>4,178,345</u>	<u>-</u>
Total primary government	<u>\$ 90,917,137</u>	<u>\$ 19,224,962</u>	<u>\$ 48,933,847</u>	<u>\$ 11,076,108</u>	<u>\$ 79,234,917</u>	<u>(15,860,565)</u>	<u>4,178,345</u>	<u>(11,682,220)</u>	<u>-</u>
Component Unit:									
First 5 Inyo	<u>\$ 483,261</u>	<u>\$ -</u>	<u>\$ 408,247</u>	<u>\$ -</u>	<u>\$ 408,247</u>				<u>(75,014)</u>
General revenues:									
Taxes:									
Property taxes						17,686,620	2,822	17,689,442	-
Sales and use taxes						1,591,553	1,753,968	3,345,521	-
Other taxes						3,582,985	-	3,582,985	-
Miscellaneous						306,739	3,533	310,272	-
Unrestricted interest and investment earnings						845,371	41,374	886,745	6,111
Gain on sale of capital assets						-	21,864	21,864	-
Transfers						(196,479)	196,479	-	-
Total general revenues and transfers						<u>23,816,789</u>	<u>2,020,040</u>	<u>25,836,829</u>	<u>6,111</u>
Change in net position						7,956,224	6,198,385	14,154,609	(68,903)
Net position - beginning (restated)						<u>22,868,512</u>	<u>939,741</u>	<u>23,808,253</u>	<u>808,557</u>
Net position - ending						<u>\$ 30,824,736</u>	<u>\$ 7,138,126</u>	<u>\$ 37,962,862</u>	<u>\$ 739,654</u>

The notes to the basic financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**COUNTY OF INYO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	General	Road	Grant Programs	Other Governmental	Total
ASSETS					
Cash and investments	\$ 72,629,642	\$ 6,509,520	\$ 4,482,512	\$ 3,789,641	\$ 87,411,315
Restricted assets:					
Cash with fiscal agent	110,429	-	-	-	110,429
Imprest cash	2,086	100	275	40	2,501
Deposits with others	41,700	-	-	-59662.50	41,700
Accounts receivable	2,487,217	1,364,797	868,751	115,931	4,836,696
Due from other governments	2,240,059	345,588	322,034	142799.50	2,982,360
Taxes receivable	2,095,383	-	-	-	2,095,383
Interest receivable	-2.43	130,934	9,480	2,326	4,353
Loans receivable	-	-	780,000	-	780,000
Due from other funds	6,311,875	-	-	-	6,311,875
Advances to other funds	125,000	-	-	-	125,000
Prepaid expenses	40,866	-	5,317	735	46,918
Inventory	23,516	701,644	-	-	725,160
Total assets	\$ 86,238,707	\$ 8,931,129	\$ 6,461,215	\$ 3,985,379	\$ 105,616,430
LIABILITIES					
Accounts payable	-8998.60	\$ 1,078,780	\$ 180,945	\$ 100,554	\$ 63,153
Payroll liabilities	296	-	-	-	296
Accrued salaries and benefits	2,663,232	137,891	95,248	51,219	2,947,590
Unearned revenue	420,117	3,073	-	-	423,190
Due to other governments	654,097	-	-	-	654,097
Due to other funds	-	-	1,695,700	-	1,695,700
Total liabilities	4,816,522	321,909	1,891,502	114,372	7,144,305
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	1,774,046	1,337,571	1,002,758	83148.35	115,842
Total deferred inflows of resources	1,774,046	1,337,571	1,002,758	115,842	4,230,217
FUND BALANCES (DEFICITS)					
Nonspendable	231,082	701,644	5,317	735	938,778
Restricted	36,907,567	6,570,005	5,172,481	1,540,256	50,190,309
Assigned	19,683,842	-	-	2,214,174	21,898,016
Unassigned	22,825,648	-	(1,610,843)	-	21,214,805
Total fund balances	79,648,139	7,271,649	3,566,955	3,755,165	94,241,908
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 86,238,707	\$ 8,931,129	\$ 6,461,215	\$ 3,985,379	\$ 105,616,430

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF INYO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2021

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

Total fund balances - government funds	\$ 94,241,908
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	47,586,763
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	8,021,028
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	4,230,217
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(8,054)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loans payable	(3,696,491)
Net OPEB Liability	(48,051,179)
Compensated absences	(1,987,772)
Net pension liability	(72,676,132)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.	<u>3,164,448</u>
Total net position - governmental activities	<u>\$ 30,824,736</u>

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Road	Grant Programs	Other Governmental	Total Governmental Funds
REVENUES					
Taxes	\$ 20,371,335	\$ -	\$ 30,361	\$ 81,877	\$ 20,483,573
Intergovernmental	35,804,155	8,565,700	4,587,230	1,751,616	50,708,701
Use of money and property	778,606	40,628	6,178	19,959	845,371
Licenses and permits	1,060,467	23,994	-	-	1,084,461
Fines, forfeitures, and penalties	1,260,440	-	-	-	1,260,440
Other revenues	290,329	11,435	4,975	-	306,739
Charges for services	11,983,850	208,981	86,455	173,893	12,453,179
Total revenues	71,549,182	8,850,738	4,715,199	2,027,345	87,142,464
EXPENDITURES					
Current:					
General government	17,232,971	-	-	62,977	17,295,948
Public protection	25,717,784	-	794,046	987,064	27,498,894
Public ways and facilities	-	5,495,303	-	53,591	5,548,894
Health and sanitation	9,839,856	-	1,053,846	666,402	11,560,104
Public assistance	9,205,016	-	1,462,272	-	10,667,288
Education	745,330	-	-	-	745,330
Recreation and culture	1,208,366	-	-	-	1,208,366
Capital outlay	1,475,801	2,733,096	353,390	192,961	4,755,248
Debt service:					
Principal	266,246	-	-	-	266,246
Interest	181,057	-	-	-	181,057
Total expenditures	65,872,427	8,228,399	3,663,554	1,962,995	79,727,375
Excess (deficiency) of revenues over (under) expenditures	5,676,755	622,339	1,051,645	64,350	7,415,089
OTHER FINANCING SOURCES (USES)					
Transfers in	28,020	-	616,733	1,135,915	1,780,668
Transfers out	(1,785,313)	-	(170)	(163,984)	(1,949,467)
Total other financing sources (uses)	(1,757,293)	-	616,563	971,931	(168,799)
Net change in fund balances	3,919,462	622,339	1,668,208	1,036,281	7,246,290
Fund balances - beginning (restated)	75,728,677	6,649,310	1,898,747	2,718,884	86,995,618
Fund balances - ending	\$ 79,648,139	\$ 7,271,649	\$ 3,566,955	\$ 3,755,165	\$ 94,241,908

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF INYO
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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

Net change in fund balances - governmental funds \$ 7,246,290

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments.	4,740,990	
Less: current year depreciation	<u>(2,223,862)</u>	2,517,128

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (3,189,264)

Changes to OPEB liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (744,487)

Revenues that have not met the revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements. This amount represents the change in unavailable revenue from the prior year. 2,064,791

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces longterm liabilities in the statement of net position.

Principal retirements	313,754
-----------------------	---------

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(173,327)
--------------------------------	-----------

Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

<u>(78,661)</u>

Change in net position of governmental activities \$ 7,956,224

The notes to the basic financial statements are an integral part of this statement.

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PROPRIETARY FUND FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 4,091,408	\$ 3,759,708	\$ 1,148,610	\$ 8,999,726	\$ 3,982,161
Imprest cash	265	1,125	-	1,390	-
Accounts receivable	651,147	318,331	136,612	1,106,090	-
Due from other governments	22,528	153,643	-	176,171	-
Interest receivable	663	8,765	943	10,371	4,558
Inventory	60,603	-	-	60,603	4,969
Total current assets	4,826,614	4,241,572	1,286,165	10,354,351	3,991,688
Noncurrent assets:					
Restricted cash	-	2,425,997	-	2,425,997	-
Capital assets:					
Nondepreciable	1,851,399	-	-	1,851,399	6,979
Depreciable, net	19,082,454	1,842,944	1,890,171	22,815,569	1,465,499
Total noncurrent assets	20,933,853	4,268,941	1,890,171	27,092,965	1,472,478
Total assets	25,760,467	8,510,513	3,176,336	37,447,316	5,464,166
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	65,665	281,028	118,428	465,121	43,372
Deferred outflows from OPEB	47,230	215,562	106,570	369,362	43,597
Total deferred outflows of resources	112,895	496,590	224,998	834,483	86,969
LIABILITIES					
Current liabilities:					
Accounts payable	2,032	80,202	7,005	89,239	84,224
Accrued salaries and benefits	16,548	51,903	25,349	93,800	10,560
Unearned revenue	7,110	-	2,708	9,818	-
Due to other governments	2,200	1,454,460	52,799	1,509,459	-
Due to other funds	4,235,798	-	42,298	4,278,096	338,079
Interest payable	-	1,279	-	1,279	-
Compensated absences	10,961	60,753	13,281	84,995	23,485
Liability for self-insurance	-	-	-	-	100,000
Capital leases payable	-	108,854	-	108,854	244,416
Loans payable	-	97,082	15,715	112,797	-
Total current liabilities	4,274,649	1,854,533	159,155	6,288,337	800,764
Noncurrent liabilities:					
Liability for self-insurance	-	-	-	-	129,606
Capital leases payable	-	649	-	649	585,009
Loans payable	-	230,835	28,814	259,649	-
Advance from other funds	-	-	-	-	125,000
Closure/post closure costs	-	17,874,111	-	17,874,111	-
Net OPEB liability	402,232	1,835,825	907,598	3,145,655	371,290
Net pension liability	417,299	1,787,950	733,043	2,938,292	277,720
Total noncurrent liabilities	819,531	21,729,370	1,669,455	24,218,356	1,488,625
Total liabilities	5,094,180	23,583,903	1,828,610	30,506,693	2,289,389
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from OPEB	83,979	383,289	189,491	656,759	77,519
Total deferred inflows of resources	83,979	383,289	189,491	656,759	77,519
NET POSITION (DEFICIT)					
Net investment in capital assets	20,933,853	1,405,523	1,845,643	24,185,019	643,053
Unrestricted	(238,650)	(16,365,612)	(462,410)	(17,066,672)	2,541,174
Total net position (deficit)	\$ 20,695,203	\$ (14,960,089)	\$ 1,383,233	7,118,347	\$ 3,184,227
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					
				19,779	
Net position of business-type activities (page 8)				\$ 7,138,126	

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities Enterprise Funds			Governmental	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Internal Service Funds	
			Total		
Operating revenues:					
Charges for services	\$ 1,153,189	\$ 1,610,910	\$ 1,313,821	\$ 4,077,920	\$ 3,670,321
Fees and permits	-	498,355	-	498,355	-
Other operating revenue	2,772	-	-	2,772	-
Total operating revenues	1,155,961	2,109,265	1,313,821	4,579,047	3,670,321
Operating expenses:					
Salaries and benefits	370,608	1,424,273	385,502	2,180,383	298,963
Services and supplies	1,610,816	1,672,711	399,379	3,682,906	2,791,103
Closure/post closure	-	758,448	-	758,448	-
Depreciation	1,319,670	356,371	82,878	1,758,919	661,521
Legal settlement	-	1,454,460	-	1,454,460	-
Total operating expenses	3,301,094	5,666,263	867,759	9,835,116	3,751,587
Operating income (loss)	(2,145,133)	(3,556,998)	446,062	(5,256,069)	(81,266)
Nonoperating revenues (expenses):					
Tax revenue	-	1,753,968	2,822	1,756,790	-
Intergovernmental revenues	40,000	106,402	189,465	335,867	-
Investment earnings	(5,023)	41,936	4,461	41,374	17,497
Interest expense	-	(20,657)	(1,838)	(22,495)	-
Gain (loss) on sale of assets	7,709	14,155	-	21,864	7,232
Other nonoperating revenue	761	-	-	761	584
Total nonoperating revenues (expenses)	43,447	1,895,804	194,910	2,134,161	25,313
Income (loss) before capital contributions and transfers	(2,101,686)	(1,661,194)	640,972	(3,121,908)	(55,953)
Capital contributions	9,128,788	-	-	9,128,788	-
Transfers in	196,479	-	-	196,479	-
Transfers out	-	-	-	-	(27,680)
Change in net position	7,223,581	(1,661,194)	640,972	6,203,359	(83,633)
Net position - beginning	13,471,622	(13,298,895)	742,261		3,267,860
Net position - ending	\$ 20,695,203	\$ (14,960,089)	\$ 1,383,233		\$ 3,184,227
Adjustments for the net effect of the current year activity between the internal service funds and the enterprise funds				(4,974)	
Changes in net position of business-type activities (page 9)				\$ 6,198,385	

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF INYO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise Funds				Governmental
	Airport	Solid Waste	Nonmajor	Total	Internal
			Enterprise Funds		Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 674,061	\$ 2,780,762	\$ 1,299,163	\$ 4,753,986	\$ 3,670,321
Cash paid to suppliers for goods and services	(1,872,161)	(2,414,018)	(399,144)	(4,685,323)	(2,712,267)
Cash paid to employees for salaries and benefits	(334,037)	(1,222,659)	(643,155)	(2,199,851)	(240,718)
Other operating receipts	2,772	-	-	2,772	-
Net cash provided by (used for) operating activities	(1,529,365)	(855,915)	256,864	(2,128,416)	717,336
Cash flows from noncapital financing activities:					
Loans from other funds	2,104,266	-	(322,966)	1,781,300	(77,000)
Transfer from other funds	196,479	-	-	196,479	-
Transfer to other funds	-	-	-	-	(27,680)
Grants	43,934	(153,643)	228,071	118,362	-
Property taxes	-	1,860,370	-	1,860,370	-
Other nonoperating cash receipts	761	-	7,212	7,973	584
Net cash provided by (used for) noncapital financing activities	2,345,440	1,706,727	(87,683)	3,964,484	(104,096)
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	14,155	-	14,155	27,068
Principal and interest paid on capital debt, net of new issuance	-	(154,830)	(17,029)	(171,859)	91,358
Acquisition or construction of capital assets	(2,884,972)	(270,436)	(191,985)	(3,347,393)	(501,120)
Grants	3,948,347	-	-	3,948,347	-
Net cash provided by (used for) capital and related financing activities	1,063,375	(411,111)	(209,014)	443,250	(382,694)
Cash flows from investing activities:					
Interest earnings	(5,686)	56,930	6,446	57,690	24,705
Net cash provided by (used for) investing activities	(5,686)	56,930	6,446	57,690	24,705
Net increase (decrease) in cash and investments	1,873,764	496,631	(33,387)	2,337,008	255,251
Cash and investments - beginning	2,217,909	5,690,199	1,181,998	9,090,106	3,726,910
Cash and investments - ending	\$ 4,091,673	\$ 6,186,830	\$ 1,148,611	\$ 11,427,114	\$ 3,982,161

The notes to the basic financial statements are an integral part of this statement.

COUNTY OF INYO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(Continued)

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of cash and investments to the statement of net position					
Cash and investments	\$ 4,091,408	\$ 3,759,708	\$ 1,148,610	\$ 8,999,726	\$ 3,982,161
Imprest cash	265	1,125	-	1,390	-
Restricted cash	-	2,425,997	-	2,425,997	-
Total	\$ 4,091,673	\$ 6,186,830	\$ 1,148,610	\$ 11,427,113	\$ 3,982,161
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:					
Operating income (loss)	\$ (2,145,133)	\$ (3,556,998)	\$ 446,062	\$ (5,256,069)	\$ (81,266)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,319,671	356,371	82,878	1,758,920	661,521
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
Accounts receivable	(479,128)	(86,951)	(14,659)	(580,738)	-
Inventory	1,425	-	-	1,425	776
Prepays	-	-	-	-	-
Deferred outflows of resources	(785)	(6,434)	52,789	45,570	(3,989)
Accounts payable	(262,770)	1,491,979	235	1,229,444	14,076
Accrued salaries	3,131	-	(2,724)	407	1,901
Liability for compensated absences	4,383	18,405	(4,102)	18,686	2,242
Closure/post-closure liability	-	758,448	-	758,448	-
Self-insurance liability	-	-	-	-	63,984
Net pension liability	42,285	217,244	(387,980)	(128,451)	65,756
Net OPEB liability	(85,043)	(388,144)	(81,772)	(554,959)	(78,502)
Deferred inflows of resources	72,599	340,165	166,136	578,900	70,837
Net cash provided by (used for) operating activities	\$ (1,529,365)	\$ (855,915)	\$ 256,863	\$ (2,128,417)	\$ 717,336
Schedule of noncash capital and related financing activities:					
Capital contributions from General Fund	\$ 9,128,788	\$ -	\$ -	\$ 9,128,788	\$ -

The notes to the basic financial statements are an integral part of this statement.

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FIDUCIARY FUND FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Custodial Funds	
	External Investment Pool	Other Custodial
ASSETS		
Cash and investments held in Treasury	\$ 74,378,944	\$ -
Total assets	74,378,944	-
LIABILITIES	-	-
NET POSITION		
Restricted for pool participants	74,378,944	-
Total net position	\$ 74,378,944	\$ -

The notes to the basic financial statements are an integral part of this statement.

**COUNTY OF INYO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Custodial Funds	
	External Investment Pool	Other Custodial
ADDITIONS		
Contributions:		
Contributions to pooled investments	\$ 95,053,729	\$ -
Total contributions	95,053,729	-
Investment earnings:		
Investment earnings - interest and dividends	487,679	-
Total investment earnings	487,679	-
Collections on behalf of others:		
Property taxes collected for other governments	-	35,709,647
Other taxes, fees, fines, and forfeitures collected for other governments	-	3,347,403
Other collections	-	9,718
Total collections on behalf of others	-	39,066,768
Total additions	95,541,408	39,066,768
DEDUCTIONS		
Distributions from pooled investment	89,973,358	-
Payments to other individuals and governments	-	39,066,768
Total deductions	89,973,358	39,066,768
Net increase (decrease) in fiduciary net position	5,568,050	-
Net position, beginning (restated)	68,810,894	-
Net position, ending	\$ 74,378,944	\$ -

The notes to the basic financial statements are an integral part of this statement.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Inyo (the County), the primary government, is a political subdivision of the State of California. It is governed by an elected board of five County Supervisors.

The County defines its reporting entity in accordance with accounting principles generally accepted in the United States of America (GAAP), which provides guidance for determining which governmental activities, organization and functions should be included in the reporting entity. The accompanying financial statements present information on the activities of the reporting entity, including all fund types of the County (the primary government) and its component units.

GAAP requires that the component units be separated into blended, fiduciary or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the County's operations. Therefore, they are reported as part of the primary government. The primary government is financially accountable for these component units. Discretely presented component units are reported in a separate column in the financial statements to emphasize that they are legally separate from the County. Each blended and discretely presented component unit has a June 30th fiscal year end.

Blended Component Units

Based on the foregoing criteria, the following entities have been classified as blended component units of the County:

Big Pine District	County Service Area No. 2 (CSA #2)
County of Inyo Capital Asset	Independence Lighting District
Leasing Corporation	Lone Pine Lighting District

The above component units are legally separate entities which are governed by the County's Board of Supervisors; therefore, their financial data has been combined with the County's financial data and presented as blended component units.

Additional detailed information and/or separately issued financial statements for each of these entities can be obtained from the County of Inyo Auditor-Controller's Office located at 168 North Edwards Street, Independence, CA 93526.

Discretely Presented Component Units

First 5 Inyo County – First 5 was created in 1998 with the passage of Proposition 10, the California Children and Families Act. First 5's mission is to allocate funds from the California Children and Families Trust Fund and advocate for quality programs and services, supporting children prenatal to age 5, to ensure that every child is healthy and ready to learn in school. First 5 is governed by a six-member commission that includes public officials and community leaders from the fields of early childhood education, health care, and family support. The County can influence the day-to-day operations and financial decisions of First 5 as the County Board of Supervisors appoints all commission members. First 5 is reported as a discretely presented component unit because its governing body is not substantively the same as the County's governing body, and it does not provide services entirely or exclusively to the County.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below. The accounting policies of the County conform to GAAP in the United States for local governmental units. The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purpose of which they are to be spent and means by which spending activities are controlled.

Government-Wide Financial Statements

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

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

The County first utilizes restricted resources to finance qualified activities, then unrestricted resources as needed.

Fund Financial Statements

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

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

The County reports the following major governmental funds:

General Fund - accounts for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as legislative and administrative, personnel, finance, counselor, elections, and property management.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Road Fund - used to account for money derived from the Highway Users Tax Fund, a portion of Federal Forest Reserve (under Government Code Section 29484) and any other sources of revenue that the Board of Supervisors designates for deposit into the Road fund. Money deposited into the Road Fund is restricted to expenditures made in accordance with Article XIX of the State Constitution and Streets and Highways Code Sections 2101 and 2150.

Grant Programs Fund - used to account for programs that receive resources from other governmental units and are required to follow special legal, contractual, accounting or reporting requirements.

The County reports the following major enterprise funds:

Airport Fund - established to account for the operations of the Eastern Sierra Regional Airport, Lone Pine Airport, and the Shoshone Airport.

Solid Waste Fund - established to account for operations of the solid waste handling activity.

The County reports the following additional fund types:

Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost-reimbursement basis. The County uses internal service funds to account for its motor pool, purchasing, revolving and self-insurance activities.

Custodial Funds - account for assets held by the County as an agent for various individuals or other local governments and are not required to be reported in pension (and other employee benefit trust funds). The External Investment Pool is used to report fiduciary activities from the external portion of the County's investment pool for participants where the contributions are not administered through a trust agreement or equivalent arrangement (legally separate entities that deposit cash with the County Treasurer). These funds are custodial in nature and do not involve measurement of results or operations.

C. Basis of Accounting and Measurement Focus

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

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

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

D. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the general purpose financial statements and the reported amount of revenue and expenditures or expense during the reporting period. Actual results could differ from those estimates.

E. Deposits and Investments

The County follows the practice of pooling cash and investments of all funds except for funds required to be held outside fiscal agents. Interest income earned on pooled cash and investments is allocated quarterly to the various funds, based on the average daily balances.

The County pool is not registered with the Securities and Exchange Commission as an investment company and does not issue separate investment reports. The County has not provided or obtained any legally binding guarantees to support the value of the shares. County Ordinance #970 requires the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements.

Certain special districts and all public school districts are required by legal provisions to deposit their funds with the County Treasurer. Participants may withdraw up to the total of their respective shares as displayed on the combined balance sheet.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows – proprietary funds, the County considers all short-term highly liquid investments, including restricted cash and investments, to be cash and cash equivalents. Amounts held in the County’s investment pool are available on demand; thus, they are considered highly liquid and cash equivalents for purposes of the statement of cash flows – proprietary funds.

G. Restricted Cash

The County reports as restricted cash those funds which have been set aside for future costs associated with the closure and post-closure liability of various landfills in the County.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventories and Prepaid Items

Inventory consists of expendable supplies held for consumption. In governmental funds, inventories are valued at cost. In proprietary funds, they are valued at lower of cost or market. Cost is determined by using either the weighted average or the first-in, first-out method. The consumption method of accounting of inventory is used for the governmental fund types and the proprietary fund types. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources, and thus, an equivalent portion of fund balance is reserved.

I. Receivables

The County only accrues revenues at fiscal year-end and accrues only those revenues it deems collectible; as such, the County has no allowance for doubtful accounts in its governmental funds.

J. Interfund Transactions

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

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

K. Property and Tax Revenue

Property taxes attach as an enforceable lien on January 1. Taxes are levied on July 1 and payable in two installments, December 10 and April 10. All general property taxes are then allocated by the County Auditor-Controller’s Office to the various taxing entities per the legislation implementing Proposition 13. The method of allocation used by the County is subject to review by the State of California. County property tax revenues are recognized when levied, under the alternative method for tax allocation (Teeter Plan), to the extent that they are measurable and available.

L. Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their acquisition value on the date contributed. Capital assets include public domain (infrastructure) general capital assets consisting of certain improvements including roads, bridges, lighting systems, and drainage systems. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets (Continued)

Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight line method of the lesser of the capital lease period or their estimated useful lives in the government-wide statements of proprietary funds.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	15 to 50 Years
Land improvements	7 to 50 Years
Structures and Improvements	50 Years
Equipment	3 to 40 Years

The County has three networks of infrastructure assets: roads, lighting and drainage.

M. Unearned Revenue

Unearned revenue is recorded for assets recognized in connection with a transaction before the earnings process is complete. Those assets and grant advances received prior to meeting all eligibility requirements are offset by a corresponding liability for unearned revenue.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has deferred outflows of resources related to pensions and other postemployment benefits (OPEB).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions and OPEB in its proprietary and government-wide statements. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30 or rolled into the next year.

P. Fund Balance/Net Position

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based on the extent to which the County is bound to honor various constraints.

Nonspendable – amounts that cannot be spent because they are either (1) not in spendable form or (b) legally or contractually required to be maintained intact.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Balance/Net Position (Continued)

Restricted – amounts with constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority (Board of Supervisors) and which remain in place unless removed by taking the same type of action it employed to commit those amounts. The formal action that commits fund balance to a specific purpose should occur prior to the end of the reporting period.

Assigned – amounts that are considered by the County’s intent to be used for specific purposes. Intent should be expressed either by the governing body itself or a body (a budget or finance committee, for example) or official to which the governing body has delegated authority to assign amounts to be used for specific purposes. This is also the classification for residual funds in the County’s special revenue funds.

Unassigned – the residual classification for the General Fund that includes amounts not contained in the preceding classification. In other governmental funds, the unassigned classification is used when expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

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

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

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents net position of the County not restricted for any project or other purpose.

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the County’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Other Postemployment Benefits

For purposes of measuring the other postemployment benefits (OPEB) liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County’s plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by Public Agency Retirement Service (PARS). For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

S. Implementation of GASB Pronouncement

In fiscal year 2021, the County implemented GASB Statement No. 84, Fiduciary Activities, effective for reporting periods beginning after December 15, 2019. This Statement establishes new criteria for identifying fiduciary activities which, when met, require that the activities be reported in a fiduciary fund in the basic financial statements. A statement of fiduciary net position and a statement of changes in fiduciary net position are required to be presented for these activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds (formerly agency funds).

NOTE 2 – CASH IN TREASURY

A. Cash Management

As provided for by the California Government Code, the cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing interest earnings through investment activities. The investment pool (the Pool) is not registered within the Securities and Exchange Commission (SEC), and as suggested by the California Government Code, a treasury oversight committee provides oversight to the management of the pool. The respective funds’ share of the total pool is included in the accompanying combined balance sheet under the caption “Cash and Investments”. Interest earned on these investments is allocated quarterly to certain participating funds based on their cash in County treasury balances.

The County Treasurer determines the fair value of investments annually, at fiscal year-end, for the purpose of financial reporting. Participants may withdraw their investment from the pool on a dollar per dollar basis. School districts, special districts, and other funds held in a fiduciary capacity are part of the Custodial Funds, which are approximately 42% of the total cash and investment balance. School districts are considered involuntary participants in the investment pool and hold a balance of the investment pool, which includes County operational funds. Special districts and various fiduciary funds also hold a balance of the investment pool, and the extent of involuntary participation cannot be determined at this time. County operational funds and other fiduciary funds comprise the remaining balance of the investment pool.

At June 30, 2021, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 62,159
Deposits	5,111,257
Cash with fiscal agent	170,147
Less: outstanding checks	<u>(1,984,430)</u>
Total deposits	<u>3,359,133</u>
Investments	<u>174,788,164</u>
Total cash and investments	<u>\$ 178,147,297</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Total cash and investments at June 30, 2021 were presented on the County's financial statements as follows:

Primary government	\$ 102,975,219
Custodial	74,378,944
Discretely presented component unit	<u>793,134</u>
 Total cash and investments	 <u>\$ 178,147,297</u>

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or collateralized securities that are in possession of an outside party. This risk is mitigated in the County's total bank balance, \$250,000 per account is insured by the Federal Depository Insurance Corporation. The remaining \$4,273,170 on deposit is collateralized with securities held by the pledging financial institution's agent. Per Government Code Section 53652, the depository is required to maintain a market value of at least 110% of the pledged collateralized securities.

At June 30, 2021, the carrying amount of the Pool's deposits was \$12,254,025 and the corresponding bank balance was \$4,886,829. The difference of \$7,367,196 was principally due purchases of investments, outgoing payroll and warrants as of year end.

Investments

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Federal agency obligations	5 years	No limit	No limit
U.S. treasury obligations	5 years	No limit	No limit
State of California obligations	5 years	No limit	No limit
Local agency bonds and obligations	5 years	No limit	No limit
Banker's acceptances	180 days	40%	30%
Commercial paper - select agencies	270 days	25%	10%
Commercial paper - other agencies	270 days	40%	10%
Negotiable certificates of deposit	5 years	30%	No limit
Non-negotiable certificates of deposit	5 years	No limit	No limit
Repurchase agreements	1 year	No limit	No limit
Reverse repurchase agreements	92 days	20%	No limit
Medium-term corporate notes	5 years	30%	10%
Money market mutual funds	N/A	20%	No limit
Local Agency Investment Fund	N/A	No limit	No limit
California asset management program	N/A	No limit	No limit

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Investments (Continued)

At June 30, 2021, the County had the following investments:

	Interest Rates	Maturities	Fair Value	Weighted Avg Maturity (Years)
Pooled investments:				
Federal agency obligations	.0400%-2.80%	7/1/20-6/30/26	\$ 100,977,324	3.92
Commerical paper	N/A	7/24/20-12/29/21	21,978,997	0.65
Local Agency Investment Fund	Variable	Demand	41,000,000	-
Negotiable certificates of deposit	.40%-3.4%	7/1/20-5/8/25	7,686,000	2.39
Local agency debt	N/A	N/A	645,843	-
Money market funds	Variable	On Demand	<u>2,500,000</u>	-
Total pooled investments			<u>\$ 174,788,164</u>	

Interest Rate Risk

The County manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment portfolio to five years or less in accordance with its investment policy.

Investment Type	Fair Value	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Federal agency obligations	\$ 100,977,324	\$ 6,977,324	\$ -	\$ 2,000,000	\$ 11,000,000	\$ 81,000,000
Commerical paper	21,978,997	21,978,997	-	-	-	-
Local Agency Investment Fund	41,000,000	41,000,000	-	-	-	-
Negotiable certificates of deposit	7,686,000	1,983,000	1,242,000	1,239,000	2,230,000	992,000
Local agency debt	645,843	645,843	-	-	-	-
Money market funds	<u>2,500,000</u>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments	<u>\$ 174,788,164</u>	<u>\$ 75,085,164</u>	<u>\$ 1,242,000</u>	<u>\$ 3,239,000</u>	<u>\$ 13,230,000</u>	<u>\$ 81,992,000</u>

Credit Risk

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Credit Risk (Continued)

At June 30, 2021, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Issuer	Investment Type	Amount Reported	% of Total Investments
Federal Farm Credit Bank	Federal agency obligation	\$ 28,000,000	16.02%
Federal Home Loan Bank	Federal agency obligation	31,977,324	18.29%
Federal Home Loan Mortgage	Federal agency obligation	22,000,000	12.58%
Federal National Mortgage Assn.	Federal agency obligation	19,000,000	10.87%
		<u>\$ 100,977,324</u>	<u>57.76%</u>

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool's value at June 30, 2021:

	Credit Quality Ratings		% of Portfolio
	Moody's	S&P	
Federal agency obligations	AAA	AAA	57.77%
US Treasury notes	N/A	N/A	0.00%
Local Agency Investment Fund	Unrated	Unrated	23.46%
Local agency debt	Unrated	Unrated	0.37%
Commercial paper	N/A	N/A	12.57%
Negotiable CDs	N/A	N/A	4.40%
Money market funds	N/A	N/A	1.43%
Total			<u>100%</u>

Custodial Credit Risk

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

Local Agency Investment Fund

The County Treasurer's Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the state Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the Pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (the Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

At June 30, 2021, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$41,000,000, which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF at June 30, 2021, was \$193.3 billion, the majority of which is invested in non-derivative financial products.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

County Investment Pool Condensed Financial Statements

The following represents a condensed statement of net position and changes in net position for the Treasurer's investment pool as of June 30, 2021:

Statement of Net Position

Net position	<u>\$ 178,147,297</u>
Equity of external investment pool participants	\$ 74,378,944
Equity of internal investment pool participants	<u>103,768,353</u>
Total net position	<u>\$ 178,147,297</u>

Statement of Changes in Net Position:

Net position at July 1, 2020	\$ 160,991,728
Net contributions from pool participants	<u>17,155,569</u>
Net position at June 30, 2021	<u>\$ 178,147,297</u>

B. Allocations of Interest Income Among Funds

Interest income from pooled investments is allocated first to those funds which are required by law or administrative action to receive interest, and then to the proprietary funds. Interest is allocated on a quarterly basis based on the aggregate daily cash balance in each fund.

Cash and investments held separately from the pool are managed by a trustee or fiscal agent. Investments are stated at fair value.

C. Authorized Investments

State statutes and adopted investment policy authorize the County to invest in bonds issued by the County of Inyo, obligations of the U.S. Treasury, its agencies and instrumentalities, registered warrants and bonds of the State of California, registered warrants and bonds of any local agency in the State of California, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record's, certificates of deposit, bankers' acceptances from banks with 'A' ratings or better by a nationally recognized rating service, medium term corporate notes issued by companies rated 'A' or better by a nationally recognized rating service, mortgage pass-through securities and collateralized mortgage obligations having a rating of 'AA' or higher by a nationally recognized rating agency, repurchase agreements and the state Treasurer's investment pool. The County is also authorized to enter in reverse repurchase agreements. Investments for bond proceeds and funds held by bond fiscal agent or trustees are governed and restricted by the bond documents. The permitted investment language in each bond transaction is usually unique to each transaction and at times can either be more permissive or less permissive than the County's investment policy over other investments.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – CASH IN TREASURY (Continued)

D. Fair Value of Investments

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The investments in an external investment pool are not subject to reporting within the level hierarchy. The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The County's pooled investments by fair value level as of June 30, 2021 include the following:

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment Type:				
Federal agency obligations	\$ 100,977,324	\$ -	\$ 100,977,324	\$ -
Negotiable certificates of deposit	7,686,000	-	7,686,000	-
Commercial paper	21,978,997	-	21,978,997	-
Total investments measured at fair value	130,642,321	\$ -	\$ 130,642,321	\$ -
Investments not subject to hierarchy:				
Local Agency Investment Fund	41,000,000			
Local agency debt	645,843			
Money market funds	2,500,000			
Total investments in investment pool	\$ 174,788,164			

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2021 was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
Major Fund:	Major Fund:		
General Fund	Grant programs	\$ 1,695,700	Cash flow reimbursement grants
	Airport	4,235,798	Provide short term cash flow for large grant
	Nonmajor enterprise funds	42,298	Provide short term cash flow
	Internal service funds	<u>338,079</u>	Provide short term cash flow
	Total	<u>\$ 6,311,875</u>	

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Funds	\$ 125,000

The above interfund advances are loans that are not expected to be repaid within one year. The General Fund loaned the Purchasing Revolving fund \$125,000 for working capital purposes several years ago without establishing a repayment plan. The intent was that the monies would be returned to the General Fund when the purchasing revolving function would cease to exist. Currently, there are no plans for the purchasing revolving function to cease to exist.

B. Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity.

Transfers Out	Transfers In	Amount	Purpose
General Fund	Grant Programs	\$ 195,500	County required grant match
General Fund	Grant Programs	326,340	To augment ongoing operations
General Fund	Grant Programs	94,893	General Fund contribution to cover A87 cost.
General Fund	Nonmajor governmental funds	192,961	Purchase of Lone Pine consolidated office building
General Fund	Nonmajor governmental funds	942,954	Move in Cost and improvements for Bishop Office
General Fund	Airport	<u>32,665</u>	To augment ongoing operations
		<u>1,785,313</u>	
Grant Programs	General Fund	170	To augment ongoing operations
Internal Service Funds	General Fund	<u>27,680</u>	Safety upgrades consolidated office building
		<u>27,850</u>	
Nonmajor governmental funds	Airport	163,814	Grant match for County share
Nonmajor governmental funds	General Fund	<u>170</u>	To augment ongoing operations
		<u>163,984</u>	
	Total	<u>\$ 1,977,147</u>	

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2021
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 8,899,171	\$ -	\$ -	\$ -	\$ 8,899,171
Construction in progress	1,626,941	2,525,210	-	(5,043)	4,147,108
Total capital assets, not being depreciated	<u>10,526,112</u>	<u>2,525,210</u>	<u>-</u>	<u>(5,043)</u>	<u>13,046,279</u>
Capital assets, being depreciated:					
Infrastructure	208,977,837	360,855	(49,731)	-	209,288,961
Land improvements	5,659,316	76,980	-	(2,863)	5,733,433
Structures and improvements	20,373,974	865,209	(26,000)	-	21,213,183
Equipment	20,347,344	1,429,895	(349,527)	(12,621)	21,415,091
Total capital assets, being depreciated	<u>255,358,471</u>	<u>2,732,939</u>	<u>(425,258)</u>	<u>(15,484)</u>	<u>257,650,668</u>
Less accumulated depreciation for:					
Infrastructure	(190,469,458)	(985,219)	49,731	-	(191,404,946)
Land improvements	(2,572,617)	(140,480)	-	198	(2,712,899)
Structures and improvements	(9,159,728)	(600,429)	24,900	-	(9,735,257)
Equipment	(16,960,430)	(1,159,255)	349,527	(14,446)	(17,784,604)
Total accumulated depreciation	<u>(219,162,233)</u>	<u>(2,885,383)</u>	<u>424,158</u>	<u>(14,248)</u>	<u>(221,637,706)</u>
Total capital assets, being depreciated, net	<u>36,196,238</u>	<u>(152,444)</u>	<u>(1,100)</u>	<u>(29,732)</u>	<u>36,012,962</u>
Governmental activities capital assets, net	<u>\$ 46,722,350</u>	<u>\$ 2,372,766</u>	<u>\$ (1,100)</u>	<u>\$ (34,775)</u>	<u>\$ 49,059,241</u>
	Balance June 30, 2020	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2021
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,851,399	\$ -	\$ -	\$ -	\$ 1,851,399
Construction in progress	3,624,862	-	(3,624,862)	-	-
Total capital assets, not being depreciated	<u>5,476,261</u>	<u>-</u>	<u>(3,624,862)</u>	<u>-</u>	<u>1,851,399</u>
Capital assets, being depreciated					
Infrastructure	24,492,874	12,205,744	-	-	36,698,618
Land improvements	2,715,663	-	-	7,906	2,723,569
Structures and improvements	6,045,797	13,906	-	-	6,059,703
Equipment	5,071,715	256,529	1	-	5,328,245
Total capital assets, being depreciated	<u>38,326,049</u>	<u>12,476,179</u>	<u>1</u>	<u>7,906</u>	<u>50,810,135</u>
Less accumulated depreciation for:					
Infrastructure	(17,211,038)	(982,350)	-	-	(18,193,388)
Land improvements	(2,324,360)	(43,565)	-	(198)	(2,368,123)
Structures and improvements	(3,486,887)	(376,661)	-	-	(3,863,548)
Equipment	(3,213,163)	(356,343)	(1)	-	(3,569,507)
Total accumulated depreciation	<u>(26,235,448)</u>	<u>(1,758,919)</u>	<u>(1)</u>	<u>(198)</u>	<u>(27,994,566)</u>
Total capital assets, being depreciated, net	<u>12,090,601</u>	<u>10,717,260</u>	<u>-</u>	<u>7,708</u>	<u>22,815,569</u>
Business-type activities capital assets, net	<u>\$ 17,566,862</u>	<u>\$ 10,717,260</u>	<u>\$ (3,624,862)</u>	<u>\$ 7,708</u>	<u>\$ 24,666,968</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 – CAPITAL ASSETS (Continued)

A. Depreciation

Depreciation expense was charged to governmental functions as follows:

General government	\$ 273,152
Public protection	337,140
Public ways and facilities	1,393,621
Health and sanitation	116,048
Public assistance	16,140
Education	444
Recreation and culture	87,317
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>661,521</u>
 Total depreciation expense - governmental activities	 <u>\$ 2,885,383</u>

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

Airport	\$ 1,319,670
Solid Waste	356,371
Nonmajor enterprise funds	<u>82,878</u>
 Total depreciation expense - business-type activities	 <u>\$ 1,758,919</u>

NOTE 5 – LOANS RECEIVABLE

The County issued four loans as part of the federal HOME program to first time home buyers totaling \$780,000 during the fiscal year ending June 30, 2008. The loans are deferred for a period of 30 years and are due in the event that the property acquired with the proceeds is sold before the deferral period ends. Fund balance for the outstanding loans is reported as restricted. As of June 30, 2021 the balance of \$780,000 remains outstanding.

NOTE 6 – LONG-TERM LIABILITIES

A. Governmental Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 for governmental activities is as follows:

Type of Indebtedness	Balance June 30, 2020	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2021	Amounts Due Within One Year
Governmental Activities:						
Compensated absences	\$ 1,835,688	\$ 1,512,264	\$ (1,336,695)	\$ -	\$ 2,011,257	\$ 2,011,257
Claims liability	165,622	63,984	-	-	229,606	100,000
Net OPEB liability	58,660,306	9,892,479	(20,130,316)	-	48,422,469	-
Net pension liability	67,073,265	42,196,075	(36,315,488)	-	72,953,852	-
Direct borrowing:						
Capital leases	738,067	443,529	(336,930)	(15,241)	829,425	244,416
Loans payable	<u>4,010,245</u>	<u>-</u>	<u>(313,754)</u>	<u>-</u>	<u>3,696,491</u>	<u>317,457</u>
 Total long-term liabilities	 <u>\$ 132,483,193</u>	 <u>\$ 54,108,331</u>	 <u>\$ (58,433,183)</u>	 <u>\$ (15,241)</u>	 <u>\$ 128,143,100</u>	 <u>\$ 2,673,130</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – LONG-TERM LIABILITIES (Continued)

A. Governmental Long-Term Liabilities (Continued)

The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

The General Fund and the Motor Pool Internal Service Funds pay for various capital lease obligations attributable to the government activities and the Grants fund pays for the loan payable obligation attributable to the governmental activities.

B. Capital Leases (Direct Borrowing) – Governmental

The County entered into direct borrowing lease agreements as the lessee for financing the acquisition of vehicles used in the County’s Motor Pool Internal Service Fund. There is a provision whereby in the event of default the lender may demand and receive immediate possession of vehicles without releasing the County from its obligations under this agreement.

The cost of capital assets under capital leases is as follows:

Equipment	\$	2,593,799
Less: accumulated amortization		<u>(1,765,702)</u>
	\$	<u>828,097</u>

As of June 30, 2021, future minimum lease payments under capital leases were as follows:

Year Ending June 30	Principal	Interest
2022	\$ 244,416	\$ 11,848
2023	206,130	8,169
2024	179,224	5,055
2025	148,818	2,388
2026	<u>50,837</u>	<u>366</u>
Total	<u>\$ 829,425</u>	<u>\$ 27,826</u>

C. Loans Payable (Direct Borrowing) – Governmental

The County entered into a direct borrowing agreement to finance payment to CalPERS to fund an unfunded accrued liability for the County’s pension plan. The loan is secured by a first pledge of all of the gross revenue of the County. The loan agreement contains a provision that in the event of default, the County will be liable for the payment of all remaining outstanding principal and accrued interest.

The County entered into a direct borrowing agreement with the California Energy Commission for financing the installation of photovoltaic electric systems on County-owned facilities. Payments are made semiannually and the final payment is due in December 2028. The loan agreement contains a provision that in the event of default, the County will be liable for the payment of all remaining outstanding principal and accrued interest.

The County entered into a direct borrowing agreement to finance a new property tax management system in December 2012.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – LONG-TERM LIABILITIES (Continued)

C. Loans Payable (Direct Borrowing) – Governmental (Continued)

Loans payable for governmental activities at June 30, 2021 consisted of the following:

Governmental Activities	Date of Issuance	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2021
CalPERS side fund refunding (to refund unfunded accrued liability for the County's retirement plan)	3/14	5/11 - 5/25	5.50%	\$90,000 - \$479,000	\$ 4,045,000	\$ 3,061,000
CEC solar loan (to finance a photovoltaic solar project)	10/13	12/14 - 12/28	1.00%	\$26,287 - \$36,865	\$ 992,054	\$ 534,123
Loan payable (to finance new property tax management software)	12/12	1/13 - 5/25	5.00%	\$45,992 - \$49,901	\$ 616,258	\$ 101,368

The following is a schedule of debt service requirements to maturity as of June 30, 2021 for the loans payable from direct borrowings for governmental activities.

Years Ending June 30	Governmental Activities Loans from Direct Borrowings	
	Principal	Interest
2022	\$ 317,457	\$ 193,441
2023	391,464	176,390
2024	343,310	160,527
2025	373,024	165,236
2026	404,736	124,434
2027-2030	1,866,500	316,359
Total	\$ 3,696,491	\$ 1,136,387

D. Business-Type Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2021 for business-type activities is as follows:

Type of Indebtedness	Balance June 30, 2020	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2021	Amounts Due Within One Year
Business-Type Activities						
Compensated absences	\$ 66,309	\$ 62,951	\$ (44,265)	\$ -	\$ 84,995	\$ 84,995
Net OPEB liability	3,810,733	808,294	(1,473,372)	-	3,145,655	-
Net pension liability	2,956,624	1,444,310	(1,462,642)	-	2,938,292	-
Closure/post-closure liability	17,115,663	758,448	-	-	17,874,111	-
Direct borrowing:						
Capital lease obligations	149,825	-	(139,052)	98,730	109,503	108,854
Loans payable	481,488	-	(109,042)	-	372,446	112,797
Total long-term liabilities	\$ 24,580,642	\$ 3,074,003	\$ (3,228,373)	\$ 98,730	\$ 24,525,002	\$ 306,646

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – LONG-TERM LIABILITIES (Continued)

E. Capital Leases (Direct Borrowing) – Business-Type

The County entered into a direct borrowing lease agreement as the lessee for financing the acquisition of equipment used in the County’s Solid Waste Fund. There is a provision whereby in the event of default the lender may declare all lease payments due or to become due during the fiscal year in which the event of default occurs to be immediately due and payable and/or may repossess the equipment by giving a written notice.

The cost of capital assets under capital leases is as follows:

Equipment	\$	1,060,563
Less: accumulated amortization		<u>(702,521)</u>
	\$	<u>358,042</u>

As of June 30, 2021, future minimum lease payments under capital leases were as follows:

Year Ending June 30	Principal	Interest
2022	\$ 108,854	\$ 3,351
2023	<u>649</u>	<u>-</u>
Total	<u>\$ 109,503</u>	<u>\$ 3,351</u>

F. Loans Payable (Direct Borrowing) – Business-Type

The Water Enterprise Fund entered into an agreement to borrow \$78,000 from the County Treasury to be used to finance the cost of water system improvements. The loan carries interest of 3.40% with quarterly payments starting on June 30, 2019 with final payment due March 30, 2024.

The Recycling & Waste Management Enterprise Fund entered into an agreement to borrow \$490,099 from the County Treasury to be used to finance the cost of a compactor at the Bishop Landfill. The loan carries interest of 3.40% with quarterly payments starting on December 12, 2019 with final payment due September 12, 2024. There is a provision whereby in the event of default the County Treasury may declare all or any portion of the unpaid principle and accrued interest to be immediately due and payable.

The following is a schedule of debt service requirements to maturity as of June 30, 2021 for the loans payable for business-type activities.

Years Ending June 30	Business-Type	
	Loans Payable	
	Principal	Interest
2022	\$ 112,797	\$ 11,234
2023	116,682	7,351
2024	116,442	3,333
2025	<u>26,525</u>	<u>225</u>
Total	<u>\$ 372,446</u>	<u>\$ 22,143</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS

The County currently owns and maintains five landfill sites. State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill sites for thirty years after closure. In addition to operating expenditures related to current activities of the landfill, an estimated liability is being recognized based on the future closure and post closure maintenance costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the estimated liability for closure and post closure maintenance costs is based on the amount of the landfill used through the end of the fiscal year.

The estimated liability of all County landfill sites for closure and post-closure maintenance costs was \$17,874,111 as of the fiscal year end, which is based on the estimated percentage usage (filled), ranging from 38.30% to 70.29% of each landfill site. It is estimated that an additional \$19,117,740 liability will be recognized as closure and post closure maintenance costs between the date of the balance sheet and the date the landfills are expected to be filled to capacity.

The estimated total current cost of the landfill closure and post-closure maintenance costs of \$36,991,851 is based on the amounts that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post-closure maintenance costs are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the Geo-logic Associates of Claremont, California.

These cost estimates are subject to change based on such factors as inflation or deflation, changes in technology, or changes in federal or state landfill laws and regulations.

The County is required by state and federal laws and regulations to make annual contributions to finance closure and post closure maintenance costs. The County makes deposits into various accounts based on the annual liability amounts calculated by CWA. As of June 30, 2021, a total of \$2,425,997 was deposited into these accounts for the purpose of funding landfill closure costs. This amount is reported as restricted cash in the Solid Waste Fund. A Pledge of Revenue agreement with the California Integrated Waste Management Board has been established as a funding mechanism for the County's landfill post closure costs.

The following is the information for each landfill as of June 30, 2021:

	Percent Filled	Total Closure/ Post-Closure Cost Estimates	Liability June 30, 2021
Bishop Sunland	38.30%	\$ 18,894,985	\$ 7,237,711
Independence	70.29%	5,468,367	3,843,599
Lone Pine	45.00%	6,767,013	3,044,899
Shoshone	64.02%	2,816,937	1,803,475
Tecopa	63.87%	3,044,549	1,944,427
		<u>\$ 36,991,851</u>	<u>\$ 17,874,111</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – FUND BALANCES

A. Classification

In the fund financial statements, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor the constraints imposed on the use of resources reported in the funds.

Fund balances for all major and nonmajor governmental funds as of June 30, 2021, were distributed as follows:

	<u>General</u>	<u>Road</u>	<u>Grants Programs</u>	<u>Other Governmental</u>	<u>Total</u>
Nonspendable:					
Prepays	\$ 40,866	\$ -	\$ 5,317	\$ 735	\$ 46,918
Advances and deposits	166,700	-	-	-	166,700
Inventory	<u>23,516</u>	<u>701,644</u>	<u>-</u>	<u>-</u>	<u>725,160</u>
Total Nonspendable Fund Balance	<u>231,082</u>	<u>701,644</u>	<u>5,317</u>	<u>735</u>	<u>938,778</u>
Restricted:					
General government	2,094,440	-	-	-	2,094,440
Public protection	14,172,707	-	1,966,586	287,774	16,427,067
Public ways and facilities	65,206	6,570,005	1,712	1,061,946	7,698,869
Health and sanitation	19,306,140	-	1,167,997	190,536	20,664,673
Public assistance	1,259,358	-	1,889,243	-	3,148,601
Recreation and culture	<u>9,716</u>	<u>-</u>	<u>146,943</u>	<u>-</u>	<u>156,659</u>
Total Restricted Fund Balance	<u>36,907,567</u>	<u>6,570,005</u>	<u>5,172,481</u>	<u>1,540,256</u>	<u>50,190,309</u>
Assigned					
General government	11,679,397	-	-	2,214,174	13,893,571
Public protection	4,219,567	-	-	-	4,219,567
Health and sanitation	743,135	-	-	-	743,135
Public assistance	736,464	-	-	-	736,464
Education	1,027,378	-	-	-	1,027,378
Recreation and culture	<u>1,277,901</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,277,901</u>
Total Assigned Fund Balance	<u>19,683,842</u>	<u>-</u>	<u>-</u>	<u>2,214,174</u>	<u>21,898,016</u>
Unassigned	<u>22,825,648</u>	<u>-</u>	<u>(1,610,843)</u>	<u>-</u>	<u>21,214,805</u>
Total Fund Balances	<u>\$ 79,648,139</u>	<u>\$ 7,271,649</u>	<u>\$ 3,566,955</u>	<u>\$ 3,755,165</u>	<u>\$ 94,241,908</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS

AGENT MULTIPLE EMPLOYER PLANS

A. General Information

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the County’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Miscellaneous Plan are applied as specified by the Public Employees’ Retirement Law.

The Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous Plan is closed to new entrants as of January 1, 2013.

The Plan’s provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Miscellaneous	
	<u>1st Tier</u>	<u>PEPRA</u>
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.00% to 2.50%
Required employee contribution rates	7.500%	7.500%
Required employer contribution rates	9.837%	9.837%

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

A. General Information (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County’s required contribution for the unfunded liability was \$4,121,488 for the fiscal year ended June 30, 2021.

Employees Covered

At the June 30, 2019 valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	566
Inactive employees entitled to but not yet receiving benefits	139
Active employees	349
Total	1,054

Contributions

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The County’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2021 were \$6,869,877.

B. Net Pension Liability

The County’s net pension liability for its Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial variations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.63%
Payroll Growth	2.88%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.25% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

⁽²⁾ The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ^(a)	Current Target Location	Real Return Years 1-10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100%</u>		

^(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% used for this period.

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Miscellaneous Plan:			
Balance at June 30, 2019 (Measurement Date)	<u>\$ 190,912,423</u>	<u>\$ 136,562,749</u>	<u>\$ 54,349,674</u>
Changes in the year:			
Service cost	3,692,938	-	3,692,938
Interest on total pension liability	13,835,200	-	13,835,200
Changes of assumptions	-	-	-
Differences between expected and actual experience	666,738	-	666,738
Plan to plan resource movement	-	-	-
Contributions - employer	-	6,712,605	(6,712,605)
Contributions - employee	-	1,737,975	(1,737,975)
Net investment income	-	6,983,596	(6,983,596)
Benefit payments, including refunds of employee contributions	(11,339,158)	(11,339,158)	-
Administrative expenses	-	(198,312)	198,312
Changes in proportion	<u>5,743,246</u>	<u>4,108,237</u>	<u>1,635,009</u>
Net changes	<u>12,598,964</u>	<u>8,004,944</u>	<u>4,594,020</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 203,511,387</u>	<u>\$ 144,567,692</u>	<u>\$ 58,943,694</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net position liability of the County for the Miscellaneous Plan, calculated using the discount rate for the Plan, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous plan	\$ 86,018,159	\$ 58,943,694	\$ 38,939,864

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

D. Pension Expenses Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the County recognized pension expense of \$9,388,364. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 7,285,422	\$ -
Changes in assumptions	-	-
Differences between actual and expected experience	919,776	-
Net differences between projected and actual earnings on plan investments	1,081,934	-
Total	\$ 9,287,132	\$ -

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

D. Pension Expenses Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$7,285,422 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 94,312
2023	588,352
2024	729,542
2025	589,504
2026	-
Thereafter	-
Total	<u>\$ 2,001,710</u>

E. Payable to the Pension Plan

The County did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

COST-SHARING MULTIPLE-EMPLOYER PLANS

A. General Information

Plan Description – All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees’ Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (sheriff and certain district attorney members) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The County of Inyo (County) sponsors two safety rate plans. Benefit provisions under the Plan are established by State statute and County resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees’ Retirement Law.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

A. General Information (Continued)

The rate plan provisions and benefits in effect at June 30, 2021 are summarized as follows:

	Safety	
	1st Tier	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.0% to 2.7%
Required employee contribution rates	9.000%	12.000%
Required employer contribution rates	21.927%	13.034%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County's required contribution for the unfunded liability was \$1,058,806 for the fiscal year ended June 30, 2021.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions

The County's contributions to the plan recognized as a part of pension expense for the year ended June 30, 2021 were \$1,961,108.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$16,948,449.

The County's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The County's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.2512%
Proportion - June 30, 2020	0.2544%
Change - Inrease (Decrease)	0.0032%

For the year ended June 30, 2021, the County recognized pension expense of \$3,179,118. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 2,152,123	\$ -
Changes in assumptions	-	56,456
Differences between actual and expected experience	1,314,266	-
Net differences between projected and actual earnings on plan investments	368,361	-
Change in employer's proportion	218,172	34,435
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	329,519
Total	\$ 4,052,922	\$ 420,410

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$2,152,123 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2022	\$ 344,579
2023	549,486
2024	401,756
2025	184,568
2026	-
Thereafter	-
Total	<u>\$ 1,480,389</u>

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.15% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

⁽²⁾ The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

D. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ^(a)	Current Target Location	Real Return Years 1-10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u>100%</u>		

^(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

^(b) An expected inflation of 2.00% used for this period.

^(c) An expected inflation of 2.92% used for this period.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 9 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

D. Discount Rate (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –
The following presents the County’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
\$ 25,226,366	\$ 16,948,449	\$ 10,155,634

E. Pension Plan Fiduciary Net Position

Detailed information about the Safety Plan pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

F. Payable to the Pension Plan

The County did not have an outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

NOTE 10 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County has risk management funds (Internal Service Funds) to account for the County’s General Liability and Medical Malpractice insurance programs that are self-insured. Beginning with the fiscal year ended June 30, 2014, the County’s Workers’ Compensation liability is no longer self-insured. Risk of insurance has been assumed by a third-party insurer.

Fund revenues are primarily premium charges to other funds and are planned to equal estimated payments resulting from self-insurance programs, liability insurance coverage in excess of the self-insured amounts, and operating expenses.

The County maintains a self-insured retention (SIR) of \$100,000 per occurrence for its general liability program. Losses which exceed the SIR are covered by excess insurance policy up to \$15,000,000 per occurrence.

The County maintains a self-insured retention (SIR) of \$10,000 per occurrence for its medical malpractice coverage. Losses which exceed the SIR are covered by excess insurance policy up to \$10,000,000 per occurrence.

Airport coverage consists of primary insurance with no self-insured retention and a coverage limit of \$10,000,000.

Claim settlements have not exceeded insurance coverage in each of the past three years. Also, non-incremental claims adjustments have been included as part of the liability for unpaid claims.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – RISK MANAGEMENT (Continued)

It is the County's policy to charge to the expense of the Internal Service Fund the estimated liability for outstanding claims, as determined with the assistance of independent actuaries. The liability for self-insurance coverage reported in the internal service funds is based on the requirements of Governmental Accounting Standards Board Statements No. 10 and 30, which require that a liability for claims be reported if information prior to issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the County's claims liability for the fiscal years ended June 30, 2021 and 2020 were as follows:

	2021	2020
Unpaid claims - beginning of year	\$ 165,622	\$ 285,000
Plus estimated claims incurred	148,276	70,622
Less claims payments	<u>(84,292)</u>	<u>(190,000)</u>
Unpaid claims - end of year	<u>\$ 229,606</u>	<u>\$ 165,622</u>

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

Plan Administration

The County sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. The eligibility requirements for retiree health benefits follow the 50 PERS formula (retirement age 50 with at least 5 years of continuous service).

Benefits Provided

The County uses the "Unequal Contribution Method" under which the County's contribution for retirees increases each year by 5% of its contribution for active employees. Effective January 1, 2008, the County's contribution for retirees must be at least as great as its contribution for active employees (which varies as described above) multiplied by 5% times the number of years the County has participated in PEMHCA, to a maximum of 100% after 20 years of participation. The County met 20 years of participation as of 2016, so the contribution to retirees is at least as great as the contribution to active employees.

County contribution caps are determined by employment unit:

- DSA and LEAA retirees earn a 100% contribution to PORAC health plan.
- Retirees from all other groups earn a 100% contribution to PERS Choice health plan.

Retirees may select any plan and pay the difference from the applicable cap. The County pays a percent-of-premium administrative fee to PEMHCA for each active employee and retiree. The County does not contribute dental, vision, or life insurance benefits to retirees.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Funding Policy

Contributions

The County has established an OPEB trust with PARS. For the year ended June 30, 2021, the County contributed \$165,825, in addition to pay-go-costs, which were paid outside the trust.

C. Plan Membership

Plan Membership at July 1, 2020 consisted of the following:

Inactives currently receiving benefits	317
Active employees	311
Total	628

D. Actuarial Methods and Assumptions

The County's Net OPEB Liability was measured as of June 30, 2021 and the total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair value of assets
Discount Rate	6.00%
Inflation	2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Investment Rate Return	6%, net of OPEB plan investment expense
Healthcare Cost Trend Rates	4.00% for 2021-2023; 5.20% for 2024-2069, and 4.00% for 2070 and later years; Medicare ages: 4.00% for all years

Pre-retirement and post-retirement mortality rates were based on the CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the July 1, 2020 valuation were based on a review of plan experience during the period July 1, 2018 to June 30, 2020.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

E. Actuarial Methods and Assumptions (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected real rate of return</u>
Broad U.S. Equity	50.0%	4.40%
U.S. Fixed	<u>50.0%</u>	1.50%
Total	<u>100%</u>	

F. Deferred Inflows/Deferred Outflows of Resources Related to OPEB

At June 30, 2021, the County reported deferred inflows and deferred outflows of resources related to OPEB as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,763,635	\$ -
Changes of assumptions	4,187,647	9,720,428
Differences between projected and actual return on investments	<u>103,822</u>	<u>1,046,120</u>
Total	<u>\$ 6,055,104</u>	<u>\$ 10,766,548</u>

Amounts reported as deferred inflows/deferred outflows will be amortized as follows:

<u>Year Ending June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2022	\$ 192,888
2023	(1,139,106)
2024	(2,372,774)
2025	(1,392,452)
2026	-
Thereafter	-
	<u>\$ (4,711,444)</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

G. Changes in the Net OPEB Liability

Total OPEB Liability	
Service cost	\$ 1,854,689
Interest	3,237,858
Changes in benefit terms	2,267,531
Changes in assumptions	(12,497,694)
Benefits payments, including refunds*	<u>(3,314,743)</u>
Net change in total OPEB liability	(8,452,359)
Total OPEB liability - beginning (a)	<u>70,103,964</u>
Total OPEB liability - ending (b)	<u>\$ 61,651,605</u>
Plan fiduciary net position	
Contributions - employer	\$ 4,008,155
Net investments income	1,783,096
Benefit payments ¹	(3,314,743)
Administrative expense	<u>(25,953)</u>
Net change in plan fiduciary net position	2,450,555
Plan fiduciary net position - beginning (c)	<u>7,632,926</u>
Plan fiduciary net position - ending (d)	10,083,481
Net OPEB liability - beginning (a) - (c)	<u>62,471,038</u>
Net OPEB liability - ending (b) - (d)	<u>\$ 51,568,124</u>

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Net OPEB Liability of the County, calculated using the discount rate of 5.42 percent, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease <u>4.42%</u>	Current Discount Rate <u>5.42%</u>	1% Increase <u>6.42%</u>
Net OPEB Liability	\$ 59,549,131	\$ 51,568,124	\$ 45,000,560

I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

	1% Decrease <u>3.00% for 2021-2023</u>	Current Healthcare Cost Trend Rates <u>4.00% for 2021-2023</u>	1% Increase <u>5.00% for 2021-2023</u>
Net OPEB Liability	\$ 44,121,511	\$ 51,568,124	\$ 60,672,796

NOTE 12 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances/net position at June 30, 2021, as follows:

<u>Fund</u>	<u>Deficit</u>
Enterprise Funds:	
Solid Waste Enterprise Fund	\$ 14,960,089
Mosquito Abatement Enterprise Fund	627,386

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 12 – DEFICIT FUND BALANCE/NET POSITION (Continued)

The Solid Waste deficit is expected to be eliminated in the future through a restructuring of service at the landfills and retirement of closure/post closure liability.

The deficits in the Mosquito Abatement Fund and the Alcohol Fund are anticipated to be recovered through future years' revenues.

NOTE 13 – CONTINGENCIES

A. Government Programs

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants received from other governmental entities. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

B. Claims and Assessments

The County is a defendant in several lawsuits arising in the normal course of business. In the aggregate, these claims seek monetary damages in significant amounts. The County will vigorously oppose these matters.

The County has accrued two legal settlements amounting to approximately \$1,500,000 within the Solid Waste Fund.

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

A. Implementation of GASB 84

The County has restated the fund net position/fund balance for governmental activities and the general fund in accordance with GASB 84 Fiduciary Activities. The beginning net position/fund balance of the funds identified below have been restated as presented in the following reconciliation:

	<u>Government-Wide</u>	<u>Governmental Fund</u>	<u>Fiduciary Funds</u>
			<u>Custodial</u>
	<u>Governmental</u>		<u>Extneral</u>
	<u>Activities</u>	<u>General</u>	<u>Investment Pool</u>
Net position/fund balance, June 30, 2020, as previously reported	\$ 18,919,203	\$ 71,779,368	\$ -
Change in accounting principle:			
Implementation of GASB 84	<u>3,949,309</u>	<u>3,949,309</u>	<u>68,810,894</u>
Total change in account principle	<u>3,949,309</u>	<u>3,949,309</u>	<u>68,810,894</u>
Net position/fund balance, July 1, 2020, as restated	<u>\$ 22,868,512</u>	<u>\$ 75,728,677</u>	<u>\$ 68,810,894</u>

Excluded from this table is the previously reported "Investment Trust" column of the Fiduciary Funds financial statements. This is due to all of that related activity being transitioned over to the "Custodial - External Investment Pool" column. As such, it was excluded from the table above because an Investment Trust column is no longer presented.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF INYO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	Reporting Fiscal Year (Measurement Year)						
	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)
Total Pension Liability:							
Service cost	\$ 3,208,960	\$ 3,277,007	\$ 3,077,612	\$ 3,600,938	\$ 3,418,074	\$ 3,469,207	\$ 3,692,938
Interest on total pension liability	10,187,707	11,062,655	11,569,079	11,938,183	12,296,772	12,973,159	13,835,200
Differences between expected and actual experience	-	2,012,865	550,920	(926,084)	(1,504,896)	1,384,213	666,738
Changes of assumptions	-	(2,581,231)	-	9,434,400	(768,044)	-	-
Benefit payments, including refunds of employee contributions	(6,788,054)	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)
Change in proportion	-	3,191,701	(123,599)	944,983	1,259,061	2,529,426	5,743,246
Net change in total pension liability	6,608,613	9,190,604	6,751,618	16,067,189	4,789,024	9,879,747	12,598,964
Total pension liability - beginning	137,625,628	144,234,241	153,424,845	160,176,463	176,243,652	181,032,676	190,912,423
Total pension liability - ending (a)	\$ 144,234,241	\$ 153,424,845	\$ 160,176,463	\$ 176,243,652	\$ 181,032,676	\$ 190,912,423	\$ 203,511,387
Plan Fiduciary Net Position:							
Plan to plan resource movement	\$ -	\$ 40,862	\$ -	\$ -	\$ (300)	\$ -	\$ -
Contributions - employer	3,085,418	3,167,006	3,565,443	3,730,889	5,202,590	6,281,979	6,712,605
Contributions - employee	1,477,303	1,394,721	1,490,440	1,406,869	1,418,227	1,561,750	1,737,975
Net investment income	17,039,604	2,612,955	596,621	12,525,916	10,339,367	8,553,453	6,983,596
Benefit payments, including refunds of employee contributions	(6,788,056)	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)
Administrative expenses ¹	-	(130,610)	(70,133)	(166,834)	(553,112)	(92,990)	(198,312)
Change in proportion	-	2,508,226	(92,779)	662,740	868,478	1,801,484	4,108,237
Net change in plan fiduciary net position	14,814,269	1,820,767	(2,832,802)	9,234,349	7,363,307	7,629,418	8,004,943
Plan fiduciary net position beginning	98,533,441	113,347,710	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749
Plan fiduciary net position - ending (b)	113,347,710	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749	144,567,692
Net pension liability - ending (a)-(b)	\$ 30,886,531	\$ 38,256,368	\$ 47,840,788	\$ 54,673,628	\$ 52,099,345	\$ 54,349,674	\$ 58,943,695
Plan fiduciary net position as a percentage of the total pension liability	78.59%	75.07%	70.13%	68.98%	71.22%	71.53%	71.04%
Covered payroll	20,277,786	23,169,925	23,849,570	21,616,400	22,925,440	21,589,489	28,218,572
Net pension liability as a percentage of covered payroll	152.32%	165.11%	200.59%	252.93%	227.26%	251.74%	208.88%

Changes in Benefit Terms - None

Changes in Assumptions - None

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – AGENT MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	Reporting Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
Actuarially required contribution (actuarially determined)	\$ 3,098,442	\$ 3,568,318	\$ 3,709,008	\$ 5,165,686	\$ 6,195,415	\$ 6,516,566	\$ 6,433,165
Contributions in relation to the actuarially determined contributions	<u>3,098,442</u>	<u>3,568,318</u>	<u>3,709,008</u>	<u>5,165,686</u>	<u>6,195,415</u>	<u>6,516,566</u>	<u>6,433,165</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,169,925	\$ 23,849,570	\$ 21,616,400	\$ 22,925,440	\$ 21,589,489	\$ 28,218,572	\$ 28,871,698
Contributions as a percentage of covered payroll	13.37%	14.96%	17.16%	22.53%	28.70%	23.09%	22.28%

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF INYO
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS AS OF THE MEASUREMENT DATE
COST-SHARING MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	Reporting Fiscal Year (Measurement Year)						
	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)
Proportion of the net pension liability	0.2428%	0.2383%	0.2500%	0.2488%	0.2526%	0.2512%	0.2544%
Proportionate share of the net pension liability	\$ 9,181,100	\$ 9,818,587	\$ 12,946,511	\$ 14,867,488	\$ 14,820,308	\$ 15,680,214	\$ 16,948,449
Covered payroll	\$ 3,279,232	\$ 3,305,621	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$ 2,830,470	\$ 3,835,500
Proportionate share of the net pension liability as percentage of covered payroll	279.98%	297.03%	328.36%	366.10%	354.31%	553.98%	441.88%
Plan fiduciary net position as a percentage of the total pension liability	74.56%	80.58%	75.20%	73.42%	73.79%	73.33%	72.20%

Notes to Schedule:

Changes in Benefit Terms - None

Changes of Assumptions - None

*Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – COST-SHARING MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	Reporting Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
Multiple-Employer Defined Benefit Pension Plan							
Actuarially required contribution (actuarially determined)	\$ 928,922	\$ 1,064,571	\$ 1,126,306	\$ 1,520,177	\$ 1,793,957	\$ 1,961,108	\$ 1,880,485
Contributions in relation to the actuarially determined contributions	<u>928,922</u>	<u>1,064,571</u>	<u>1,126,306</u>	<u>1,520,177</u>	<u>1,793,957</u>	<u>1,961,108</u>	<u>1,880,485</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,305,621	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$ 2,830,470	\$ 3,835,500	\$ 3,839,656
Contributions as a percentage of covered payroll	28.10%	27.00%	27.73%	36.34%	63.38%	51.13%	48.98%

*Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

**COUNTY OF INYO
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – RETIREE
HEALTHCARE PLAN
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS***

	2018	2019	2020	2021
Total OPEB Liability:				
Service cost	\$ 1,708,944	\$ 1,760,212	\$ 2,034,039	\$ 1,854,689
Interest on total OPEB liability	3,081,369	3,193,471	3,244,759	3,237,858
Differences between expected and actual experience	-	-	-	2,267,531
Changes of assumptions	-	6,078,479	4,991,915	(12,497,694)
Benefit payments, including refunds of employee contributions	<u>(2,989,912)</u>	<u>(2,852,000)</u>	<u>(2,976,655)</u>	<u>(3,314,743)</u>
Net change in total OPEB liability	1,800,401	8,180,162	7,294,058	(8,452,359)
Total OPEB liability - beginning	<u>52,829,343</u>	<u>54,629,744</u>	<u>62,809,906</u>	<u>70,103,964</u>
Total OPEB liability - ending (a)	<u>\$ 54,629,744</u>	<u>\$ 62,809,906</u>	<u>\$ 70,103,964</u>	<u>\$ 61,651,605</u>
Plan Fiduciary Net Position:				
Contributions - employer (including implicit rate subsidy)	\$ 3,162,561	\$ 3,053,677	\$ 2,976,655	\$ 4,008,155
Net investment income	404,495	479,554	291,720	1,783,096
Benefit payments ¹	(2,989,912)	(2,852,000)	(2,976,655)	(3,314,743)
Administrative expenses	<u>(19,216)</u>	<u>(19,643)</u>	<u>(22,909)</u>	<u>(25,953)</u>
Net change in plan fiduciary net position	557,928	661,588	268,811	2,450,555
Plan fiduciary net position beginning	<u>6,144,599</u>	<u>6,702,527</u>	<u>7,364,115</u>	<u>7,632,926</u>
Plan fiduciary net position - ending (b)	<u>6,702,527</u>	<u>7,364,115</u>	<u>7,632,926</u>	<u>10,083,481</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 47,927,217</u>	<u>\$ 55,445,791</u>	<u>\$ 62,471,038</u>	<u>\$ 51,568,124</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12.27%	11.72%	10.89%	16.36%
Covered-employee payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783
Net OPEB liability as a percentage of covered-employee payroll	194.66%	215.02%	210.67%	169.96%

¹ Amount includes any implicit subsidy associated with benefits paid.

Changes in Assumptions - None

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – RETIREE HEALTHCARE PLAN (OPEB)
FOR THE YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially required contribution (actuarially determined)	\$ 4,134,592	\$ 4,250,416	\$ 4,377,928	\$ 4,118,883
Contributions in relation to the actuarially determined contributions	<u>3,162,561</u>	<u>3,053,677</u>	<u>2,976,655</u>	<u>4,008,155</u>
Contribution deficiency (excess)	<u>\$ 972,031</u>	<u>\$ 1,196,739</u>	<u>\$ 1,401,273</u>	<u>\$ 110,728</u>

* Schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 16,827,411	\$ 16,780,350	\$ 20,371,335	\$ 3,590,985
Intergovernmental	32,583,421	32,441,214	35,804,155	3,362,941
Use of money and property	515,850	515,850	778,606	262,756
Licenses and permits	748,940	763,670	1,060,467	296,797
Fines, forfeitures, and penalties	895,588	895,588	1,260,440	364,852
Other revenues	42,325	55,725	290,329	234,604
Charges for services	11,523,267	11,930,622	11,983,850	53,228
	<u>63,136,802</u>	<u>63,383,019</u>	<u>71,549,182</u>	<u>8,166,163</u>
EXPENDITURES				
Current:				
General government	17,756,338	20,502,238	17,232,971	3,269,267
Public protection	27,889,424	28,660,554	25,717,784	2,942,770
Health and sanitation	10,650,320	10,742,480	9,839,856	902,624
Public assistance	10,078,755	10,267,074	9,205,016	1,062,058
Education	802,056	804,772	745,330	59,442
Recreation and culture	607,770	636,374	1,208,366	(571,992)
Capital outlay	8,450,000	9,872,670	1,475,801	8,396,869
Debt service:				
Principal	266,247	266,247	266,246	1
Interest	180,715	180,715	181,057	(342)
	<u>76,681,625</u>	<u>81,933,124</u>	<u>65,872,427</u>	<u>16,060,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(13,544,823)</u>	<u>(18,550,105)</u>	<u>5,676,755</u>	<u>24,226,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,170,549	5,753,491	28,020	(5,725,471)
Transfers out	<u>(5,909,766)</u>	<u>(7,081,669)</u>	<u>(1,785,313)</u>	<u>5,296,356</u>
	<u>(739,217)</u>	<u>(1,328,178)</u>	<u>(1,757,293)</u>	<u>(429,115)</u>
Net change in fund balance	<u>\$ (14,284,040)</u>	<u>\$ (19,878,283)</u>	3,919,462	<u>\$ 23,797,745</u>
Fund balances - beginning (restated)			<u>75,728,677</u>	
Fund balance - ending			<u>\$ 79,648,139</u>	

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 12,774,652	\$ 12,774,652	\$ 8,565,700	\$ (4,208,952)
Use of money and property	65,000	50,000	40,628	(9,372)
Licenses and permits	20,000	25,000	23,994	(1,006)
Other revenues	32,000	10,930	11,435	505
Charges for services	<u>116,800</u>	<u>147,870</u>	<u>208,981</u>	<u>61,111</u>
 Total revenues	 <u>13,008,452</u>	 <u>13,008,452</u>	 <u>8,850,738</u>	 <u>(4,157,714)</u>
EXPENDITURES				
Current:				
Public ways and facilities	6,328,116	6,849,524	5,495,303	1,354,221
Capital outlay	<u>7,698,100</u>	<u>8,539,477</u>	<u>2,733,096</u>	<u>5,806,381</u>
 Total expenditures	 <u>14,026,216</u>	 <u>15,389,001</u>	 <u>8,228,399</u>	 <u>7,160,602</u>
 Net change in fund balance	 <u>\$ (1,017,764)</u>	 <u>\$ (2,380,549)</u>	 622,339	 <u>\$ 3,002,888</u>
 Fund balance - beginning			 <u>6,649,310</u>	
 Fund balance - ending			 <u>\$ 7,271,649</u>	

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
GRANT PROGRAMS FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 38,026	\$ 38,026	\$ 30,361	\$ (7,665)
Intergovernmental	3,173,217	5,870,462	4,587,230	(1,283,232)
Use of money and property	9,736	10,602	6,178	(4,424)
Other revenues	5,000	5,000	4,975	(25)
Charges for services	<u>67,500</u>	<u>62,500</u>	<u>86,455</u>	<u>23,955</u>
 Total revenues	 <u>3,293,479</u>	 <u>5,986,590</u>	 <u>4,715,199</u>	 <u>(1,271,391)</u>
EXPENDITURES				
Current:				
Public protection	958,666	1,145,386	794,046	351,340
Health and sanitation	1,062,602	1,932,700	1,053,846	878,854
Public assistance	1,606,421	1,694,300	1,462,272	232,028
Capital outlay	<u>298,152</u>	<u>403,286</u>	<u>353,390</u>	<u>49,896</u>
 Total expenditures	 <u>3,925,841</u>	 <u>5,175,672</u>	 <u>3,663,554</u>	 <u>1,512,118</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(632,362)</u>	 <u>810,918</u>	 <u>1,051,645</u>	 <u>240,727</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	547,488	687,488	616,733	(70,755)
Transfers out	<u>(170)</u>	<u>(170)</u>	<u>(170)</u>	<u>-</u>
 Total other financing sources (uses)	 <u>547,318</u>	 <u>687,318</u>	 <u>616,563</u>	 <u>(70,755)</u>
 Net change in fund balance	 <u>\$ (85,044)</u>	 <u>\$ 1,498,236</u>	 1,668,208	 <u>\$ 169,972</u>
 Fund balance - beginning			 <u>1,898,747</u>	
 Fund balance - ending			 <u>\$ 3,566,955</u>	

COUNTY OF INYO
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 2900 and 29143, inclusive of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares a budget for each fiscal year on or before August 30. Budgeted expenditures are enacted into law through the passage of an Appropriation Ordinance. This ordinance mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded except by subsequent amendments to the budget by the County's Board of Supervisors.

An operating budget is adopted each fiscal year for all Governmental Funds. Expenditures are controlled at the object level within budget units for the County. The object level within a budget unit is the level at which expenditures may legally not exceed appropriations. The Auditor-Controller approves any budget amendments transferring appropriation within object categories such as salaries and benefits or services and supplies. The County Administrator approves budget amendments transferring appropriation between object categories. The Board of Supervisors approves budget amendments transferring appropriation between budget, units, departments, or funds. The Board of Supervisors also approves appropriations from unappropriated reserves and unanticipated revenues received during the year. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year.

The County uses an encumbrance system as an extension of normal budgetary accounting for the general, special revenue, and other debt service funds and to assist in controlling expenditures of the capital projects funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance since they do not constitute expenditures or liabilities. Encumbrances are combined with expenditures for budgetary comparison purposes. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

The budget approved by the Board of Supervisors for the General Fund includes budgeted expenditures and reimbursements for amounts disbursed on behalf of other Governmental Funds. Actual reimbursements for these items have been eliminated in the accompanying budgetary financial schedules. Accordingly, the related budgets for these items have also been eliminated in order to provide meaningful comparison of actual and budgeted results of operations.

Accounting principles applied for purposes of developing data on a budgetary basis are materially the same as those used to present financial statements in conformity with generally accepted accounting principles (GAAP), except that transfers in are regarded as inflows of resources for budgetary purposes and not revenues for GAAP financial statement presentation and transfers out are considered outflows of resources for budgetary purposes but not expenditures for GAAP financial statement presentation.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2021, expenditures exceeded appropriations by the following:

<u>General Fund</u>	<u>Amount</u>
Current:	
Recreation and culture	\$ 571,992
Debt service:	
Interest	342

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Capital project funds are used to account for all financial resources that are restricted, committed or assigned to expenditure for capital outlays.

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

**COUNTY OF INYO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Capital Projects	Special Revenue Funds				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
ASSETS						
Cash and investments	\$ 2,228,924	\$ 172,380	\$ 140,207	\$ 185,120	\$ 1,063,010	\$ 3,789,641
Imprest cash	-	-	-	40	-	40
Accounts receivable	-	38	115,868	25	-	115,931
Due from other governments	-	-	74,679	-	-	74,679
Interest receivable	2,073	250	120	349	1,561	4,353
Prepaid expenses	-	-	735	-	-	735
Total assets	\$ 2,230,997	\$ 172,668	\$ 331,609	\$ 185,534	\$ 1,064,571	\$ 3,985,379
LIABILITIES						
Accounts payable	\$ 16,823	\$ 39,700	\$ 2,843	\$ 1,985	\$ 1,802	\$ 63,153
Accrued salaries and benefits	-	-	21,653	28,743	823	51,219
Total liabilities	16,823	39,700	24,496	30,728	2,625	114,372
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	115,842	-	-	115,842
Total deferred inflows of resources	-	-	115,842	-	-	115,842
FUND BALANCES (DEFICIT)						
Nonspendable	-	-	735	-	-	735
Restricted	-	132,968	190,536	154,806	1,061,946	1,540,256
Assigned	2,214,174	-	-	-	-	2,214,174
Total fund balances (deficit)	2,214,174	132,968	191,271	154,806	1,061,946	3,755,165
Total liabilities and fund balances (deficit)	\$ 2,230,997	\$ 172,668	\$ 331,609	\$ 185,534	\$ 1,064,571	\$ 3,985,379

COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Capital Projects	Special Revenue Funds				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 81,877	\$ 81,877
Intergovernmental	-	-	774,886	976,345	385	1,751,616
Use of money and property	10,461	1,221	(373)	939	7,711	19,959
Charges for services	51,351	35,894	86,048	600	-	173,893
Total revenues	61,812	37,115	860,561	977,884	89,973	2,027,345
EXPENDITURES						
Current:						
General government	62,977	-	-	-	-	62,977
Public protection	-	64,497	-	922,567	-	987,064
Public ways and facilities	-	-	-	-	53,591	53,591
Health and sanitation	-	-	666,402	-	-	666,402
Capital outlay	192,961	-	-	-	-	192,961
Total expenditures	255,938	64,497	666,402	922,567	53,591	1,962,995
Excess (deficiency) of revenues over (under) expenditures	(194,126)	(27,382)	194,159	55,317	36,382	64,350
OTHER FINANCING SOURCES (USES)						
Transfers in	1,135,915	-	-	-	-	1,135,915
Transfers out	(163,814)	-	(170)	-	-	(163,984)
Total other financing sources (uses)	972,101	-	(170)	-	-	971,931
Net changes in fund balances	777,975	(27,382)	193,989	55,317	36,382	1,036,281
Fund balances - beginning	1,436,199	160,350	(2,718)	99,489	1,025,564	2,718,884
Fund balances - ending	\$ 2,214,174	\$ 132,968	\$ 191,271	\$ 154,806	\$ 1,061,946	\$ 3,755,165

**COUNTY OF INYO
COMBINING BALANCE SHEET
SPECIAL DISTRICTS UNDER THE BOARD
JUNE 30, 2021**

	Special Revenue Funds			
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	Total Special Districts Under the Board
ASSETS				
Cash and investments	\$ 386,437	\$ 436,864	\$ 239,709	\$ 1,063,010
Interest receivable	568	641	352	1,561
Total assets	<u>\$ 387,005</u>	<u>\$ 437,505</u>	<u>\$ 240,061</u>	<u>\$ 1,064,571</u>
LIABILITIES				
Accounts payable	\$ 420	\$ 328	\$ 1,054	\$ 1,802
Accrued salaries and benefits	357	233	233	823
Total liabilities	777	561	1,287	2,625
FUND BALANCES				
Restricted	386,228	436,944	238,774	1,061,946
Total fund balances	386,228	436,944	238,774	1,061,946
Total liabilities and fund balances	<u>\$ 387,005</u>	<u>\$ 437,505</u>	<u>\$ 240,061</u>	<u>\$ 1,064,571</u>

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL DISTRICTS UNDER THE BOARD
JUNE 30, 2021**

	Special Revenue Funds			Total Special Districts Under the Board
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	
REVENUES				
Taxes	\$ 27,749	\$ 28,870	\$ 25,258	\$ 81,877
Intergovernmental	131	136	118	385
Use of money and property	2,811	3,159	1,741	7,711
Total revenues	<u>30,691</u>	<u>32,165</u>	<u>27,117</u>	<u>89,973</u>
EXPENDITURES				
Current:				
Public ways and facilities	18,768	13,402	21,421	53,591
Total expenditures	<u>18,768</u>	<u>13,402</u>	<u>21,421</u>	<u>53,591</u>
Net changes in fund balances	11,923	18,763	5,696	36,382
Fund balances - beginning	<u>374,305</u>	<u>418,181</u>	<u>233,078</u>	<u>1,025,564</u>
Fund balances - ending	<u>\$ 386,228</u>	<u>\$ 436,944</u>	<u>\$ 238,774</u>	<u>\$ 1,061,946</u>

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NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the County has decided that periodic determination of net income is appropriate for accountability purposes.

COUNTY OF INYO
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2021

	CSA #2	Mosquito Abatement	Water System	Total
ASSETS				
Current assets:				
Cash and investments	\$ 401,550	\$ 318,859	\$ 428,201	\$ 1,148,610
Accounts receivable	-	513	136,099	136,612
Interest receivable	585	358	-	943
Total current assets	402,135	319,730	564,300	1,286,165
Noncurrent assets:				
Capital assets:				
Depreciable, net	235,943	14,523	1,639,705	1,890,171
Total noncurrent assets	235,943	14,523	1,639,705	1,890,171
Total assets	638,078	334,253	2,204,005	3,176,336
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	801	68,811	48,816	118,428
Deferred outflows from OPEB	-	61,157	45,413	106,570
Total deferred outflows of resources	801	129,968	94,229	224,998
LIABILITIES				
Current liabilities:				
Accounts payable	3,773	1,512	1,720	7,005
Accrued salaries and benefits	205	14,028	11,116	25,349
Unearned revenue	-	-	2,708	2,708
Due to other governments	-	-	52,799	52,799
Due to other funds	-	-	42,298	42,298
Compensated absences	-	9,091	4,190	13,281
Loans payable	-	-	15,715	15,715
Total current liabilities	3,978	24,631	130,546	159,155
Noncurrent liabilities:				
Loans payable	-	-	28,814	28,814
OPEB liability	-	520,838	386,760	907,598
Net pension liability	4,718	437,396	290,929	733,043
Total noncurrent liabilities	4,718	958,234	706,503	1,669,455
Total liabilities	8,696	982,865	837,049	1,828,610
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from OPEB	-	108,742	80,749	189,491
Total deferred inflows of resources	-	108,742	80,749	189,491
NET POSITION (DEFICIT)				
Net investment in capital assets	235,943	14,523	1,595,177	1,845,643
Unrestricted	394,240	(641,909)	(214,741)	(462,410)
Total net position (deficit)	\$ 630,183	\$ (627,386)	\$ 1,380,436	\$ 1,383,233

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>CSA #2</u>	<u>Mosquito Abatement</u>	<u>Water System</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 53,383	\$ 482,521	\$ 777,917	\$ 1,313,821
Total operating revenues	<u>53,383</u>	<u>482,521</u>	<u>777,917</u>	<u>1,313,821</u>
Operating expenses:				
Salaries and benefits	(1,552)	396,775	(9,721)	385,502
Services and supplies	27,454	134,931	236,994	399,379
Depreciation	<u>12,754</u>	<u>8,112</u>	<u>62,012</u>	<u>82,878</u>
Total operating expenses	<u>38,656</u>	<u>539,818</u>	<u>289,285</u>	<u>867,759</u>
Operating income (loss)	<u>14,727</u>	<u>(57,297)</u>	<u>488,632</u>	<u>446,062</u>
Nonoperating revenues (expenses):				
Tax revenue	2,822	-	-	2,822
Intergovernmental revenues	-	43,987	145,478	189,465
Investment earnings	2,813	1,207	441	4,461
Interest expense	<u>-</u>	<u>-</u>	<u>(1,838)</u>	<u>(1,838)</u>
Total nonoperating revenues (expenses)	<u>5,635</u>	<u>45,194</u>	<u>144,081</u>	<u>194,910</u>
Change in net position	20,362	(12,103)	632,713	640,972
Net position - beginning	<u>609,821</u>	<u>(615,283)</u>	<u>747,723</u>	<u>742,261</u>
Net position - ending	<u>\$ 630,183</u>	<u>\$ (627,386)</u>	<u>\$ 1,380,436</u>	<u>\$ 1,383,233</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	CSA #2	Mosquito Abatement	Water System	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 53,383	\$ 509,187	\$ 736,593	\$ 1,299,163
Cash paid to suppliers for goods and services	(29,559)	(133,898)	(235,687)	(399,144)
Cash paid to employees for salaries and benefits	(3,971)	(362,939)	(276,245)	(643,155)
Net cash provided by (used for) operating activities	<u>19,853</u>	<u>12,350</u>	<u>224,661</u>	<u>256,864</u>
Cash flows from noncapital financing activities:				
Loans from other funds	-	(160,000)	(162,966)	(322,966)
Grants	2,822	77,598	147,651	228,071
Other nonoperating cash receipts	-	-	7,212	7,212
Net cash provided by (used for) noncapital financing activities	<u>2,822</u>	<u>(82,402)</u>	<u>(8,103)</u>	<u>(87,683)</u>
Cash flows from capital and related financing activities:				
Principal and interest paid on capital debt	-	-	(17,029)	(17,029)
Acquisition or construction of capital assets	-	-	(191,985)	(191,985)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(209,014)</u>	<u>(209,014)</u>
Cash flows from investing activities:				
Interest earnings	3,826	1,864	756	6,446
Net cash provided by (used for) investing activities	<u>3,826</u>	<u>1,864</u>	<u>756</u>	<u>6,446</u>
Net increase (decrease) in cash and investments	26,501	(68,188)	8,300	(33,387)
Cash and investments - beginning	375,049	387,047	419,902	1,181,998
Cash and investments - ending	<u>\$ 401,550</u>	<u>\$ 318,859</u>	<u>\$ 428,202</u>	<u>\$ 1,148,611</u>
Reconciliation of cash and investments to the statement of net position				
Cash and investments	<u>\$ 401,550</u>	<u>\$ 318,859</u>	<u>\$ 428,201</u>	<u>\$ 1,148,610</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 14,727	\$ (57,297)	\$ 488,632	\$ 446,062
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	12,754	8,112	62,012	82,878
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
Accounts receivable	-	26,666	(41,325)	(14,659)
Deferred outflows of resources	861	795	51,133	52,789
Accounts payable	(2,105)	1,033	1,307	235
Accrued salaries	70	(730)	(2,064)	(2,724)
Liability for compensated absences	-	221	(4,323)	(4,102)
Net Pension liability	(6,152)	(64,041)	(317,787)	(387,980)
Net OPEB liability	-	-	(81,772)	(81,772)
Deferred inflows of resources	(302)	97,591	68,847	166,136
Net cash provided by (used for) operating activities	<u>\$ 19,853</u>	<u>\$ 12,350</u>	<u>\$ 224,660</u>	<u>\$ 256,863</u>

INTERNAL SERVICE FUNDS

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

Motor Pool Fund – This fund is used to account for the rental of motor vehicles to other departments and related costs.

Purchasing Revolving Fund – This fund is used to account for the accumulation and allocation of costs associated with office supplies.

Insurance Funds – These funds are used to account for workers' compensation, liability and medical malpractice insurance expense.

COUNTY OF INYO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
ASSETS						
Current assets:						
Cash and investments	\$ 145,914	\$ 1,862,427	\$ 705,359	\$ 1,194,922	\$ 73,539	\$ 3,982,161
Interest receivable	-	2,442	359	1,665	92	4,558
Inventory	4,969	-	-	-	-	4,969
Total current assets	<u>150,883</u>	<u>1,864,869</u>	<u>705,718</u>	<u>1,196,587</u>	<u>73,631</u>	<u>3,991,688</u>
Noncurrent assets:						
Nondepreciable	-	6,979	-	-	-	6,979
Depreciable, net	-	1,465,499	-	-	-	1,465,499
Total noncurrent assets	<u>-</u>	<u>1,472,478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,472,478</u>
Total assets	<u>150,883</u>	<u>3,337,347</u>	<u>705,718</u>	<u>1,196,587</u>	<u>73,631</u>	<u>5,464,166</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	-	43,372	-	-	-	43,372
Deferred outflows from OPEB	-	43,597	-	-	-	43,597
Total deferred outflows of resources	<u>-</u>	<u>86,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86,969</u>
LIABILITIES						
Current liabilities:						
Accounts payable	5,094	63,488	-	15,642	-	84,224
Accrued salaries and benefits	-	10,560	-	-	-	10,560
Due to other funds	-	-	338,079	-	-	338,079
Compensated absences	-	23,485	-	-	-	23,485
Liability for self-insurance	-	-	-	100,000	-	100,000
Capital leases payable	-	244,416	-	-	-	244,416
Total current liabilities	<u>5,094</u>	<u>341,949</u>	<u>338,079</u>	<u>115,642</u>	<u>-</u>	<u>800,764</u>
Noncurrent liabilities:						
Liability for self-insurance	-	-	-	129,606	-	129,606
Capital leases payable	-	585,009	-	-	-	585,009
Advance from other funds	125,000	-	-	-	-	125,000
Net OPEB Liability	-	371,290	-	-	-	371,290
Net pension liability	-	277,720	-	-	-	277,720
Total noncurrent liabilities	<u>125,000</u>	<u>1,234,019</u>	<u>-</u>	<u>129,606</u>	<u>-</u>	<u>1,488,625</u>
Total liabilities	<u>130,094</u>	<u>1,575,968</u>	<u>338,079</u>	<u>245,248</u>	<u>-</u>	<u>2,289,389</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from OPEB	-	77,519	-	-	-	77,519
Total deferred inflows of resources	<u>-</u>	<u>77,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,519</u>
NET POSITION						
Net investment in capital assets	-	643,053	-	-	-	643,053
Unrestricted	20,789	1,127,776	367,639	951,339	73,631	2,541,174
Total net position	<u>\$ 20,789</u>	<u>\$ 1,770,829</u>	<u>\$ 367,639</u>	<u>\$ 951,339</u>	<u>\$ 73,631</u>	<u>\$ 3,184,227</u>

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Operating revenues:						
Charges for services	\$ 98,932	\$ 1,575,728	\$ 1,025,579	\$ 852,456	\$ 117,626	\$ 3,670,321
Total operating revenues	<u>98,932</u>	<u>1,575,728</u>	<u>1,025,579</u>	<u>852,456</u>	<u>117,626</u>	<u>3,670,321</u>
Operating expenses:						
Salaries and benefits	-	298,953	10	-	-	298,963
Services and supplies	96,396	839,632	874,985	890,659	89,431	2,791,103
Depreciation	-	661,521	-	-	-	661,521
Total operating expenses	<u>96,396</u>	<u>1,800,106</u>	<u>874,995</u>	<u>890,659</u>	<u>89,431</u>	<u>3,751,587</u>
Operating income (loss)	<u>2,536</u>	<u>(224,378)</u>	<u>150,584</u>	<u>(38,203)</u>	<u>28,195</u>	<u>(81,266)</u>
Nonoperating revenues (expenses):						
Investment earnings	-	11,885	(1,137)	6,428	321	17,497
Gain (loss) on sale of assets	-	7,232	-	-	-	7,232
Other nonoperating revenue	-	584	-	-	-	584
Total nonoperating revenues (expenses)	<u>-</u>	<u>19,701</u>	<u>(1,137)</u>	<u>6,428</u>	<u>321</u>	<u>25,313</u>
Income (loss) before transfers	<u>2,536</u>	<u>(204,677)</u>	<u>149,447</u>	<u>(31,775)</u>	<u>28,516</u>	<u>(55,953)</u>
Transfers out	-	-	(27,680)	-	-	(27,680)
Change in net position	2,536	(204,677)	121,767	(31,775)	28,516	(83,633)
Net position - beginning	<u>18,253</u>	<u>1,975,506</u>	<u>245,872</u>	<u>983,114</u>	<u>45,115</u>	<u>3,267,860</u>
Net position - ending	<u>\$ 20,789</u>	<u>\$ 1,770,829</u>	<u>\$ 367,639</u>	<u>\$ 951,339</u>	<u>\$ 73,631</u>	<u>\$ 3,184,227</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Cash flows from operating activities:						
Cash receipts from customers	\$ 98,932	\$ 1,575,728	\$ 1,025,579	\$ 852,456	\$ 117,626	\$ 3,670,321
Cash paid to suppliers for goods and services	(95,441)	(835,915)	(874,985)	(816,495)	(89,431)	(2,712,267)
Cash paid to employees for salaries and benefits	-	(240,708)	(10)	-	-	(240,718)
Net cash provided by (used for) operating activities	3,491	499,105	150,584	35,961	28,195	717,336
Cash flows from noncapital financing activities:						
Loans from other funds	-	-	(77,000)	-	-	(77,000)
Transfer to other funds	-	-	(27,680)	-	-	(27,680)
Other nonoperating cash receipts	-	584	-	-	-	584
Net cash provided by (used for) noncapital financing activities	-	584	(104,680)	-	-	(104,096)
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	27,068	-	-	-	27,068
Principal and interest paid on capital debt	-	91,358	-	-	-	91,358
Acquisition or construction of capital assets	-	(501,120)	-	-	-	(501,120)
Net cash provided by (used for) capital and related financing activities	-	(382,694)	-	-	-	(382,694)
Cash flows from investing activities:						
Interest earnings	-	16,033	(1,026)	9,305	393	24,705
Net cash provided by (used for) investing activities	-	16,033	(1,026)	9,305	393	24,705
Net increase (decrease) in cash and investments	3,491	133,028	44,878	45,266	28,588	255,251
Cash and investments - beginning	142,423	1,729,399	660,481	1,149,656	44,951	3,726,910
Cash and investments - ending	\$ 145,914	\$ 1,862,427	\$ 705,359	\$ 1,194,922	\$ 73,539	\$ 3,982,161
Reconciliation of cash and investments to the statement of net position						
Cash and investments	\$ 145,914	\$ 1,862,427	\$ 705,359	\$ 1,194,922	\$ 73,539	\$ 3,982,161
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:						
Operating income (loss)	\$ 2,536	\$ (224,378)	\$ 150,584	\$ (38,203)	\$ 28,195	\$ (81,266)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	-	661,521	-	-	-	661,521
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
Inventory	776	-	-	-	-	776
Deferred outflows of resources	-	(3,989)	-	-	-	(3,989)
Accounts payable	179	3,717	-	10,180	-	14,076
Accrued salaries	-	1,901	-	-	-	1,901
Liability for compensated absences	-	2,242	-	-	-	2,242
Self-insurance liability	-	-	-	63,984	-	63,984
Net Pension liability	-	65,756	-	-	-	65,756
Net OPEB liability	-	(78,502)	-	-	-	(78,502)
Deferred inflows of resources	-	70,837	-	-	-	70,837
Net cash provided by (used for) operating activities	\$ 3,491	\$ 499,105	\$ 150,584	\$ 35,961	\$ 28,195	\$ 717,336