

# COUNTY OF INYO | INDEPENDENCE, CA

Financial Statements

For the Year Ended June 30, 2023



**PRICE PAIGE & COMPANY**  
*Certified Public Accountants*

# TABLE OF CONTENTS

PAGE

**Independent Auditor’s Report** ..... 1

**Basic Financial Statements:**

Government-Wide Financial Statements:

Statement of Net Position ..... 6

Statement of Activities ..... 7

Fund Financial Statements:

Governmental Funds:

Balance Sheet..... 9

Reconciliation of the Governmental Funds Balance Sheet to the  
Government-Wide Statement of Net Position..... 10

Statement of Revenues, Expenditures, and Changes in  
Fund Balances ..... 11

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures  
and Changes in Fund Balances to the Government-Wide Statement of Activities..... 12

Proprietary Funds:

Statement of Net Position..... 13

Statement of Revenues, Expenses and Changes in Net Position ..... 14

Statement of Cash Flows..... 15

Fiduciary Funds:

Statement of Fiduciary Net Position ..... 17

Statement of Changes in Fiduciary Net Position..... 18

Notes to the Basic Financial Statements ..... 20

**Required Supplementary Information:**

Pension Plans:

Agent Multiple-Employer Plan:

Schedule of Changes in Net Pension Liability and Related Ratios ..... 64

Schedule of Contributions..... 65

## TABLE OF CONTENTS (Continued)

PAGE

### Required Supplementary Information (Continued):

#### Pension Plans (Continued):

##### Cost-Sharing Multiple-Employer Plan:

Schedule of Proportionate Share of Net Pension Liability (Asset) and  
Related Ratios as of the Measurement Date ..... 66

Schedule of Contributions..... 67

##### Retiree Healthcare Plan (OPEB):

Schedule of Changes in Net OPEB Liability and Related Ratios ..... 68

Schedule of Contributions..... 69

#### Budgetary Comparison Schedules:

General Fund..... 70

Road Fund ..... 71

Grant Programs Fund ..... 72

Notes to the Budgetary Comparison Schedules..... 73

### Combining and Individual Fund Statements and Schedules:

#### Nonmajor Governmental Funds:

Combining Balance Sheet..... 76

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 77

#### Special Districts Under the Board:

Combining Balance Sheet ..... 78

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 79

#### Nonmajor Enterprise Funds:

Combining Statement of Fund Net Position ..... 81

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position..... 82

Combining Statement of Cash Flows ..... 83

#### Internal Service Funds:

Combining Statement of Net Position ..... 85

Combining Statement of Revenues, Expenses, and Changes in Net Position..... 86

Combining Statement of Cash Flows ..... 87



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Audit of the Financial Statements**

***Qualified and Unmodified Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, except for the possible effects of the matter described in the "Basis for Qualified Opinion on Discretely Presented Component Unit and Unmodified Opinions" paragraph below, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, 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.

We did not audit the financial statements of First 5 Inyo County, the discretely presented component unit as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for First 5 Inyo County, is based solely on the report of the other auditors.

***Basis for Qualified Opinion on Discretely Presented Component Unit and Unmodified Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

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. The amount of the pension liability could not be determined.

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### ***Change in Accounting Principle***

As discussed in Note 16 to the financial statements, in 2023 the County adopted new accounting guidance, GASB No. 96, Subscription Based Information Technology Arrangements. Our opinions are not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Management has omitted the 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.

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2025, 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 Page & Company*

Clovis, California  
January 14, 2025

## **BASIC FINANCIAL STATEMENTS**

## GOVERNMENT-WIDE FINANCIAL STATEMENTS



COUNTY OF INYO | JUNE 30, 2023

Statement of Net Position

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Inyo
<b>ASSETS</b>				
Cash and investments	\$ 100,331,229	\$ 6,306,467	\$ 106,637,696	\$ 588,147
Cash with fiscal agent	90,107	-	90,107	-
Imprest cash	2,253	1,540	3,793	-
Deposits with others	41,700	-	41,700	-
Restricted cash	-	3,082,330	3,082,330	-
Accounts receivable	2,229,811	947,118	3,176,929	5,494
Due from other governments	11,759,330	88,180	11,847,510	-
Taxes receivable	2,859,789	-	2,859,789	-
Interest receivable	557,734	39,934	597,668	3,118
Loans receivable	380,000	-	380,000	-
Internal balances	158,750	(158,750)	-	-
Prepaid expenses	233,291	5,614	238,905	1,800
Inventory	646,097	97,175	743,272	-
Lease receivable	-	172,320	172,320	-
Capital assets:				
Nondepreciable	11,687,860	1,895,727	13,583,587	-
Depreciable, net	51,708,074	20,593,157	72,301,231	-
<b>Total assets</b>	<b>182,686,025</b>	<b>33,070,812</b>	<b>215,756,837</b>	<b>598,559</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions	29,099,725	1,086,699	30,186,424	-
Deferred outflows from OPEB	14,244,762	573,465	14,818,227	-
<b>Total deferred outflows of resources</b>	<b>43,344,487</b>	<b>1,660,164</b>	<b>45,004,651</b>	<b>-</b>
<b>LIABILITIES</b>				
Accounts payable	2,587,436	404,756	2,992,192	40,061
Accrued salaries and benefits	2,544,739	53,765	2,598,504	5,746
Unearned revenue	856,017	1,099	857,116	-
Due to other governments	547,369	867,999	1,415,368	-
Interest payable	8,042	1,279	9,321	-
Noncurrent liabilities:				
Portion due or payable within on year:				
Compensated absences	2,088,038	141,244	2,229,282	-
Loan payable	343,310	116,442	459,752	-
Lease payable	642,887	-	642,887	-
SBITA - Liability	192,330	-	192,330	-
Portion due or payable after one year:				
Compensated absences	-	-	-	3,161
Claims liability	299,909	-	299,909	-
Loan payable	2,644,260	26,525	2,670,785	-
Lease payable	1,135,275	-	1,135,275	-
SBITA - Liability	319,964	-	319,964	-
Closure/post-closure liability	-	32,566,308	32,566,308	-
Net pension liability	79,658,275	3,355,237	83,013,512	-
Net OPEB liability	71,499,000	2,878,405	74,377,405	-
<b>Total liabilities</b>	<b>165,366,851</b>	<b>40,413,059</b>	<b>205,779,910</b>	<b>48,968</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pensions	2,829,729	77,200	2,906,929	-
Deferred inflows from OPEB	4,629,272	186,364	4,815,636	-
Deferred inflows from leases	-	147,878	147,878	-
<b>Total deferred inflows from pensions</b>	<b>7,459,001</b>	<b>411,442</b>	<b>7,870,443</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	60,709,908	22,345,919	83,055,827	-
Restricted for:				
Public protection	20,045,080	-	20,045,080	-
Public ways and facilities	9,873,764	-	9,873,764	-
Health and sanitation	25,902,891	-	25,902,891	-
Public assistance	5,014,576	-	5,014,576	-
Recreation and culture	424,169	-	424,169	-
Other purposes	3,304,603	-	3,304,603	438,527
Unrestricted	(72,070,331)	(28,439,444)	(100,509,775)	111,064
<b>Total net position</b>	<b>\$ 53,204,660</b>	<b>\$ (6,093,525)</b>	<b>\$ 47,111,135</b>	<b>\$ 549,591</b>

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Statement of Activities

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-Type Activities	Total	First 5 Inyo
<b>Primary Government:</b>									
Governmental activities:									
General government	\$ 22,924,302	\$ 9,161,759	\$ 7,805,616	\$ -	\$ 16,967,375	\$ (5,956,927)	\$ -	\$ (5,956,927)	\$ -
Public protection	31,356,117	2,060,540	12,963,376	193,576	15,217,492	(16,138,625)	-	(16,138,625)	-
Public ways and facilities	9,125,424	99,067	8,019,173	3,362,126	11,480,366	2,354,942	-	2,354,942	-
Health and sanitation	13,517,166	1,549,854	12,137,257	-	13,687,111	169,945	-	169,945	-
Public assistance	11,856,450	62,521	16,626,502	-	16,689,023	4,832,573	-	4,832,573	-
Education	994,240	6,593	240,003	-	246,596	(747,644)	-	(747,644)	-
Recreation and culture	1,515,801	380,773	603,867	-	984,640	(531,161)	-	(531,161)	-
Interest on long-term debt	211,798	-	-	-	-	(211,798)	-	(211,798)	-
Total governmental activities	91,501,298	13,321,107	58,395,794	3,555,702	75,272,603	(16,228,695)	-	(16,228,695)	-
Business-type activities:									
Airport	5,118,247	2,471,673	40,000	276,603	2,788,276	-	(2,329,971)	(2,329,971)	-
Solid waste	16,701,128	2,167,937	162,930	-	2,330,867	-	(14,370,261)	(14,370,261)	-
Water system	198,696	833,887	-	-	833,887	-	635,191	635,191	-
CSA #2	27,359	-	-	-	-	-	(27,359)	(27,359)	-
Mosquito abatement	549,967	65,000	41,170	-	106,170	-	(443,797)	(443,797)	-
Total business-type activities	22,595,397	5,538,497	244,100	276,603	6,059,200	-	(16,536,197)	(16,536,197)	-
Total primary government	\$ 114,096,695	\$ 18,859,604	\$ 58,639,894	\$ 3,832,305	\$ 81,331,803	(16,228,695)	(16,536,197)	(32,764,892)	-
<b>Component Unit:</b>									
First 5 Inyo	\$ 509,854	\$ -	\$ 402,328	\$ -	\$ 402,328				(107,526)
General revenues:									
Taxes:									
Property taxes						20,195,239	484,981	20,680,220	-
Sales and use taxes						2,161,795	1,664,630	3,826,425	-
Other taxes						5,206,008	-	5,206,008	-
Miscellaneous						495,311	114,442	609,753	-
Unrestricted interest and investment earnings						692,086	11,802	703,888	6,515
Gain on sale of capital assets						75,860	-	75,860	-
Transfers						(1,217,885)	1,217,885	-	-
Total general revenues and transfers						27,608,414	3,493,740	31,102,154	6,515
Change in net position						11,379,719	(13,042,457)	(1,662,738)	(101,011)
Net position - beginning (restated)						41,824,941	6,948,932	48,773,873	650,602
Net position - ending						\$ 53,204,660	\$ (6,093,525)	\$ 47,111,135	\$ 549,591

The Notes to the Basic Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**COUNTY OF INYO | JUNE 30, 2023**

Governmental Funds

Balance Sheet

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash and investments	\$ 77,293,395	\$ 6,531,312	\$ 7,289,693	\$ 4,948,406	\$ 96,062,806
Restricted assets:					
Cash with fiscal agent	90,107	-	-	-	90,107
Imprest cash	1,788	100	325	40	2,253
Deposits with others	41,700	-	-	-	41,700
Accounts receivable	1,889,455	48,467	53,414	104	1,991,440
Due from other governments	5,640,817	3,834,231	1,796,785	487,497	11,759,330
Taxes receivable	2,859,789	-	-	-	2,859,789
Interest receivable	464,633	36,044	18,799	21,369	540,845
Loans receivable	-	-	380,000	-	380,000
Due from other funds	3,416,305	-	-	-	3,416,305
Advances to other funds	125,000	-	-	-	125,000
Prepaid expenses	230,784	-	2,410	97	233,291
Inventory	36,935	603,061	-	-	639,996
	<u>\$ 92,090,708</u>	<u>\$ 11,053,215</u>	<u>\$ 9,541,426</u>	<u>\$ 5,457,513</u>	<u>\$ 118,142,862</u>
Total assets					
<b>LIABILITIES</b>					
Accounts payable	\$ 1,448,005	\$ 728,608	\$ 204,967	\$ 18,988	\$ 2,400,568
Accrued salaries and benefits	2,410,636	58,717	46,280	24,207	2,539,840
Unearned revenue	717,333	2,235	-	136,449	856,017
Due to other governments	547,369	-	-	-	547,369
Due to other funds	-	-	3,072,270	165,000	3,237,270
	<u>5,123,343</u>	<u>789,560</u>	<u>3,323,517</u>	<u>344,644</u>	<u>9,581,064</u>
Total liabilities					
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>1,292,262</u>	<u>2,823,294</u>	<u>1,535,368</u>	<u>414,613</u>	<u>6,065,537</u>
Total deferred inflows of resources					
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	434,419	603,061	2,410	97	1,039,987
Restricted	46,325,910	6,837,300	6,097,111	1,321,311	60,581,632
Assigned	12,842,607	-	-	3,376,848	16,219,455
Unassigned	26,072,167	-	(1,416,980)	-	24,655,187
	<u>85,675,103</u>	<u>7,440,361</u>	<u>4,682,541</u>	<u>4,698,256</u>	<u>102,496,261</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 92,090,708</u>	<u>\$ 11,053,215</u>	<u>\$ 9,541,426</u>	<u>\$ 5,457,513</u>	<u>\$ 118,142,862</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

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

Total fund balances - government funds	\$ 102,496,261
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	61,691,998
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	35,717,916
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	6,065,537
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.	(8,042)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loans payable	(2,987,570)
Net OPEB Liability	(70,903,981)
Compensated absences	(2,081,471)
Net pension liability	(79,367,066)
Lease payable	(465,359)
SBITA	(512,294)
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>3,558,731</u>
Total net position - governmental activities	<u>\$ 53,204,660</u>

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 24,845,715	\$ -	\$ -	\$ 93,010	\$ 24,938,725
Intergovernmental	48,396,863	9,586,778	4,091,896	1,915,646	63,991,183
Use of money and property	732,496	84,917	(98,390)	(26,937)	692,086
Licenses and permits	1,034,510	36,981	-	-	1,071,491
Fines, forfeitures, and penalties	1,396,792	-	-	-	1,396,792
Other revenues	393,809	51,665	522	41,195	487,191
Charges for services	10,600,589	61,914	63,816	56,129	10,782,448
	<u>87,400,774</u>	<u>9,822,255</u>	<u>4,057,844</u>	<u>2,079,043</u>	<u>103,359,916</u>
Total revenues					
<b>EXPENDITURES</b>					
Current:					
General government	20,591,462	-	75,665	8,032	20,675,159
Public protection	27,953,328	-	703,579	1,174,913	29,831,820
Public ways and facilities	-	6,373,292	-	49,392	6,422,684
Health and sanitation	10,239,527	-	1,447,837	779,379	12,466,743
Public assistance	9,689,606	-	2,190,607	-	11,880,213
Education	891,265	-	-	-	891,265
Recreation and culture	1,580,172	-	-	-	1,580,172
Capital outlay	1,155,421	4,852,898	944,300	-	6,952,619
Debt service:					
Principal	817,497	4,558	44,000	31,786	897,841
Interest	207,115	1,390	-	3,293	211,798
	<u>73,125,393</u>	<u>11,232,138</u>	<u>5,405,988</u>	<u>2,046,795</u>	<u>91,810,314</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>14,275,381</u>	<u>(1,409,883)</u>	<u>(1,348,144)</u>	<u>32,248</u>	<u>11,549,602</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Gain on sale of assets	-	78,206	22,200	-	100,406
Transfers in	301,816	-	1,126,292	1,384,878	2,812,986
Transfers out	(3,462,593)	-	(301,816)	(266,462)	(4,030,871)
Proceeds from leases	81,643	-	122,733	-	204,376
	<u>(3,079,134)</u>	<u>78,206</u>	<u>969,409</u>	<u>1,118,416</u>	<u>(913,103)</u>
Total other financing sources (uses)					
Net change in fund balances	11,196,247	(1,331,677)	(378,735)	1,150,664	10,636,499
Fund balances - beginning	<u>74,478,856</u>	<u>8,772,038</u>	<u>5,061,276</u>	<u>3,547,592</u>	<u>91,859,762</u>
Fund balances - ending	<u>\$ 85,675,103</u>	<u>\$ 7,440,361</u>	<u>\$ 4,682,541</u>	<u>\$ 4,698,256</u>	<u>\$ 102,496,261</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

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 \$ 10,636,499

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.

6,810,427

Less: current year depreciation

(3,017,934)

3,792,493

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.

1,126,925

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.

(5,731,143)

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.

663,126

Leases and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of leases and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirements

316,622

Lease related

280,520

SBITA

33,331

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

(64,257)

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.

325,603

Change in net position of governmental activities \$ 11,379,719

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | JUNE 30, 2023**

Proprietary Funds  
Statement of Net Position

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 600,339	\$ 3,904,993	\$ 1,801,135	\$ 6,306,467	\$ 4,268,423
Imprest cash	265	1,275	-	1,540	-
Accounts receivable	320,520	357,471	269,127	947,118	238,371
Due from other governments	42,195	45,985	-	88,180	-
Interest receivable	(353)	32,136	8,151	39,934	16,889
Prepaid expenses	-	-	5,614	5,614	-
Inventory	97,175	-	-	97,175	6,101
<b>Total current assets</b>	<b>1,060,141</b>	<b>4,341,860</b>	<b>2,084,027</b>	<b>7,486,028</b>	<b>4,529,784</b>
Noncurrent assets:					
Restricted cash	-	3,082,330	-	3,082,330	-
Lease receivable	172,320	-	-	172,320	-
Capital assets:					
Nondepreciable	1,895,727	-	-	1,895,727	6,979
Depreciable, net	17,240,086	1,566,792	1,786,279	20,593,157	1,696,957
<b>Total noncurrent assets</b>	<b>19,308,133</b>	<b>4,649,122</b>	<b>1,786,279</b>	<b>25,743,534</b>	<b>1,703,936</b>
<b>Total assets</b>	<b>20,368,274</b>	<b>8,990,982</b>	<b>3,870,306</b>	<b>33,229,562</b>	<b>6,233,720</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows from pensions	184,794	652,160	249,745	1,086,699	94,249
Deferred outflows from OPEB	88,909	317,110	167,446	573,465	118,546
<b>Total deferred outflows of resources</b>	<b>273,703</b>	<b>969,270</b>	<b>417,191</b>	<b>1,660,164</b>	<b>212,795</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	324,099	76,601	4,056	404,756	186,868
Accrued salaries and benefits	13,214	25,802	14,749	53,765	4,899
Unearned revenue	-	-	1,099	1,099	-
Due to other governments	2,200	800,000	65,799	867,999	-
Due to other funds	175,659	-	3,376	179,035	-
Interest payable	-	1,279	-	1,279	-
Compensated absences	40,896	70,407	29,941	141,244	6,567
Loans payable	-	103,884	12,558	116,442	-
<b>Total current liabilities</b>	<b>556,068</b>	<b>1,077,973</b>	<b>131,578</b>	<b>1,765,619</b>	<b>198,334</b>
Noncurrent liabilities:					
Liability for self-insurance	-	-	-	-	299,909
Loans payable	-	26,525	-	26,525	-
Lease payable	-	-	-	-	1,312,803
Advance from other funds	-	-	-	-	125,000
Closure/post closure costs	-	32,566,308	-	32,566,308	-
Net OPEB liability	446,265	1,591,676	840,464	2,878,405	595,019
Net pension liability	569,758	2,013,141	772,338	3,355,237	291,209
<b>Total noncurrent liabilities</b>	<b>1,016,023</b>	<b>36,197,650</b>	<b>1,612,802</b>	<b>38,826,475</b>	<b>2,623,940</b>
<b>Total liabilities</b>	<b>1,572,091</b>	<b>37,275,623</b>	<b>1,744,380</b>	<b>40,592,094</b>	<b>2,822,274</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows from pensions	13,109	46,320	17,771	77,200	6,700
Deferred inflows from OPEB	28,893	103,055	54,416	186,364	38,525
Deferred inflows from leases	147,878	-	-	147,878	-
<b>Total deferred inflows of resources</b>	<b>189,880</b>	<b>149,375</b>	<b>72,187</b>	<b>411,442</b>	<b>45,225</b>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	19,135,813	1,436,385	1,773,721	22,345,919	391,133
Unrestricted	(255,807)	(28,901,131)	697,209	(28,459,729)	3,187,883
<b>Total net position (deficit)</b>	<b>\$ 18,880,006</b>	<b>\$ (27,464,746)</b>	<b>\$ 2,470,930</b>	<b>(6,113,810)</b>	<b>\$ 3,579,016</b>
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				20,285	
Net position of business-type activities (page 6)				\$ (6,093,525)	

The Notes to the Basic Financial Statements are an integral part of this statement.



**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	Business-Type Activities Enterprise Funds				Governmental Activities
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
			Funds		Funds
Operating revenues:					
Charges for services	\$ 2,471,673	\$ 1,618,119	\$ 898,888	\$ 4,988,680	\$ 5,104,335
Assessments	-	-	484,981	484,981	-
Fees and permits	-	549,818	-	549,818	-
Other operating revenue	43,157	49,785	-	92,942	42,101
<b>Total operating revenues</b>	<b>2,514,830</b>	<b>2,217,722</b>	<b>1,383,869</b>	<b>6,116,421</b>	<b>5,146,436</b>
Operating expenses:					
Salaries and benefits	534,366	785,194	435,187	1,754,747	375,067
Services and supplies	2,527,754	2,055,414	254,116	4,837,284	3,999,284
Closure/post closure	-	13,461,313	-	13,461,313	-
Depreciation	2,045,925	398,540	86,917	2,531,382	665,491
<b>Total operating expenses</b>	<b>5,108,045</b>	<b>16,700,461</b>	<b>776,220</b>	<b>22,584,726</b>	<b>5,039,842</b>
Operating income (loss)	(2,593,215)	(14,482,739)	607,649	(16,468,305)	106,594
Nonoperating revenues (expenses):					
Tax revenue	-	1,664,630	-	1,664,630	-
Intergovernmental revenues	92,195	162,930	41,170	296,295	-
Investment earnings	(8,353)	26,889	(6,734)	11,802	(5,700)
Interest expense	-	(6,577)	(774)	(7,351)	(46,383)
Gain (loss) on sale of assets	(18,139)	-	5,076	(13,063)	152,030
Other nonoperating revenue	21,500	-	-	21,500	128,785
<b>Total nonoperating revenues (expenses)</b>	<b>87,203</b>	<b>1,847,872</b>	<b>38,738</b>	<b>1,973,813</b>	<b>228,732</b>
Income (loss) before capital contributions and transfers	(2,506,012)	(12,634,867)	646,387	(14,494,492)	335,326
Capital contributions	224,408	-	-	224,408	-
Transfers in	939,885	278,000	-	1,217,885	-
Change in net position	(1,341,719)	(12,356,867)	646,387	(13,052,199)	335,326
Net position - beginning (deficit)	20,221,725	(15,107,879)	1,824,543		3,243,690
Net position - ending (deficit)	\$ 18,880,006	\$ (27,464,746)	\$ 2,470,930		\$ 3,579,016
Adjustments for the net effect of the current year activity between the internal service funds and the enterprise funds				9,742	
Changes in net position of business-type activities (page 7)				\$ (13,042,457)	

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Proprietary Funds

Statement of Cash Flows

	Business-Type Activities Enterprise Funds				Governmental Activities
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:					
Cash receipts from customers	\$ 2,372,596	\$ 2,195,490	\$ 1,293,217	\$ 5,861,303	\$ 4,866,205
Cash paid to suppliers for goods and services	(2,202,466)	(2,081,361)	(257,272)	(4,541,099)	(3,861,532)
Cash paid to employees for salaries and benefits	(623,561)	(1,521,108)	(688,214)	(2,832,883)	(278,634)
Other operating receipts	43,157	49,785	-	92,942	42,101
Net cash provided by (used for) operating activities	<u>(410,274)</u>	<u>(1,357,194)</u>	<u>347,731</u>	<u>(1,419,737)</u>	<u>768,140</u>
Cash flows from noncapital financing activities:					
Loans from other funds	(361,925)	-	-	(361,925)	-
Transfer from other funds	939,885	278,000	-	1,217,885	-
Grants	(1,050)	280,205	36,160	315,315	-
Property taxes	-	1,664,630	-	1,664,630	-
Other nonoperating cash receipts	21,500	-	9,373	30,873	128,785
Proceeds from lease	(2,433)	-	-	(2,433)	-
Lease related	-	-	-	-	202,771
Net cash provided by (used for) noncapital financing activities	<u>595,977</u>	<u>2,222,835</u>	<u>45,533</u>	<u>2,864,345</u>	<u>331,556</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	(42,687)	-	5,076	(37,611)	152,031
Principal and interest paid on capital debt, net of new issuance	-	(107,003)	(17,030)	(124,033)	-
Acquisition or construction of capital assets	120,080	(159,913)	(23,826)	(63,659)	(650,820)
Grants	50,000	-	-	50,000	-
Net cash provided by (used for) capital and related financing activities	<u>127,393</u>	<u>(266,916)</u>	<u>(35,780)</u>	<u>(175,303)</u>	<u>(498,789)</u>
Cash flows from investing activities:					
Interest earnings	(7,034)	(4,507)	(14,715)	(26,256)	(22,188)
Net cash provided by (used for) investing activities	<u>(7,034)</u>	<u>(4,507)</u>	<u>(14,715)</u>	<u>(26,256)</u>	<u>(22,188)</u>
Net increase (decrease) in cash and investments	306,062	594,218	342,769	1,243,049	578,719
Cash and investments - beginning	<u>294,542</u>	<u>6,394,380</u>	<u>1,458,366</u>	<u>8,147,288</u>	<u>3,689,704</u>
Cash and investments - ending	<u>\$ 600,604</u>	<u>\$ 6,988,598</u>	<u>\$ 1,801,135</u>	<u>\$ 9,390,337</u>	<u>\$ 4,268,423</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Proprietary Funds  
Statement of Cash Flows  
(Continued)

	Business-Type Activities Enterprise Funds				Governmental
	Airport	Solid Waste	Nonmajor		Internal Service Funds
			Enterprise Funds	Total	
<b>Reconciliation of cash and investments to the statement of net position</b>					
Cash and investments	\$ 600,339	\$ 3,904,993	\$ 1,801,135	\$ 6,306,467	\$ 4,268,423
Imprest cash	265	1,275	-	1,540	-
Restricted cash	-	3,082,330	-	3,082,330	-
<b>Total</b>	<b>\$ 600,604</b>	<b>\$ 6,988,598</b>	<b>\$ 1,801,135</b>	<b>\$ 9,390,337</b>	<b>\$ 4,268,423</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:</b>					
Operating income (loss)	\$ (2,593,215)	\$ (14,482,739)	\$ 607,649	\$ (16,468,305)	\$ 106,594
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	2,045,925	398,540	86,917	2,531,382	665,491
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
Accounts receivable	(99,077)	27,553	(90,652)	(162,176)	(238,130)
Inventory	6,992	-	-	6,992	-
Prepays	972	-	-	972	598
Deferred outflows of resources	(111,293)	(322,565)	(135,147)	(569,005)	(98,813)
Accounts payable	317,324	(57,929)	(3,156)	256,239	67,257
Accrued salaries	(15,193)	-	(12,391)	(27,584)	(5,795)
Liability for compensated absences	12,971	(8,391)	16,900	21,480	687
Closure/post-closure liability	-	13,461,313	-	13,461,313	-
Self-insurance liability	-	-	-	-	69,897
Net pension liability	229,978	876,890	335,601	1,442,469	134,107
Net OPEB liability	(42,988)	(641,325)	(224,990)	(909,303)	143,401
Deferred inflows of resources	(162,670)	(608,541)	(233,000)	(1,004,211)	(77,154)
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (410,274)</b>	<b>\$ (1,357,194)</b>	<b>\$ 347,731</b>	<b>\$ (1,419,737)</b>	<b>\$ 768,140</b>
<b>Schedule of noncash capital and related financing activities:</b>					
Capital contributions from General Fund	\$ 224,408	\$ -	\$ -	\$ 224,408	\$ -

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | JUNE 30, 2023**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position

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	<u>Custodial Funds</u>	
	<u>External Investment Pool</u>	<u>Other Custodial</u>
<b>ASSETS</b>		
Cash and investments held in Treasury	\$ 93,498,623	\$ -
Total assets	<u>93,498,623</u>	<u>-</u>
<b>LIABILITIES</b>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for pool participants	<u>93,498,623</u>	<u>-</u>
Total net position	<u>\$ 93,498,623</u>	<u>\$ -</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

	Custodial Funds	
	External Investment Pool	Other Custodial
<b>ADDITIONS</b>		
Contributions:		
Contributions to pooled investments	\$ 219,301,815	\$ -
Total contributions	<u>219,301,815</u>	<u>-</u>
Investment earnings:		
Investment earnings - interest and dividends	<u>1,942</u>	<u>-</u>
Total investment earnings	<u>1,942</u>	<u>-</u>
Collections on behalf of others:		
Property taxes collected for other governments	-	40,144,339
Other taxes, fees, fines, and forfeitures collected for other governments	-	5,524,015
Other collections	<u>-</u>	<u>8,970</u>
Total collections on behalf of others	<u>-</u>	<u>45,677,324</u>
Total additions	<u>219,303,757</u>	<u>45,677,324</u>
<b>DEDUCTIONS</b>		
Distributions from pooled investment	204,877,323	-
Payments to other individuals and governments	<u>-</u>	<u>45,677,324</u>
Total deductions	<u>204,877,323</u>	<u>45,677,324</u>
Net increase (decrease) in fiduciary net position	14,426,434	-
Net position - beginning	<u>79,072,189</u>	<u>-</u>
Net position - ending	<u>\$ 93,498,623</u>	<u>\$ -</u>

The Notes to the Basic Financial Statements are an integral part of this statement.

## 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.

**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 30<sup>th</sup> 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.

**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.



**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* – Other custodial accounts 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 fiduciary 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.

**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 Proprietary Funds Statement of Cash Flows, 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 Proprietary Funds Statement of Cash Flows.

**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.

**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 Governmental Funds Balance Sheet and Proprietary Funds Statement of Net Position. 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.

**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. Right-to-Use Lease Assets**

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the County has determined is reasonably certain of being exercised.

**N. Leases**

**Lessee**

The County is a lessee for noncancellable leases of structures, equipment, and vehicles. The lessee recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**N. Leases** (Continued)

- The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

**Lessor**

In instances where the County acts as a lessor, it recognizes a lease receivable and a deferred inflow of resources in the financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- The County uses the interest rate charged to the lessees as the discount rate. When the interest rate charged to the lessees is not provided, the County generally uses the implied rate of return as the discount rate for leases. When the implied rate of return cannot be determined, the County uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**O. Subscription-Based Information Technology Arrangements (SBITAs)**

Lessee: The County enters into noncancellable subscription-based information technology arrangements (SBITAs) for the acquisition of various information technology services. SBITAs are accounted for in accordance with GASB Statement No. 96.

Upon commencement of a subscription, the County recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. Subscription liabilities are recognized when their initial individual values are \$50,000 or more. The subscription liability is initially measured at the present value of payments expected to be made during the subscription term and is subsequently reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, and any directly attributable initial costs. The subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include determining the discount rate used to discount expected subscription payments to present value, the subscription term, and the composition of subscription payments.

- The County generally uses the interest rate charged by the subscription provider as the discount rate. When the interest rate charged by the provider is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs, which is the prime rate at the inception of the subscription.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**O. Subscription-Based Information Technology Arrangements (SBITAs)** (Continued)

- The subscription term includes the noncancellable period of the subscription and subscription payments that the County is reasonably certain to make.
- The measurement of subscription liability excludes any variable payments such as payments based on the number of user seats unless they depend on an index or a rate or are fixed in substance.

The County monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability. Subscription assets are reported with other intangible assets, and subscription liabilities are reported as liabilities on the Statement of Net Position.

This disclosure provides information on the accounting policies related to Subscription-Based Information Technology Arrangements (SBITAs) in accordance with GASB Statement No. 96 and should be read in conjunction with the accompanying financial statements.

**P. 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.

**Q. 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 and leases 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.

**R. 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**S. 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.

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

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**T. 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.

**U. 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.

**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 40% 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.



**NOTE 2 – CASH IN TREASURY** (Continued)

**A. Cash Management** (Continued)

At June 30, 2023, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 37,148
Deposits	12,138,771
Cash with fiscal agent	161,300
Less: outstanding checks	<u>(2,612,414)</u>
Total deposits	9,724,805
Investments	<u>194,217,591</u>
Total cash and investments	<u>\$ 203,942,396</u>

Total cash and investments at June 30, 2023 were presented on the County’s financial statements as follows:

Primary government	\$ 109,855,626
Custodial	93,498,623
Discretely presented component unit	<u>588,147</u>
Total cash and investments	<u>\$ 203,942,396</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 \$15,100,597 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, 2023, the carrying amount of the Pool’s deposits was \$12,479,094 and the corresponding bank balance was \$15,961,660. The difference of \$3,482,566 was principally due to purchases of investments, outgoing payroll and warrants as of year end.

**Investments**

The following table 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.

**NOTE 2 – CASH IN TREASURY** (Continued)

**A. Cash Management** (Continued)

**Investments** (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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

At June 30, 2023, the County had the following investments:

	Interest Rates	Maturities	Fair Value	Weighted Avg Maturity (Years)
Pooled investments:				
Federal agency obligations	.0440%-5.125%	7/30/24-6/30/28	\$ 117,845,400	2.29
Commercial paper	N/A	8/24/2023-11/22/2023	17,727,780	0.29
Local Agency Investment Fund	Variable	Demand	35,000,000	-
Medium term corporate bonds	3.75%	7/20/2023	1,993,260	-
Negotiable certificates of deposit	.045%-3.4%	7/21/23-11/17/26	6,544,965	1.43
Local agency debt	N/A	N/A	228,980	-
Money market funds	Variable	On Demand	14,877,206	-
Total pooled investments			<u>\$ 194,217,591</u>	

**NOTE 2 – CASH IN TREASURY** (Continued)

**A. Cash Management** (Continued)

**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	\$ 117,845,400	\$ 4,981,330	\$ 25,292,530	\$ 67,500,390	\$ 11,222,520	\$ 8,848,630
Commercial paper	17,727,780	17,727,780	-	-	-	-
Local Agency Investment Fund	35,000,000	35,000,000	-	-	-	-
Medium term corporate bonds	1,993,260	1,993,260	-	-	-	-
Negotiable certificates of deposit	6,544,965	2,700,668	2,089,012	893,192	862,093	-
Local agency debt	228,980	228,980	-	-	-	-
Money market funds	14,877,206	14,877,206	-	-	-	-
Total investments	<u>\$ 194,217,591</u>	<u>\$ 77,509,224</u>	<u>\$ 27,381,542</u>	<u>\$ 68,393,582</u>	<u>\$ 12,084,613</u>	<u>\$ 8,848,630</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.

At June 30, 2023, the County had the following investments in the following individual issuers 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	\$ 23,171,830	11.93%
Federal Home Loan Bank	Federal agency obligation	52,299,560	26.93%
Federal Home Loan Mortgage	Federal agency obligation	25,076,640	12.91%
Federal National Mortgage Assn.	Federal agency obligation	17,297,370	8.91%
		<u>\$ 117,845,400</u>	<u>60.68%</u>

**NOTE 2 – CASH IN TREASURY** (Continued)

**A. Cash Management** (Continued)

**Credit Risk** (Continued)

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, 2023:

	Credit Quality Ratings		% of Portfolio
	Moody's	S&P	
Federal agency obligations	AAA	AAA	60.68%
Local Agency Investment Fund	Unrated	Unrated	18.02%
Local agency debt	Unrated	Unrated	0.12%
Medium term corporate bonds	N/A	N/A	1.02%
Commercial paper	N/A	N/A	9.13%
Negotiable CDs	N/A	N/A	3.37%
Money market funds	N/A	N/A	<u>7.66%</u>
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, 2023, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$35,000,000, 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, 2023, was \$178.4 billion, the majority of which is invested in non-derivative financial products.

**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, 2023:

**Statement of Net Position**

Net position	\$ 203,942,396
Equity of external investment pool participants	\$ 93,498,623
Equity of internal investment pool participants	110,443,773
Total net position	<u>\$ 203,942,396</u>

**Statement of Changes in Net Position:**

Net position at July 1, 2022	\$ 177,739,032
Net contributions from pool participants	26,203,364
Net position at June 30, 2023	<u>\$ 203,942,396</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 into 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.

**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, 2023 include the following:

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment Type:				
Federal agency obligations	\$ 117,845,400	\$ -	\$ 117,845,400	\$ -
Negotiable certificates of deposit	6,544,965	-	6,544,965	-
Medium term corporate bonds	1,993,260	-	1,993,260	-
Commercial paper	17,727,780	-	17,727,780	-
Total investments measured at fair value	144,111,405	\$ -	\$ 144,111,405	\$ -
Investments not subject to hierarchy:				
Local Agency Investment Fund	35,000,000			
Local agency debt	228,980			
Money market funds	14,877,206			
Total investments in investment pool	\$ 194,217,591			

**NOTE 3 – INTERFUND TRANSACTIONS**

**A. Interfund Receivables/Payables**

The composition of interfund balances as of June 30, 2023 was as follows:

*Due to/from other funds:*

Receivable Fund	Payable Fund	Amount	Purpose
Major Fund:	Major Fund:		
General Fund	Grant programs	\$ 3,072,270	Cash flow reimbursement grants
	Nonmajor governmental funds	165,000	Provide short term cash flow
	Airport	175,659	Provide short term cash flow for large grant
	Nonmajor enterprise funds	3,376	Provide short term cash flow
	Total	<u>\$ 3,416,305</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, 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	Recycling & Waste Management	\$ 278,000	To fund payment for law suit and future litigation
General Fund	Airports	673,423	Augment operational cost and grant match
General Fund	Non Major Governmental Fund	1,384,878	Future funding for airport and capital projects and grant matches
General Fund	Grant	325,708	County required General Fund match
General Fund	Grant	4,080	Close out of old grants
General Fund	Grant	283,938	To augment ongoing operations
General Fund	Grant	512,566	To cover A87 cost over allowable max
		<u>3,462,593</u>	
Grant Programs	General Fund	105,905	To cover FOPH grant program cost
Grant Programs	General Fund	195,911	Deferred maintenance projects
		<u>301,816</u>	
Nonmajor Governmental Funds	Airport	266,462	Grant match for county share
		<u>266,462</u>	
	Total	<u>\$ 4,030,871</u>	

**NOTE 4 – CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance June 30, 2022 Restated	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2023
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 8,899,171	\$ 164,230	\$ -	\$ -	\$ 9,063,401
Construction in progress	4,525,156	688,877	-	(2,589,574)	2,624,459
Total capital assets, not being depreciated/amortized	<u>13,424,327</u>	<u>853,107</u>	<u>-</u>	<u>(2,589,574)</u>	<u>11,687,860</u>
Capital assets, being depreciated/amortized:					
Infrastructure	210,947,588	3,146,894	-	2,221,856	216,316,338
Land improvements	5,879,003	409,120	-	(64,507)	6,223,616
Structures and improvements	29,552,139	920,056	-	40,498	30,512,693
Equipment	19,893,988	1,505,796	(811,541)	75,060	20,663,303
Right-to-use leased structures and improvements	483,685	-	-	-	483,685
Right-to-use leased equipment	3,306,518	732,463	(242,354)	57,808	3,854,435
Right-to-use IT subscriptions	974,299	-	-	-	974,299
Total capital assets, being depreciated/amortized	<u>271,037,220</u>	<u>6,714,329</u>	<u>(1,053,895)</u>	<u>2,330,715</u>	<u>279,028,369</u>
Less accumulated depreciation/amortization for:					
Infrastructure	(192,350,811)	(957,876)	-	-	(193,308,687)
Land improvements	(2,851,652)	(157,076)	-	33,866	(2,974,862)
Structures and improvements	(10,465,660)	(847,375)	-	(22,359)	(11,335,394)
Equipment	(16,705,703)	(1,034,189)	811,541	280,613	(16,647,738)
Right-to-use leased structures and improvements	(260,779)	(39,926)	-	-	(300,705)
Right-to-use leased equipment	(1,862,103)	(637,063)	242,354	(57,808)	(2,314,620)
Right-to-use IT subscriptions	(314,769)	(123,520)	-	-	(438,289)
Total accumulated depreciation/amortized	<u>(224,811,477)</u>	<u>(3,797,025)</u>	<u>1,053,895</u>	<u>234,312</u>	<u>(227,320,295)</u>
Total capital assets, being depreciated/amortized, net	<u>46,225,743</u>	<u>2,917,304</u>	<u>-</u>	<u>2,565,027</u>	<u>51,708,074</u>
Governmental activities capital assets, net	<u>\$ 59,650,070</u>	<u>\$ 3,770,411</u>	<u>\$ -</u>	<u>\$ (24,547)</u>	<u>\$ 63,395,934</u>



**COUNTY OF INYO | JUNE 30, 2023**  
Notes to the Basic Financial Statements

**NOTE 4 – CAPITAL ASSETS (Continued)**

	Balance June 30, 2022	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2023
<b>Business-Type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,851,399	\$ -	\$ -	\$ -	\$ 1,851,399
Construction in progress	-	44,328	-	-	44,328
Total capital assets, not being depreciated	<u>1,851,399</u>	<u>44,328</u>	<u>-</u>	<u>-</u>	<u>1,895,727</u>
Capital assets, being depreciated					
Infrastructure	37,953,961	-	-	-	37,953,961
Land improvements	2,723,569	-	-	64,508	2,788,077
Structures and improvements	6,132,812	48,239	(9,300)	(18,509)	6,153,242
Equipment	6,430,911	195,506	(43,408)	170,836	6,753,845
Total capital assets, being depreciated	<u>53,241,253</u>	<u>243,745</u>	<u>(52,708)</u>	<u>216,835</u>	<u>53,649,125</u>
Less accumulated depreciation for:					
Infrastructure	(19,808,250)	(1,642,847)	-	-	(21,451,097)
Land improvements	(2,411,688)	(46,792)	-	(33,866)	(2,492,346)
Structures and improvements	(4,241,767)	(379,563)	9,300	371	(4,611,659)
Equipment	(3,923,302)	(462,180)	43,408	(158,792)	(4,500,866)
Total accumulated depreciation	<u>(30,385,007)</u>	<u>(2,531,382)</u>	<u>52,708</u>	<u>(192,287)</u>	<u>(33,055,968)</u>
Total capital assets, being depreciated, net	<u>22,856,246</u>	<u>(2,287,637)</u>	<u>-</u>	<u>24,548</u>	<u>20,593,157</u>
Business-type activities capital assets, net	<u>\$ 24,707,645</u>	<u>\$ (2,243,309)</u>	<u>\$ -</u>	<u>\$ 24,548</u>	<u>\$ 22,488,884</u>

**A. Depreciation**

Depreciation and amortization expense was charged to governmental functions as follows:

General government	\$ 911,919
Public protection	464,467
Public ways and facilities	1,471,405
Health and sanitation	125,084
Public assistance	27,776
Education	1,312
Recreation and culture	129,571
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>665,491</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,797,025</u>

**NOTE 4 – CAPITAL ASSETS** (Continued)

**A. Depreciation** (Continued)

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

Airport	\$ 2,045,925
Solid Waste	398,540
Nonmajor enterprise funds	<u>86,917</u>
 Total depreciation expense - business-type activities	 <u>\$ 2,531,382</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. During fiscal year 2022, two loans were paid in full. Fund balance for the outstanding loans is reported as restricted. As of June 30, 2023 the balance of \$380,000 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, 2023 for governmental activities is as follows:

Type of Indebtedness	Balance June 30, 2022 Restated	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities:						
Compensated absences	\$ 2,023,094	\$ 1,663,210	\$ (1,598,266)	\$ -	\$ 2,088,038	\$ 2,088,038
Claims liability	230,012	157,398	(87,501)	-	299,909	-
Net OPEB liability	58,898,528	15,472,691	(2,872,219)	-	71,499,000	-
Net pension liability	45,172,134	34,486,141	-	-	79,658,275	-
Leases payable	1,727,885	732,462	(682,185)	-	1,778,162	642,887
SBITA liability	582,139	122,733	(192,578)	-	512,294	192,330
Direct borrowing:						
Loans payable	<u>3,304,192</u>	<u>-</u>	<u>(316,622)</u>	<u>-</u>	<u>2,987,570</u>	<u>343,310</u>
Total long-term liabilities	<u>\$ 111,937,984</u>	<u>\$ 52,634,635</u>	<u>\$ (5,749,371)</u>	<u>\$ -</u>	<u>\$ 158,823,248</u>	<u>\$ 3,266,565</u>

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

**NOTE 6 – LONG-TERM LIABILITIES** (Continued)

**B. Loans Payable (Direct Borrowing) – Governmental Activities**

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.

Loans payable for governmental activities at June 30, 2023 consisted of the following:

Governmental Activities	Date of Issuance	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2023
CalPERS side fund refunding (to refund unfunded accrued liability for the County's retirement plan)	3/14/2021	5/11 - 5/25	5.50%	\$90,000 - \$479,000	\$ 4,045,000	\$ 2,592,000
CEC solar loan (to finance a photovoltaic solar project)	10/13/2021	12/14 - 12/28	1.00%	\$26,287 - \$36,865	\$ 992,054	\$ 395,570

The following is a schedule of debt service requirements to maturity as of June 30, 2023 for the loans payable from direct borrowings for governmental activities.

Years Ending June 30	Governmental Activities	
	Loans from Direct Borrowings	
	Principal	Interest
2024	\$ 343,310	\$ 140,741
2025	373,024	124,434
2026	404,736	106,410
2027	438,456	86,716
2028	474,180	65,119
2029-2030	953,864	58,114
Total	\$ 2,987,570	\$ 581,534

**NOTE 6 – LONG-TERM LIABILITIES** (Continued)

**C. Business-Type Long-Term Liabilities**

A summary of changes in long-term liabilities for the year ended June 30, 2023 for business-type activities is as follows:

Type of Indebtedness	Balance June 30, 2022	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2023	Amounts Due Within One Year
<b>Business-Type Activities</b>						
Compensated absences	\$ 119,764	\$ 116,096	\$ (94,615)	\$ -	\$ 141,245	\$ 141,245
Net OPEB liability	3,826,209	-	(947,803)	-	2,878,406	-
Net pension liability	1,874,267	1,480,970	-	-	3,355,237	-
Closure/post-closure liability	19,104,995	13,461,313	-	-	32,566,308	-
<b>Direct borrowing:</b>						
Loans payable	259,649	-	(116,684)	-	142,965	116,442
<b>Total long-term liabilities</b>	<b>\$ 25,184,884</b>	<b>\$ 15,058,379</b>	<b>\$ (1,159,102)</b>	<b>\$ -</b>	<b>\$ 39,084,161</b>	<b>\$ 257,687</b>

**D. 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, 2023 for the loans payable for business-type activities.

Years Ending June 30	Business-Type	
	Loans Payable	
	Principal	Interest
2024	\$ 116,442	\$ 3,333
2025	26,523	225
<b>Total</b>	<b>\$ 142,965</b>	<b>\$ 3,558</b>

**NOTE 7 – LEASES**

**A. Leases as Lessor**

In fiscal year 2017, the County's Airport Fund leased a portion of the Eastern Regional Airport to a third party. The lease is for nine years, and the County will receive quarterly payments. Annualized, these quarterly payments total \$6,825. Quarterly payments will remain the same for the first five years and will increase 5% each year beginning in year six. Fiscal year 2022 was the first year of the 5% increase. The County recognized \$6,115 in lease revenue and \$725 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the County's receivable for lease payments was \$16,539. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$13,250.

In fiscal year 2019, the County's Airport Fund leased a portion of the Bishop Airport to a third party. The lease is for ten years, and the County will receive annual payments of \$29,315. Annual payments increase each year by 3%. The County received a payment of \$32,995 in fiscal year 2023. The County recognized \$26,926 in lease revenue and \$8,989 in interest revenue during the current fiscal year related to this lease. As of June 30, 2023, the County's receivable for lease payments was \$155,781. Also, the County has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$134,628.

**B. Leases as Lessee**

In fiscal year 2004, the County's General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$72,036. As of June 30, 2023, the value of the lease liability was \$4,513. Monthly payments increase 4% each year. The County was required to make monthly principal and interest payments of \$877 in fiscal 2023. The use of the radio tower has an estimated useful life of twenty years. The value of the right-to-use asset as of the end of the current fiscal year was \$1,501 and had accumulated amortization of \$70,535.

In fiscal year 2007, the County's General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$67,298. As of June 30, 2023, the value of the lease liability was \$27,928. Monthly payments increase 4% each year. The County was required to make monthly principal and interest payments of \$796 in fiscal year 2023. The use of the radio tower has an estimated useful life of twenty years. The value of the right-to-use asset as of the end of the current fiscal year was \$10,375 and had accumulated amortization of \$56,923.

The County negotiated a vehicle master equity leasing agreement with Enterprise FM Trust (Enterprise), a Delaware statutory trust, on May 6, 2015. The initial lease liability for active leases was valued at \$2,429,815. As of June 30, 2023, the lease liability was valued at \$1,316,112. The term of a lease begins on the date a vehicle is delivered and continues for the lease term set forth in the applicable schedule for the leased vehicle. At any time after the expiration of the minimum lease term, the vehicle can be surrendered to Enterprise unless an extension is agreed upon. Enterprise will sell the vehicle. If the net proceeds exceed the depreciated value less the guaranteed residual value, Enterprise will issue a refund. If the net proceeds are less than the depreciated value less the guaranteed residual value, the County will be billed the difference. Vehicles are being depreciated over various periods ranging from sixty (60) to ninety (90) months. As of June 30, 2023, the County was leasing 85 vehicles, of which 23 are being leased on a month-to-month basis. The County will continue to lease the vehicles until they have been fully depreciated. The value of the right-to-use assets as of June 30, 2023 was \$1,264,436 and had accumulated amortization of \$1,788,153.

In fiscal year 2015, the County's General Fund and Road Special Revenue Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$139,010. As of June 30, 2023, the value of the lease liability was \$80,541. Monthly payments increase 3% each year. The County was required to make monthly principal and interest payments of \$1,014 in fiscal year 2023. The use of the radio tower has an estimated useful life of fifteen years. The value of the right-to-use asset as of the end of the current fiscal year was \$62,555 and had accumulated amortization of \$76,456.

**NOTE 7 – LEASES** (Continued)

**B. Leases as Lessee** (Continued)

In fiscal year 2016, the County's General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$130,319. As of June 30, 2023, the value of the lease liability was \$77,731. Monthly payments increase 3% each year. The County was required to make monthly principal and interest payments of \$922 in fiscal year 2023. The use of the radio tower has an estimated useful life of fifteen years. The value of the right-to-use asset as of the end of the current fiscal year was \$60,815 and had accumulated amortization of \$69,503.

In fiscal year 2018, the County's General Fund entered into a master lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$35,191. The lease liability was fully paid off in the current year. The County was required to make monthly principal and interest payments of \$657. The value of the right-to-use asset was fully amortized in the current fiscal year.

In fiscal year 2019, the County's General Fund entered into a lease agreement as lessee for the use of an office building. An initial lease liability was recorded in the amount of \$50,936. As of June 30, 2023, the value of the lease liability was \$2,863. The County is required to make monthly principal and interest payments of \$963. The use of the office building has an estimated useful life of five years. The value of the right-to-use asset as of the end of the current fiscal year was \$2,547 and had accumulated amortization of \$48,389.

In fiscal year 2020, the County's General Fund entered into a master lease agreement as lessee for the use of office printers. An initial lease liability was recorded in the amount of \$642,461. As of June 30, 2023, the value of the lease liability was \$111,474. The County is required to make monthly principal and interest payments of \$12,636. The value of the right-to-use asset as of the end of the current fiscal year was \$102,800 and had accumulated amortization of \$539,661.

In fiscal year 2020, the County's General Fund entered into a lease agreement as lessee for the use of an office building. An initial lease liability was recorded in the amount of \$24,086. As of June 30, 2023, the value of the lease liability was \$6,963. The County is required to make monthly principal and interest payments of \$450. The use of the office building has an estimated useful life of five years. The value of the right-to-use asset as of the end of the current fiscal year was \$6,423 and had accumulated amortization of \$17,663.

In fiscal year 2021, the County's General Fund entered into a master lease agreement as lessee for the use of radios. An initial lease liability was recorded in the amount of \$227,564. As of June 30, 2023, the value of the lease liability was \$58,826. The County was required to make monthly principal and interest payments of \$6,625. The use of radios has an estimated useful life of three years. The value of the right-to-use asset as of the end of the current fiscal year was \$56,891 and had accumulated amortization of \$170,673.

In fiscal year 2022, the County's General Fund entered into a master lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$20,207. As of June 30, 2023, the value of the lease liability was \$14,446. The County is required to make monthly principal and interest payments of \$364. The value of the right-to-use asset as of the end of the current fiscal year was \$14,145 and had accumulated amortization of \$6,062.

In fiscal year 2023, the County's General Fund entered into a master lease agreement as lessee for the use of medical equipment. An initial lease liability was recorded in the amount of \$48,583. As of June 30, 2023, the value of the lease liability was \$45,601. The County is required to make monthly principal and interest payments of \$973. The value of the right-to-use asset as of the end of the current fiscal year was \$45,344 and had accumulated amortization of \$3,239.

In fiscal year 2023, the County's General Fund entered into a master lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$33,060. As of June 30, 2023, the value of the lease liability was \$31,491. The County is required to make monthly principal and interest payments of \$666. The value of the right-to-use asset as of the end of the current fiscal year was \$31,407 and had accumulated amortization of \$1,653.

**NOTE 7 – LEASES** (Continued)

**B. Leases as Lessee** (Continued)

As of June 30, 2023 annual lease payables to maturity are as follows:

Years Ending June 30	Governmental Activities	
	Leases Payables	
	Principal	Interest
2024	\$ 642,887	\$ 61,008
2025	439,817	40,368
2026	337,366	25,141
2027	233,221	12,051
2028	74,578	3,052
2029-2030	50,293	1,632
Total	<u>\$ 1,778,162</u>	<u>\$ 143,252</u>

**NOTE 8 – Subscription-Based Information Technology Arrangements (SBITAs)**

In fiscal year 2023, the County entered into a three-year SBITA as lessee for GIS software, which has been recorded in the General Fund. An initial SBITA liability was recorded in the amount of \$122,733 during fiscal year 2023. As of June 30, 2023, the value of the SBITA liability was \$78,733. The County is required to make annual principal and interest payments of \$44,000. The SBITA has an interest rate of 7.75%. The software has a three-year subscription term. The value of the right-to-use software as of the end of the current fiscal year was \$109,096 and had accumulated amortization of \$13,637. In accordance with GASB 96, certain variable and other payments are not included in the measurement of the subscription liability. There were no variable or other payments in the current year.

In fiscal year 2021, the County entered into a three-year SBITA as lessee for electronic health record management software, which has been recorded in the General Fund. An initial SBITA liability was recorded in the amount of \$41,175 during fiscal year 2023. As of June 30, 2023, the value of the SBITA liability was \$21,421. The County is required to make annual principal and interest payments of \$21,800. The SBITA has an interest rate of 3.25%. The software has a three-year subscription term. The value of the right-to-use software as of the end of the current fiscal year was \$19,826 and had accumulated amortization of \$39,651. In accordance with GASB 96, certain variable and other payments are not included in the measurement of the subscription liability. There were no variable or other payments in the current year.

In fiscal year 2021, the County entered into a five-year SBITA as lessee for management software, which has been recorded in the General Fund. An initial SBITA liability was recorded in the amount of \$86,924 during fiscal year 2023. As of June 30, 2023, the value of the SBITA liability was \$66,225. The County is required to make annual principal and interest payments of \$23,525. The SBITA has an interest rate of 3.25%. The software has a five-year subscription term. The value of the right-to-use software as of the end of the current fiscal year was \$66,270 and had accumulated amortization of \$44,180. In accordance with GASB 96, certain variable and other payments are not included in the measurement of the subscription liability. There were no variable or other payments in the current year.

**NOTE 8 – Subscription-Based Information Technology Arrangements (SBITAs) (Continued)**

In fiscal year 2021, the County entered into a six-year SBITA as lessee for management and office software, which has been recorded in the General Fund. An initial SBITA liability was recorded in the amount of \$454,040 during fiscal year 2023. As of June 30, 2023, the value of the SBITA liability was \$345,916. The County is required to make annual principal and interest payments of \$122,880. The SBITA has an interest rate of 3.25%. The software has a six-year subscription term. The value of the right-to-use software as of the end of the current fiscal year was \$340,820 and had accumulated amortization of \$340,820. In accordance with GASB 96, certain variable and other payments are not included in the measurement of the subscription liability. There were \$71,312 variable or other payments in the current year.

The future principal and interest SBITA payments as of June 30, 2023, are as follows:

Years Ending June 30	Governmental Activities	
	SBITA	
	Principal	Interest
2024	\$ 192,330	\$ 19,875
2025	178,168	12,237
2026	141,796	4,608
Total	<u>\$ 512,294</u>	<u>\$ 36,720</u>

**NOTE 9 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS**

The County currently owns and maintains five active 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 \$32,566,308 as of the fiscal year end, which is based on the estimated percentage usage (filled), ranging from 49.57% to 74.72% of each landfill site. It is estimated that an additional \$22,946,648 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 \$55,512,956 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 Geologic 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, 2023, cash and investments of \$3,082,330 were held as restricted cash 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.



**NOTE 9 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS**  
(Continued)

The following is the information for each landfill as of June 30, 2023:

	Percent Filled	Total Closure/ Post-Closure Cost Estimates	Liability June 30, 2023
Bishop Sunland	54.91%	\$ 31,953,891	\$ 17,546,675
Independence	74.72%	7,631,173	5,702,009
Lone Pine	57.47%	9,081,336	5,219,189
Shoshone	49.57%	3,137,701	1,555,450
Tecopa	66.42%	3,472,023	2,306,153
Keeler	100.00%	<u>236,832</u>	<u>236,832</u>
<b>Total</b>		<b>\$ 55,512,956</b>	<b>\$ 32,566,308</b>

**NOTE 10 – FUND BALANCES**

**A. Classification**

In the fund financial statements, governmental funds report fund balances 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, 2023, were distributed as follows:

	General	Road	Grants Programs	Nonmajor Governmental	Total
<b>Nonspendable:</b>					
Prepays	\$ 230,784	\$ -	\$ 2,410	\$ 97	\$ 233,291
Advances and deposits	166,700	-	-	-	166,700
Inventory	36,935	603,061	-	-	639,996
<b>Total Nonspendable Fund Balance</b>	<b>434,419</b>	<b>603,061</b>	<b>2,410</b>	<b>97</b>	<b>1,039,987</b>
<b>Restricted:</b>					
Public protection	17,416,757	-	1,827,374	171,215	19,415,346
Public ways and facilities	9,590	6,837,300	1,620	1,115,960	7,964,470
Health and sanitation	25,016,381	-	251,533	34,136	25,302,050
Public assistance	1,680,458	-	3,334,118	-	5,014,576
Education	10,217	-	270	-	10,487
Recreation and culture	-	-	24,169	-	24,169
Other	2,192,507	-	658,027	-	2,850,534
<b>Total Restricted Fund Balance</b>	<b>46,325,910</b>	<b>6,837,300</b>	<b>6,097,111</b>	<b>1,321,311</b>	<b>60,581,632</b>
<b>Assigned</b>					
General government	4,646,975	-	-	3,376,848	8,023,823
Public protection	3,969,518	-	-	-	3,969,518
Health and sanitation	882,774	-	-	-	882,774
Public assistance	501,732	-	-	-	501,732
Education	1,227,205	-	-	-	1,227,205
Recreation and culture	1,614,403	-	-	-	1,614,403
<b>Total Assigned Fund Balance</b>	<b>12,842,607</b>	<b>-</b>	<b>-</b>	<b>3,376,848</b>	<b>16,219,455</b>
<b>Unassigned</b>	<b>26,072,167</b>	<b>-</b>	<b>(1,416,980)</b>	<b>-</b>	<b>24,655,187</b>
<b>Total Fund Balances</b>	<b>\$ 85,675,103</b>	<b>\$ 7,440,361</b>	<b>\$ 4,682,541</b>	<b>\$ 4,698,256</b>	<b>\$ 102,496,261</b>

**NOTE 11 – 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 2023 are summarized as follows:

	<b>Miscellaneous</b>	
	<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	7.000%	7.500%
Required employer contribution rates	9.150%	9.150%

**NOTE 11 – 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 \$5,283,222 for the fiscal year ended June 30, 2023.

**Employees Covered**

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	568
Inactive employees entitled to but not yet receiving benefits	225
Active employees	<u>365</u>
Total	<u><u>1,158</u></u>

**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 2023 were \$7,138,454.

**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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTE 11 – PENSION PLANS** (Continued)

**AGENT MULTIPLE EMPLOYER PLANS** (Continued)

**B. Net Pension Liability** (Continued)

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 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**

The discount rate used to measure the total pension liability was 6.90%. 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.

**NOTE 11 – 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	Current Target Location	Real Return Years 1-10 <sup>(a,b)</sup>
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.50%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

<sup>(a)</sup> An expected inflation of 2.30% used for this period.

<sup>(b)</sup> Figures are based on the 2021 - 2022 Asset Liability Management study.

**NOTE 11 – PENSION PLANS** (Continued)

**AGENT MULTIPLE EMPLOYER PLANS** (Continued)

**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
<b>Miscellaneous Plan:</b>			
Balance at 6/30/2021	\$ 203,514,750	\$ 166,979,355	\$ 36,535,395
Changes in the year:			
Service cost	4,144,498	-	4,144,498
Interest on total pension liability	14,151,047	-	14,151,047
Changes in benefit terms	-	-	-
Changes of assumptions	6,125,044	-	6,125,044
Differences between expected and actual experience	(2,118,695)	-	(2,118,695)
Plan to plan resource movement	-	-	-
Contributions - employer	-	6,771,752	(6,771,752)
Contributions - employee	-	1,799,815	(1,799,815)
Net investment income	-	(12,682,629)	12,682,629
Benefit payment, including refunds of employee contributions	(11,832,677)	(11,832,677)	-
Administrative expenses	-	(104,739)	104,739
Change in proportion	1,410,627	1,157,388	253,239
Net changes	11,879,844	(14,891,090)	26,770,934
Balance at 6/30/2022	\$ 215,394,594	\$ 152,088,264	\$ 63,306,330

**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 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Miscellaneous plan	\$ 95,613,555	\$ 63,306,330	\$ 42,821,487

**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, 2023, the County recognized pension expense of \$8,904,290. At June 30, 2023, 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	\$ 8,216,737	\$ -
Changes in assumptions	4,210,967	-
Differences between actual and expected experience	440,749	1,456,602
Net differences between projected and actual earnings on plan investments	7,649,449	-
Change in employer's proportion	-	-
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	-
Total	\$ 20,517,902	\$ 1,456,602

**NOTE 11 – PENSION PLANS** (Continued)

**AGENT MULTIPLE EMPLOYER PLANS** (Continued)

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

\$8,216,737 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, 2024. 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
2024	\$ 2,840,022
2025	2,410,224
2026	762,861
2027	4,831,456
2028	-
Thereafter	-
Total	<u>\$ 10,844,563</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, 2023.

**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.

**NOTE 11 – PENSION PLANS** (Continued)

**COST-SHARING MULTIPLE-EMPLOYER PLANS** (Continued)

**A. General Information** (Continued)

The rate plan provisions and benefits in effect at June 30, 2024 are summarized as follows:

	<b>Safety</b>	
	1st Tier	PEPRA
Hire date	Prior to 1-Jan-13	On or after 1-Jan-13
Benefit formula	3% @ 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 annual salary	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.00%
Required employer contribution rates	23.750%	12.780%

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 \$1,414,612 for the fiscal year ended June 30, 2023.

**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, 2023 were \$2,107,212.



**NOTE 11 – 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, 2024, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$19,707,182.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2021 and 2022 was as follows:

Proportion - June 30, 2020	0.2995%
Proportion - June 30, 2021	0.2868%
Change - Increase (Decrease)	-0.0127%

For the year ended June 30, 2024, the County recognized pension expense of \$894,239. At June 30, 2024, 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	\$ 2,581,336	\$ -
Changes in assumptions	1,987,081	-
Differences between actual and expected experience	815,609	214,004
Net differences between projected and actual earnings on plan investments	3,112,039	-
Change in employer's proportion	1,172,458	-
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	1,236,325
Total	<u>\$ 9,668,523</u>	<u>\$ 1,450,329</u>

**NOTE 11 – PENSION PLANS** (Continued)

**COST-SHARING MULTIPLE-EMPLOYER PLANS** (Continued)

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

\$2,581,336 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, 2024. 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
2024	\$ 1,646,979
2025	1,334,038
2026	757,456
2027	1,898,385
2028	-
Thereafter	-
Total	<u>\$ 5,636,858</u>

**C. Actuarial Assumptions**

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	6.90% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 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.

**NOTE 11 – PENSION PLANS** (Continued)

**COST-SHARING MULTIPLE-EMPLOYER PLANS** (Continued)

**D. Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. 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	Current Target Location	Real Return Years 1-10 <sup>(a,b)</sup>
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.50%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

<sup>(a)</sup> An expected inflation of 2.30% used for this period.

<sup>(b)</sup> Figures are based on the 2021 - 2022 Asset Liability Management study.

**NOTE 11 – 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%	Current Discount	Discount Rate +1%
5.9%	Rate 6.90%	7.9%
\$ 28,899,395	\$ 19,707,182	\$ 12,194,624

**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, 2023.

**NOTE 12 – 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.

**NOTE 12 – 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, 2023 and 2022 were as follows:

	2023	2022
Unpaid claims - beginning of year	\$ 230,012	\$ 229,606
Plus estimated claims incurred	157,398	21,350
Less claims payments	<u>(87,501)</u>	<u>(20,944)</u>
Unpaid claims - end of year	<u>\$ 299,909</u>	<u>\$ 230,012</u>

**NOTE 13 – 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.

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**B. Funding Policy**

**Contributions**

The County has established an OPEB trust with PARS. For the year ended June 30, 2023, the County contributed \$600,000, in addition to pay-go-costs, which were paid outside the trust.

**C. Plan Membership**

Plan Membership at July 1, 2022 consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	333
Active plan members	426
Total	<u>759</u>

**D. Actuarial Methods and Assumptions**

The County’s Net OPEB Liability was measured as of June 30, 2023 and the total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2022. 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	4.16%
Inflation Rate	2.50%
Projected Salary Increase	3.00% per annum, in aggregate
Investment Rate Return	5.75%, net of OPEB plan investment expense
Healthcare Cost Trend Rates	6.00 percent for 2023, 5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages; 4.5 percent for 2023-2069 and 4.00 percent for 2070 and later years.

Pre-retirement and post-retirement mortality rates for Public Agency Miscellaneous and Public Agency Police and Fire were based on the 2000 - 2019 CalPERS Experience Study.

Actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period July 1, 2020 to June 30, 2022.

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**D. 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).

Asset Class	Assumed Asset Allocation	Real rate of return
Broad U.S. Equity	50.0%	4.40%
U.S. Fixed	<u>50.0%</u>	1.80%
Total	<u>100%</u>	

**E. Deferred Inflows/Deferred Outflows of Resources Related to OPEB**

At June 30, 2023, the County reported deferred inflows and deferred outflows of resources related to OPEB as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,747,105	\$ -
Changes of assumptions or other inputs	10,892,909	4,165,897
Net difference between projected and actual return on investments	<u>1,178,213</u>	<u>649,739</u>
Total	<u>\$ 14,818,227</u>	<u>\$ 4,815,636</u>

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

Year Ending June 30	Deferred Outflows (Inflows) of Resources
2024	\$ 1,964,140
2025	2,944,460
2026	2,738,239
2027	1,957,368
2028	398,384
Thereafter	-
	<u>\$ 10,002,591</u>

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**F. Changes in the Net OPEB Liability**

<b>Total OPEB Liability</b>	
Service cost	\$ 2,954,224
Interest	3,460,589
Changes in benefit terms	-
Difference between expected and actual experience	2,465,372
Changes in assumptions or other inputs	7,892,605
Benefit payments <sup>(1)</sup>	<u>(3,842,921)</u>
<b>Net change in total OPEB liability</b>	<b>12,929,869</b>
<b>Total OPEB liability - beginning (a)</b>	<b><u>71,776,912</u></b>
<b>Total OPEB liability - ending (b)</b>	<b><u>\$ 84,706,781</u></b>
<b>Plan fiduciary net position</b>	
Contributions - employer <sup>(1)</sup>	\$ 4,442,921
Net investments income (loss)	704,182
Benefit payments <sup>(1)</sup>	(3,842,921)
Administrative expense	<u>(26,982)</u>
<b>Net change in plan fiduciary net position</b>	<b>1,277,200</b>
<b>Plan fiduciary net position - beginning (c)</b>	<b><u>9,052,176</u></b>
<b>Plan fiduciary net position - ending (d)</b>	<b><u>10,329,376</u></b>
Net OPEB liability - beginning (a) - (c)	<u>62,724,736</u>
Net OPEB liability - ending (b) - (d)	<b><u>\$ 74,377,405</u></b>

<sup>(1)</sup> Amount includes any implicit subsidy associated with benefits paid.

**G. 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 4.16 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>3.16%</u>	Current Discount Rate <u>4.16%</u>	1% Increase <u>5.16%</u>
Net OPEB Liability	\$ 86,981,060	\$ 74,377,405	\$ 64,216,705

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

	1% Decrease <u>5.00% for 2022-2023</u>	Current Healthcare Cost Trend Rates <u>6.00% for 2022-2023</u>	1% Increase <u>7.00% for 2022-2023</u>
Net OPEB Liability	\$ 63,016,733	\$ 74,377,405	\$ 88,590,473



**NOTE 14 – DEFICIT FUND BALANCE/NET POSITION**

The following funds had deficit fund balances/net position at June 30, 2023, as follows:

Fund	Deficit
Enterprise Funds:	
Solid Waste Enterprise Fund	\$ 27,464,746
Mosquito Abatement Enterprise Fund	526,874

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 are anticipated to be recovered through future years’ revenues.

**NOTE 15 – 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, 2023, 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 \$800,000 within the Solid Waste Fund.

**NOTE 16 – RESTATEMENT OF BEGINNING NET POSITION**

**A. Implementation of GASB 96**

The beginning net position of Governmental Activities has been restated as a result of the implementation of the Governmental Accounting Standards Board, Statement No. 96, Subscription Based Information Technology Arrangements (SBITAs).

	Government-Wide Governmental Activities
Net position/fund balance, June 30, 2022, as previously reported	\$ 41,824,643
Change in accounting principle:	
Implementation of GASB 96	298
Total change in account principle	298
Net position/fund balance, July 1, 2022, as restated	\$ 41,824,941

**REQUIRED SUPPLEMENTARY INFORMATION**

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

**Pension Plans – Agent Multiple-Employer Plan  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last 10 Years\***

	Reporting Fiscal Year (Measurement Year)									
	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	
<b>Total Pension Liability</b>										
Service cost	\$ 3,208,960	\$ 3,277,007	\$ 3,077,612	\$ 3,600,938	\$ 3,418,074	\$ 3,469,207	\$ 3,692,938	\$ 3,736,608	\$ 4,144,498	
Interest on the total pension liability	10,187,707	11,062,655	11,569,079	11,938,184	12,296,772	12,973,159	13,835,200	13,837,558	14,151,047	
Changes of assumptions	-	(2,581,231)	-	9,434,399	(768,044)	-	-	-	6,125,044	
Differences between expected and actual experience	-	2,012,865	550,920	(926,084)	(1,504,896)	1,384,213	666,738	1,167,244	(2,118,695)	
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)	(11,446,805)	(11,832,677)	
Change in proportion	-	3,191,701	(123,599)	944,983	1,259,061	2,529,426	5,743,246	(7,291,242)	1,410,627	
<b>Net changes in total pension liability</b>	<b>6,608,613</b>	<b>9,190,604</b>	<b>6,751,618</b>	<b>16,067,189</b>	<b>4,789,024</b>	<b>9,879,747</b>	<b>12,598,964</b>	<b>3,363</b>	<b>11,879,844</b>	
<b>Total pension liability - beginning</b>	<b>137,625,628</b>	<b>144,234,241</b>	<b>153,424,845</b>	<b>160,176,463</b>	<b>176,243,652</b>	<b>181,032,676</b>	<b>190,912,423</b>	<b>203,511,387</b>	<b>203,514,750</b>	
<b>Total pension liability - ending (a)</b>	<b>144,234,241</b>	<b>153,424,845</b>	<b>160,176,463</b>	<b>176,243,652</b>	<b>181,032,676</b>	<b>190,912,423</b>	<b>203,511,387</b>	<b>203,514,750</b>	<b>215,394,594</b>	
<b>Plan Fiduciary Net Position</b>										
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	6,202,683	6,771,752	
Contributions - employee	1,477,303	1,394,721	1,490,440	1,406,869	1,418,227	1,561,750	1,737,975	1,706,670	1,799,815	
Net investment income	17,039,604	2,612,955	596,621	12,525,916	10,339,367	8,553,453	6,983,596	31,267,810	(12,682,629)	
Administrative expenses <sup>1</sup>	-	(130,610)	(70,133)	(166,834)	(553,112)	(92,990)	(198,312)	(139,240)	(104,739)	
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)	(11,446,805)	(11,832,677)	
Change in proportion	-	2,508,226	(92,779)	662,740	868,478	1,801,484	4,108,237	(5,179,454)	1,157,388	
<b>Net changes in plan fiduciary net position</b>	<b>14,814,269</b>	<b>1,820,767</b>	<b>(2,832,802)</b>	<b>9,234,349</b>	<b>7,363,307</b>	<b>7,629,418</b>	<b>8,004,944</b>	<b>22,411,663</b>	<b>(14,891,090)</b>	
<b>Plan fiduciary net position - beginning</b>	<b>98,533,441</b>	<b>113,347,710</b>	<b>115,168,477</b>	<b>112,335,675</b>	<b>121,570,024</b>	<b>128,933,331</b>	<b>136,562,749</b>	<b>144,567,692</b>	<b>166,979,355</b>	
<b>Plan fiduciary net position - ending (b)</b>	<b>113,347,710</b>	<b>115,168,477</b>	<b>112,335,675</b>	<b>121,570,024</b>	<b>128,933,331</b>	<b>136,562,749</b>	<b>144,567,693</b>	<b>166,979,355</b>	<b>152,088,265</b>	
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 30,886,531</b>	<b>\$ 38,256,368</b>	<b>\$ 47,840,788</b>	<b>\$ 54,673,628</b>	<b>\$ 52,099,345</b>	<b>\$ 54,349,674</b>	<b>\$ 58,943,694</b>	<b>\$ 36,535,395</b>	<b>\$ 63,306,329</b>	
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%	82.05%	70.61%	
Covered payroll	\$ 20,277,786	\$ 23,169,925	\$ 23,849,570	\$ 21,616,400	\$ 22,925,440	\$ 21,589,489	\$ 28,218,572	\$ 28,871,698	\$ 26,165,166	
Net pension liability as a percentage of covered payroll	152.32%	165.11%	200.59%	252.93%	227.26%	251.74%	208.88%	126.54%	241.95%	

**Changes in Benefit Terms**

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

**Changes in Assumptions**

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

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

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plans – Agent Multiple-Employer Plan

Schedule of Contributions

Last 10 Years\*

	2015	2016	2017	2018	Reporting Fiscal Year		2021	2022	2023
					2019	2020			
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	\$ 6,725,138	\$ 7,457,028
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>	<u>6,725,138</u>	<u>7,457,028</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 23,169,925	\$ 23,849,570	\$ 21,616,400	\$ 22,925,440	\$ 21,589,489	\$ 28,218,572	\$ 28,871,698	\$ 26,165,166	\$ 32,591,072
Contributions as a percentage of covered payroll	13.37%	14.96%	17.16%	22.53%	28.70%	23.09%	22.28%	25.70%	22.88%

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

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

**Pension Plans – Cost-Sharing Multiple-Employer Plan – Schedule of Proportionate Share of Net Pension Liability (Asset) And Related Ratios as of The Measurement Date Last 10 Years\***

	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	Reporting Fiscal Year 2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)
Proportion of the net pension liability	0.2428%	0.2383%	0.2500%	0.2488%	0.2526%	0.2512%	0.2544%	0.2995%	0.2868%
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	\$ 10,511,005	\$ 19,707,182
Covered payroll	\$ 3,279,232	\$ 3,305,621	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$ 2,830,470	\$ 3,835,500	\$ 3,839,656	\$ 4,055,156
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%	273.75%	485.98%
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%	83.34%	70.39%

**Notes to Schedule:**

Changes in Benefit Terms - None

Changes of Assumptions - Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

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

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

**Pension Plans – Cost-Sharing Multiple-Employer Plan**

**Schedule of Contributions**

**Last 10 Years\***

	Reporting Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Multiple-Employer Defined Benefit Pension Plan</b>										
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	\$ 2,107,212	\$ 2,301,156	
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>	<u>2,107,212</u>	<u>2,301,156</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<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	\$ 4,055,156	\$ 4,264,755	
Contributions as a percentage of covered payroll	28.10%	27.00%	27.73%	36.34%	63.38%	51.13%	48.98%	51.96%	53.96%	

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

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plans – Retiree Healthcare Plan (OPEB)

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 10 Years\*

	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability:</b>						
Service cost	\$ 1,708,944	\$ 1,760,212	\$ 2,034,039	\$ 1,854,689	\$ 1,876,740	\$ 2,954,224
Interest on total OPEB liability	3,081,369	3,193,471	3,244,759	3,237,858	3,349,791	3,460,588
Differences between expected and actual experience	-	-	-	2,267,531	-	2,465,372
Changes of assumptions	-	6,078,479	4,991,915	(12,497,694)	8,393,046	7,892,605
Benefit payments <sup>1</sup>	(2,989,912)	(2,852,000)	(2,976,655)	(3,314,743)	(3,494,269)	(3,842,921)
Net change in total OPEB liability	1,800,401	8,180,162	7,294,058	(8,452,359)	10,125,308	12,929,868
Total OPEB liability - beginning	52,829,343	54,629,744	62,809,906	70,103,964	61,651,605	71,776,913
Total OPEB liability - ending (a)	54,629,744	62,809,906	70,103,964	61,651,605	71,776,913	84,706,781
<b>Plan Fiduciary Net Position:</b>						
Contributions - employer <sup>1</sup>	3,162,561	3,053,677	2,976,655	4,008,155	3,794,269	4,442,921
Net investment income (loss)	404,495	479,554	291,720	1,783,096	(1,301,870)	704,182
Benefit payments <sup>1</sup>	(2,989,912)	(2,852,000)	(2,976,655)	(3,314,743)	(3,494,269)	(3,842,921)
Administrative expenses	(19,216)	(19,643)	(22,909)	(25,953)	(29,435)	(26,982)
Net change in plan fiduciary net position	557,928	661,588	268,811	2,450,555	(1,031,305)	1,277,200
Plan fiduciary net position beginning	6,144,599	6,702,527	7,364,115	7,632,926	10,083,481	9,052,176
Plan fiduciary net position - ending (b)	6,702,527	7,364,115	7,632,926	10,083,481	9,052,176	10,329,376
Net OPEB liability - ending (a)-(b)	\$ 47,927,217	\$ 55,445,791	\$ 62,471,038	\$ 51,568,124	\$ 62,724,737	\$ 74,377,405
Plan fiduciary net position as a percentage of the total OPEB liability	12.27%	11.72%	10.89%	16.36%	12.61%	12.19%
Covered-employee payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783	\$ 34,452,087	\$ 38,771,541
Net OPEB liability as a percentage of covered-employee payroll	194.66%	215.02%	210.67%	169.96%	182.06%	191.84%

<sup>1</sup> 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 | FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plans – Retiree Healthcare Plan (OPEB)

Schedule of Contributions

Last 10 Years\*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Actuarially required contribution (actuarially determined)	\$ 4,134,592	\$ 4,250,416	\$ 4,377,928	\$ 4,118,883	\$ 4,242,449	\$ 6,965,368
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>	<u>3,794,269</u>	<u>4,442,921</u>
Contribution deficiency (excess)	<u>\$ 972,031</u>	<u>\$ 1,196,739</u>	<u>\$ 1,401,273</u>	<u>\$ 110,728</u>	<u>\$ 448,180</u>	<u>\$ 2,522,447</u>
Covered payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783	\$ 34,452,087	\$ 38,771,541
Contributions as a percentage of covered payroll	13%	12%	10%	13%	11%	11%

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



**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Budgetary Comparison Schedules

General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 21,889,743	\$ 21,842,824	\$ 24,845,715	\$ 3,002,891
Intergovernmental	37,161,610	38,227,288	48,396,863	10,169,575
Use of money and property	302,098	298,468	732,496	434,028
Licenses and permits	777,225	786,667	1,034,510	247,843
Fines, forfeitures, and penalties	1,021,192	1,027,192	1,396,792	369,600
Other revenues	210,675	288,308	393,809	105,501
Charges for services	12,799,979	12,452,487	10,600,589	(1,851,898)
Total revenues	<u>74,162,522</u>	<u>74,923,234</u>	<u>87,400,774</u>	<u>12,477,540</u>
<b>EXPENDITURES</b>				
Current:				
General government	23,835,775	24,482,584	20,591,462	3,891,122
Public protection	31,206,953	31,423,966	27,953,328	3,470,638
Health and sanitation	13,425,243	13,669,823	10,239,527	3,430,296
Public assistance	11,778,560	12,108,637	9,689,606	2,419,031
Education	1,094,346	1,101,301	891,265	210,036
Recreation and culture	1,844,772	1,797,938	1,580,172	217,766
Capital outlay	2,181,697	2,874,320	1,155,421	1,718,899
Debt service:				
Principal	316,622	316,622	817,497	(500,875)
Interest	155,551	155,551	207,115	(51,564)
Total expenditures	<u>85,839,519</u>	<u>87,930,742</u>	<u>73,125,393</u>	<u>14,805,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,676,997)</u>	<u>(13,007,508)</u>	<u>14,275,381</u>	<u>27,282,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,091,028	10,124,731	301,816	(9,822,915)
Transfers out	(9,731,038)	(11,972,872)	(3,462,593)	8,510,279
Proceeds from leases	-	-	81,643	81,643
Total other financing sources (uses)	<u>(640,010)</u>	<u>(1,848,141)</u>	<u>(3,079,134)</u>	<u>(1,230,993)</u>
Net change in fund balance	<u>\$ (12,317,007)</u>	<u>\$ (14,855,649)</u>	11,196,247	<u>\$ 26,051,896</u>
Fund balance - beginning			<u>74,478,856</u>	
Fund balance - ending			<u>\$ 85,675,103</u>	

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Budgetary Comparison Schedules

Road Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 10,566,836	\$ 10,971,721	\$ 9,586,778	\$ (1,384,943)
Use of money and property	25,000	25,000	84,917	59,917
Licenses and permits	20,000	35,000	36,981	1,981
Other revenues	30,000	30,000	51,665	21,665
Charges for services	85,196	70,196	61,914	(8,282)
	<u>10,727,032</u>	<u>11,131,917</u>	<u>9,822,255</u>	<u>(1,309,662)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	7,437,030	7,519,502	6,373,292	1,146,210
Capital outlay	2,549,083	7,100,310	4,852,898	2,247,412
Debt service:				
Principal	-	-	4,558	(4,558)
Interest	-	-	1,390	(1,390)
	<u>9,986,113</u>	<u>14,619,812</u>	<u>11,232,138</u>	<u>3,387,674</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>740,919</u>	<u>(3,487,895)</u>	<u>(1,409,883)</u>	<u>2,078,012</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain on sale of assets	-	-	78,206	78,206
Transfers in	128,065	244,986	-	(244,986)
Transfers out	(128,065)	(244,986)	-	244,986
	<u>-</u>	<u>-</u>	<u>78,206</u>	<u>78,206</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ 740,919</u>	<u>\$ (3,487,895)</u>	<u>(1,331,677)</u>	<u>\$ 2,156,218</u>
Fund balance - beginning			<u>8,772,038</u>	
Fund balance - ending			<u>\$ 7,440,361</u>	

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Budgetary Comparison Schedules

Grant Programs Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 6,705,061	\$ 7,025,054	\$ 4,091,896	\$ (2,933,158)
Use of money and property	8,200	8,492	(98,390)	(106,882)
Other revenues	-	-	522	522
Charges for services	82,700	82,700	63,816	(18,884)
	<u>6,795,961</u>	<u>7,116,246</u>	<u>4,057,844</u>	<u>(3,058,402)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
General government	-	93,946	75,665	18,281
Public protection	1,870,256	2,071,385	703,579	1,367,806
Health and sanitation	2,283,157	2,355,904	1,447,837	908,067
Public assistance	3,268,836	3,280,022	2,190,607	1,089,415
Recreation and culture	90,000	90,000	-	90,000
Capital outlay	1,033,564	1,194,712	944,300	250,412
Debt service:				
Principal	-	-	44,000	(44,000)
	<u>8,545,813</u>	<u>9,085,969</u>	<u>5,405,988</u>	<u>3,679,981</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(1,749,852)</u>	<u>(1,969,723)</u>	<u>(1,348,144)</u>	<u>621,579</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Gain on sale of assets	-	22,200	22,200	-
Transfers in	1,128,272	1,202,051	1,126,292	(75,759)
Transfers out	(998,030)	(1,050,030)	(301,816)	748,214
Proceeds from leases	-	-	122,733	122,733
	<u>130,242</u>	<u>174,221</u>	<u>969,409</u>	<u>795,188</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (1,619,610)</u>	<u>\$ (1,795,502)</u>	(378,735)	<u>\$ 1,416,767</u>
Fund balance - beginning			<u>5,061,276</u>	
Fund balance - ending			<u>\$ 4,682,541</u>	

**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, 2023, expenditures exceeded appropriations by the following:

<u>Funds</u>	<u>Amount</u>
General Fund	
Debt service:	
Principal	\$ 500,875
Interest	51,564
Road Fund	
Debt service:	
Principal	\$ 4,558
Interest	1,390
Grant Programs Fund	
Debt service:	
Principal	\$ 44,000

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## 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 | JUNE 30, 2023**

Nonmajor Governmental Funds

Combining Balance Sheet

	Capital Projects	Special Revenue Funds					Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	National Opioid Settlement	Special Districts Under the Board	
<b>ASSETS</b>							
Cash and investments	\$ 3,363,191	\$ 90,947	\$ 115,680	\$ 108,027	\$ 158,025	\$ 1,112,536	\$ 4,948,406
Imprest cash	-	-	-	40	-	-	40
Accounts receivable	-	73	31	-	-	-	104
Due from other governments	-	-	199,302	-	288,195	-	487,497
Interest receivable	13,657	463	-	976	788	5,485	21,369
Prepaid expenses	-	-	-	97	-	-	97
<b>Total assets</b>	<b>\$ 3,376,848</b>	<b>\$ 91,483</b>	<b>\$ 315,013</b>	<b>\$ 109,140</b>	<b>\$ 447,008</b>	<b>\$ 1,118,021</b>	<b>\$ 5,457,513</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 1,959	\$ 1,183	\$ 14,096	\$ -	\$ 1,750	\$ 18,988
Accrued salaries and benefits	-	-	11,186	12,710	-	311	24,207
Unearned revenue	-	546	-	-	135,903	-	136,449
Due to other funds	-	-	165,000	-	-	-	165,000
<b>Total liabilities</b>	<b>-</b>	<b>2,505</b>	<b>177,369</b>	<b>26,806</b>	<b>135,903</b>	<b>2,061</b>	<b>344,644</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	-	-	126,418	-	288,195	-	414,613
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>126,418</b>	<b>-</b>	<b>288,195</b>	<b>-</b>	<b>414,613</b>
<b>FUND BALANCES (DEFICIT)</b>							
Nonspendable	-	-	-	97	-	-	97
Restricted	-	88,978	11,226	82,237	22,910	1,115,960	1,321,311
Assigned	3,376,848	-	-	-	-	-	3,376,848
<b>Total fund balances (deficit)</b>	<b>3,376,848</b>	<b>88,978</b>	<b>11,226</b>	<b>82,334</b>	<b>22,910</b>	<b>1,115,960</b>	<b>4,698,256</b>
<b>Total liabilities, deferred inflows of resources and fund balances (deficits)</b>	<b>\$ 3,376,848</b>	<b>\$ 91,483</b>	<b>\$ 315,013</b>	<b>\$ 109,140</b>	<b>\$ 447,008</b>	<b>\$ 1,118,021</b>	<b>\$ 5,457,513</b>

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Governmental Funds

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

	Capital Projects	Special Revenue Funds					Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	National Opioid Settlement	Special Districts Under the Board	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,010	\$ 93,010
Intergovernmental	-	-	734,073	1,152,184	29,010	379	1,915,646
Use of money and property	(25,467)	1,651	(6,527)	3,011	(6,100)	6,495	(26,937)
Other revenues	-	116	28,402	-	-	12,677	41,195
Charges for services	-	20,894	35,235	-	-	-	56,129
<b>Total revenues</b>	<b>(25,467)</b>	<b>22,661</b>	<b>791,183</b>	<b>1,155,195</b>	<b>22,910</b>	<b>112,561</b>	<b>2,079,043</b>
<b>EXPENDITURES</b>							
Current:							
General government	8,032	-	-	-	-	-	8,032
Public protection	-	20,144	-	1,154,769	-	-	1,174,913
Public ways and facilities	-	-	-	-	-	49,392	49,392
Health and sanitation	-	-	779,379	-	-	-	779,379
Debt service:							
Principal	-	20,700	-	11,086	-	-	31,786
Interest	-	2,825	-	468	-	-	3,293
<b>Total expenditures</b>	<b>8,032</b>	<b>43,669</b>	<b>779,379</b>	<b>1,166,323</b>	<b>-</b>	<b>49,392</b>	<b>2,046,795</b>
Excess (deficiency) of revenues over (under) expenditures	(33,499)	(21,008)	11,804	(11,128)	22,910	63,169	32,248
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	1,345,558	-	39,320	-	-	-	1,384,878
Transfers out	(266,462)	-	-	-	-	-	(266,462)
<b>Total other financing sources (uses)</b>	<b>1,079,096</b>	<b>-</b>	<b>39,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,118,416</b>
<b>Net changes in fund balances</b>	<b>1,045,597</b>	<b>(21,008)</b>	<b>51,124</b>	<b>(11,128)</b>	<b>22,910</b>	<b>63,169</b>	<b>1,150,664</b>
Fund balances - beginning	2,331,251	109,986	(39,898)	93,462	-	1,052,791	3,547,592
Fund balances - ending	\$ 3,376,848	\$ 88,978	\$ 11,226	\$ 82,334	\$ 22,910	\$ 1,115,960	\$ 4,698,256



**COUNTY OF INYO | JUNE 30, 2023**

Special Districts Under the Board  
Combining Balance Sheet

	Special Revenue Funds			Total Special Districts Under the Board
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	
<b>ASSETS</b>				
Cash and investments	\$ 401,467	\$ 464,769	\$ 246,300	\$ 1,112,536
Interest receivable	<u>1,981</u>	<u>2,292</u>	<u>1,212</u>	<u>5,485</u>
Total assets	<u>\$ 403,448</u>	<u>\$ 467,061</u>	<u>\$ 247,512</u>	<u>\$ 1,118,021</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 394	\$ 315	\$ 1,041	\$ 1,750
Accrued salaries and benefits	<u>141</u>	<u>85</u>	<u>85</u>	<u>311</u>
Total liabilities	<u>535</u>	<u>400</u>	<u>1,126</u>	<u>2,061</u>
<b>FUND BALANCES</b>				
Restricted	<u>402,913</u>	<u>466,661</u>	<u>246,386</u>	<u>1,115,960</u>
Total fund balances	<u>402,913</u>	<u>466,661</u>	<u>246,386</u>	<u>1,115,960</u>
Total liabilities and fund balances	<u>\$ 403,448</u>	<u>\$ 467,061</u>	<u>\$ 247,512</u>	<u>\$ 1,118,021</u>

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Special Districts Under the Board

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds			Total Special Districts Under the Board
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	
<b>REVENUES</b>				
Taxes	\$ 32,165	\$ 32,817	\$ 28,028	\$ 93,010
Intergovernmental	132	134	113	379
Use of money and property	2,474	2,485	1,536	6,495
Other revenues	-	12,677	-	12,677
Total revenues	<u>34,771</u>	<u>48,113</u>	<u>29,677</u>	<u>112,561</u>
<b>EXPENDITURES</b>				
Current:				
Public ways and facilities	<u>14,515</u>	<u>17,035</u>	<u>17,842</u>	<u>49,392</u>
Total expenditures	<u>14,515</u>	<u>17,035</u>	<u>17,842</u>	<u>49,392</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,256</u>	<u>31,078</u>	<u>11,835</u>	<u>63,169</u>
Net changes in fund balances	20,256	31,078	11,835	63,169
Fund balances - beginning	<u>382,657</u>	<u>435,583</u>	<u>234,551</u>	<u>1,052,791</u>
Fund balances - ending	<u>\$ 402,913</u>	<u>\$ 466,661</u>	<u>\$ 246,386</u>	<u>\$ 1,115,960</u>

## NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing good 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 | JUNE 30, 2023**

Nonmajor Enterprise Funds

Combining Statement of Fund Net Position

	CSA #2	Mosquito Abatement	Water System	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 418,251	\$ 297,295	\$ 1,085,589	\$ 1,801,135
Accounts receivable	-	22,035	247,092	269,127
Interest receivable	2,047	1,498	4,606	8,151
Prepaid expenses	-	5,614	-	5,614
	<u>420,298</u>	<u>326,442</u>	<u>1,337,287</u>	<u>2,084,027</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Depreciable, net	235,454	42,823	1,508,002	1,786,279
	<u>235,454</u>	<u>42,823</u>	<u>1,508,002</u>	<u>1,786,279</u>
Total noncurrent assets				
	<u>235,454</u>	<u>42,823</u>	<u>1,508,002</u>	<u>1,786,279</u>
Total assets	<u>655,752</u>	<u>369,265</u>	<u>2,845,289</u>	<u>3,870,306</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions	2,052	167,585	80,108	249,745
Deferred outflows from OPEB	-	118,546	48,900	167,446
	<u>2,052</u>	<u>286,131</u>	<u>129,008</u>	<u>417,191</u>
Total deferred outflows of resources				
	<u>2,052</u>	<u>286,131</u>	<u>129,008</u>	<u>417,191</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,180	493	1,383	4,056
Accrued salaries and benefits	77	9,082	5,590	14,749
Unearned revenue	-	-	1,099	1,099
Due to other governments	-	-	65,799	65,799
Due to other funds	-	-	3,376	3,376
Compensated absences	-	8,095	21,846	29,941
Loans payable	-	-	12,558	12,558
	<u>2,257</u>	<u>17,670</u>	<u>111,651</u>	<u>131,578</u>
Total current liabilities				
	<u>2,257</u>	<u>17,670</u>	<u>111,651</u>	<u>131,578</u>
Noncurrent liabilities:				
Net OPEB liability	-	595,019	245,445	840,464
Net pension liability	6,331	519,112	246,895	772,338
	<u>6,331</u>	<u>1,114,131</u>	<u>492,340</u>	<u>1,612,802</u>
Total noncurrent liabilities				
	<u>6,331</u>	<u>1,114,131</u>	<u>492,340</u>	<u>1,612,802</u>
Total liabilities	<u>8,588</u>	<u>1,131,801</u>	<u>603,991</u>	<u>1,744,380</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pensions	146	11,944	5,681	17,771
Deferred inflows from OPEB	-	38,525	15,891	54,416
	<u>146</u>	<u>50,469</u>	<u>21,572</u>	<u>72,187</u>
Total deferred inflows of resources				
	<u>146</u>	<u>50,469</u>	<u>21,572</u>	<u>72,187</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	235,454	42,823	1,495,444	1,773,721
Unrestricted	413,616	(569,697)	853,290	697,209
	<u>649,070</u>	<u>(526,874)</u>	<u>2,348,734</u>	<u>2,470,930</u>
Total net position (deficit)	<u>\$ 649,070</u>	<u>\$ (526,874)</u>	<u>\$ 2,348,734</u>	<u>\$ 2,470,930</u>

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Enterprise Funds

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

	<u>CSA #2</u>	<u>Mosquito Abatement</u>	<u>Water System</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	\$ 65,000	\$ 833,888	\$ 898,888
Assessments	<u>55,790</u>	<u>429,191</u>	<u>-</u>	<u>484,981</u>
Total operating revenues	<u>55,790</u>	<u>494,191</u>	<u>833,888</u>	<u>1,383,869</u>
Operating expenses:				
Salaries and benefits	4,360	390,915	39,912	435,187
Services and supplies	9,190	151,737	93,189	254,116
Depreciation	<u>13,818</u>	<u>7,247</u>	<u>65,852</u>	<u>86,917</u>
Total operating expenses	<u>27,368</u>	<u>549,899</u>	<u>198,953</u>	<u>776,220</u>
Operating income (loss)	<u>28,422</u>	<u>(55,708)</u>	<u>634,935</u>	<u>607,649</u>
Nonoperating revenues (expenses):				
Intergovernmental revenues	-	41,170	-	41,170
Investment earnings	1,379	5,100	(13,213)	(6,734)
Interest expense	-	-	(774)	(774)
Gain (loss) on sale of assets	<u>-</u>	<u>5,076</u>	<u>-</u>	<u>5,076</u>
Total nonoperating revenues (expenses)	<u>1,379</u>	<u>51,346</u>	<u>(13,987)</u>	<u>38,738</u>
Income (loss) before transfers	<u>29,801</u>	<u>(4,362)</u>	<u>620,948</u>	<u>646,387</u>
Change in net position	29,801	(4,362)	620,948	646,387
Net position - beginning	<u>619,269</u>	<u>(522,512)</u>	<u>1,727,786</u>	<u>1,824,543</u>
Net position - ending (deficit)	<u>\$ 649,070</u>	<u>\$ (526,874)</u>	<u>\$ 2,348,734</u>	<u>\$ 2,470,930</u>

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

	CSA #2	Mosquito Abatement	Water System	Total
<b>Cash flows from operating activities:</b>				
Cash receipts from customers	\$ 55,790	\$ 472,156	\$ 765,271	\$ 1,293,217
Cash paid to suppliers for goods and services	(7,010)	(153,805)	(96,457)	(257,272)
Cash paid to employees for salaries and benefits	(4,219)	(412,054)	(271,941)	(688,214)
<b>Net cash provided by (used for) operating activities</b>	<b>44,561</b>	<b>(93,703)</b>	<b>396,873</b>	<b>347,731</b>
<b>Cash flows from noncapital financing activities:</b>				
Grants	-	41,170	(5,010)	36,160
Other nonoperating cash receipts	-	-	9,373	9,373
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>41,170</b>	<b>4,363</b>	<b>45,533</b>
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from sale of capital assets	-	5,076	-	5,076
Principal and interest paid on capital debt, net of new issuance	-	-	(17,030)	(17,030)
Acquisition or construction of capital assets	-	(23,826)	-	(23,826)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>(18,750)</b>	<b>(17,030)</b>	<b>(35,780)</b>
<b>Cash flows from investing activities:</b>				
Interest earnings	(617)	3,647	(17,745)	(14,715)
<b>Net cash provided by (used for) investing activities</b>	<b>(617)</b>	<b>3,647</b>	<b>(17,745)</b>	<b>(14,715)</b>
<b>Net increase (decrease) in cash and investments</b>	<b>43,944</b>	<b>(67,636)</b>	<b>366,461</b>	<b>342,769</b>
<b>Cash and investments - beginning</b>	<b>374,307</b>	<b>364,931</b>	<b>719,128</b>	<b>1,458,366</b>
<b>Cash and investments - ending</b>	<b>\$ 418,251</b>	<b>\$ 297,295</b>	<b>\$ 1,085,589</b>	<b>\$ 1,801,135</b>
<b>Reconciliation of cash and investments to the statement of net position</b>				
Cash and investments	\$ 418,251	\$ 297,295	\$ 1,085,589	\$ 1,801,135
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>				
Operating income (loss)	\$ 28,422	\$ (55,708)	\$ 634,935	\$ 607,649
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>				
Depreciation	13,818	7,247	65,852	86,917
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources</b>				
Accounts receivable	-	(22,035)	(68,617)	(90,652)
Deferred outflows of resources	(1,206)	(120,524)	(13,417)	(135,147)
Accounts payable	2,180	(2,068)	(3,268)	(3,156)
Accrued salaries	77	(3,850)	(8,618)	(12,391)
Liability for compensated absences	-	(1,012)	17,912	16,900
Net Pension liability	2,677	235,824	97,100	335,601
Net OPEB liability	-	-	(224,990)	(224,990)
Deferred inflows of resources	(1,407)	(131,577)	(100,016)	(233,000)
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 44,561</b>	<b>\$ (93,703)</b>	<b>\$ 396,873</b>	<b>\$ 347,731</b>
<b>Schedule of noncash capital and related financing activities:</b>				
Capital contributions from General Fund	\$ -	\$ -	\$ -	\$ -

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for 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.

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

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

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

**COUNTY OF INYO | JUNE 30, 2023**  
Internal Service Funds  
Combining Statement of Net Position

	<u>Purchasing Revolving</u>	<u>Motor Pool</u>	<u>Workers' Compensation</u>	<u>County Liability</u>	<u>Medical Malpractice</u>	<u>Total</u>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 126,338	\$ 2,005,549	\$ 541,319	\$ 1,466,038	\$ 129,179	\$ 4,268,423
Accounts receivable	171	114,728	-	123,472	-	238,371
Interest receivable	-	8,385	1,655	6,272	577	16,889
Inventory	6,101	-	-	-	-	6,101
Total current assets	<u>132,610</u>	<u>2,128,662</u>	<u>542,974</u>	<u>1,595,782</u>	<u>129,756</u>	<u>4,529,784</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	-	6,979	-	-	-	6,979
Depreciable, net	-	1,696,957	-	-	-	1,696,957
Total noncurrent assets	<u>-</u>	<u>1,703,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,703,936</u>
Total assets	<u>132,610</u>	<u>3,832,598</u>	<u>542,974</u>	<u>1,595,782</u>	<u>129,756</u>	<u>6,233,720</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows from pensions	-	94,249	-	-	-	94,249
Deferred outflows from OPEB	-	118,546	-	-	-	118,546
Total deferred outflows of resources	<u>-</u>	<u>212,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>212,795</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	32	70,729	-	116,107	-	186,868
Accrued salaries and benefits	-	4,899	-	-	-	4,899
Compensated absences	-	6,567	-	-	-	6,567
Total current liabilities	<u>32</u>	<u>82,195</u>	<u>-</u>	<u>116,107</u>	<u>-</u>	<u>198,334</u>
Noncurrent liabilities:						
Liability for self-insurance	-	-	-	299,909	-	299,909
Lease payable	-	1,312,803	-	-	-	1,312,803
Advance from other funds	125,000	-	-	-	-	125,000
Net OPEB Liability	-	595,019	-	-	-	595,019
Net pension liability	-	291,209	-	-	-	291,209
Total noncurrent liabilities	<u>125,000</u>	<u>2,199,031</u>	<u>-</u>	<u>299,909</u>	<u>-</u>	<u>2,623,940</u>
Total liabilities	<u>125,032</u>	<u>2,281,226</u>	<u>-</u>	<u>416,016</u>	<u>-</u>	<u>2,822,274</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows from pensions	-	6,700	-	-	-	6,700
Deferred inflows from OPEB	-	38,525	-	-	-	38,525
Total deferred inflows of resources	<u>-</u>	<u>45,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,225</u>
<b>NET POSITION</b>						
Net investment in capital assets	-	391,133	-	-	-	391,133
Unrestricted	7,578	1,327,809	542,974	1,179,766	129,756	3,187,883
Total net position	<u>\$ 7,578</u>	<u>\$ 1,718,942</u>	<u>\$ 542,974</u>	<u>\$ 1,179,766</u>	<u>\$ 129,756</u>	<u>\$ 3,579,016</u>



**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	<u>Purchasing Revolving</u>	<u>Motor Pool</u>	<u>Workers' Compensation</u>	<u>County Liability</u>	<u>Medical Malpractice</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 95,279	\$ 2,006,209	\$ 1,487,327	\$ 1,360,237	\$ 155,283	\$ 5,104,335
Other operating revenue	-	-	-	42,101	-	42,101
<b>Total operating revenues</b>	<b>95,279</b>	<b>2,006,209</b>	<b>1,487,327</b>	<b>1,402,338</b>	<b>155,283</b>	<b>5,146,436</b>
Operating expenses:						
Salaries and benefits	-	375,067	-	-	-	375,067
Services and supplies	96,544	1,153,464	1,363,499	1,270,124	115,653	3,999,284
Depreciation	-	665,491	-	-	-	665,491
<b>Total operating expenses</b>	<b>96,544</b>	<b>2,194,022</b>	<b>1,363,499</b>	<b>1,270,124</b>	<b>115,653</b>	<b>5,039,842</b>
Operating income (loss)	(1,265)	(187,813)	123,828	132,214	39,630	106,594
Nonoperating revenues (expenses):						
Investment earnings	(233)	6,787	(6,123)	(5,219)	(912)	(5,700)
Interest expense	-	(46,383)	-	-	-	(46,383)
Gain (loss) on sale of assets	-	152,030	-	-	-	152,030
Other nonoperating revenue	-	5,313	-	123,472	-	128,785
<b>Total nonoperating revenues (expenses)</b>	<b>(233)</b>	<b>117,747</b>	<b>(6,123)</b>	<b>118,253</b>	<b>(912)</b>	<b>228,732</b>
Income (loss) before transfers	(1,498)	(70,066)	117,705	250,467	38,718	335,326
Change in net position	(1,498)	(70,066)	117,705	250,467	38,718	335,326
Net position - beginning	9,076	1,789,008	425,269	929,299	91,038	3,243,690
Net position - ending	\$ 7,578	\$ 1,718,942	\$ 542,974	\$ 1,179,766	\$ 129,756	\$ 3,579,016

**COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2023**

**Internal Service Funds**

**Combining Statement of Cash Flows**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
<b>Cash flows from operating activities:</b>						
Cash receipts from customers	\$ 95,349	\$ 1,891,481	\$ 1,487,327	\$ 1,236,765	\$ 155,283	\$ 4,866,205
Cash paid to suppliers for goods and services	(97,883)	(1,179,222)	(1,363,500)	(1,105,274)	(115,653)	(3,861,532)
Cash paid to employees for salaries and benefits	-	(278,634)	-	-	-	(278,634)
Other operating receipts	-	-	-	42,101	-	42,101
<b>Net cash provided by (used for) operating activities</b>	<b>(2,534)</b>	<b>433,625</b>	<b>123,827</b>	<b>173,592</b>	<b>39,630</b>	<b>768,140</b>
<b>Cash flows from noncapital financing activities:</b>						
Other nonoperating cash receipts	-	5,313	-	123,472	-	128,785
Lease related	-	202,771	-	-	-	202,771
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>-</b>	<b>208,084</b>	<b>-</b>	<b>123,472</b>	<b>-</b>	<b>331,556</b>
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	152,031	-	-	-	152,031
Acquisition or construction of capital assets	-	(650,820)	-	-	-	(650,820)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>(498,789)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(498,789)</b>
<b>Cash flows from investing activities:</b>						
Interest earnings	(233)	(1,383)	(7,743)	(11,351)	(1,478)	(22,188)
<b>Net cash provided by (used for) investing activities</b>	<b>(233)</b>	<b>(1,383)</b>	<b>(7,743)</b>	<b>(11,351)</b>	<b>(1,478)</b>	<b>(22,188)</b>
<b>Net increase (decrease) in cash and investments</b>	<b>(2,767)</b>	<b>141,537</b>	<b>116,084</b>	<b>285,713</b>	<b>38,152</b>	<b>578,719</b>
Cash and investments - beginning	129,105	1,864,012	425,235	1,180,325	91,027	3,689,704
Cash and investments - ending	\$ 126,338	\$ 2,005,549	\$ 541,319	\$ 1,466,038	\$ 129,179	\$ 4,268,423

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
<b>Reconciliation of cash and investments to the statement of net position</b>						
Cash and investments	\$ 126,338	\$ 2,005,549	\$ 541,319	\$ 1,466,038	\$ 129,179	\$ 4,268,423
	\$ 126,338	\$ 2,005,549	\$ 541,319	\$ 1,466,038	\$ 129,179	\$ 4,268,423

<b>Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:</b>						
Operating income (loss)	\$ (1,265)	\$ (187,813)	\$ 123,828	\$ 132,214	\$ 39,630	\$ 106,594
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</b>						
Depreciation	-	665,491	-	-	-	665,491
<b>Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources</b>						
Accounts receivable	70	(114,728)	-	(123,472)	-	(238,130)
Prepays	-	-	598	-	-	598
Deferred outflows of resources	-	(98,813)	-	-	-	(98,813)
Accounts payable	(1,339)	(25,758)	(599)	94,953	-	67,257
Accrued salaries	-	(5,795)	-	-	-	(5,795)
Liability for compensated absences	-	687	-	-	-	687
Self-insurance liability	-	-	-	69,897	-	69,897
Net Pension liability	-	134,107	-	-	-	134,107
Net OPEB liability	-	143,401	-	-	-	143,401
Deferred inflows of resources	-	(77,154)	-	-	-	(77,154)
<b>Net cash provided by (used for) operating activities</b>	<b>\$ (2,534)</b>	<b>\$ 433,625</b>	<b>\$ 123,827</b>	<b>\$ 173,592</b>	<b>\$ 39,630</b>	<b>\$ 768,140</b>

<b>Schedule of noncash capital and related financing activities:</b>						
Capital contributions from General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -