

COUNTY OF INYO | CA

Financial Statements

For the Year Ended June 30, 2025



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, California (the County), as of and for the year ended June 30, 2025, 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, 2025, 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, 2025. 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 described in Note 1 to the financial statements, in 2025, the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is 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), schedules of contribution – 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 April 16, 2026, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
April 16, 2026

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF INYO | JUNE 30, 2025
Statement of Net Position

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Inyo
ASSETS				
Cash and investments	\$ 109,753,112	\$ 9,920,120	\$ 119,673,232	\$ 314,073
Cash with fiscal agent	115,023	-	115,023	-
Imprest cash	1,923	1,590	3,513	-
Deposits with others	41,700	-	41,700	-
Restricted cash	-	4,287,958	4,287,958	-
Accounts receivable	2,219,640	941,096	3,160,736	72,249
Due from other governments	16,160,393	647,130	16,807,523	-
Taxes receivable	1,783,516	-	1,783,516	-
Interest receivable	374,902	36,108	411,010	1,178
Loans receivable	380,000	-	380,000	-
Internal balances	1,540,025	(1,540,025)	-	-
Prepaid expenses	182,830	5,726	188,556	-
Inventory	446,791	96,026	542,817	-
Lease receivable	-	421,898	421,898	-
Capital assets:				
Nondepreciable	16,481,446	3,019,525	19,500,971	-
Depreciable, net	62,878,264	17,223,172	80,101,436	-
Total assets	212,359,565	35,060,324	247,419,889	387,500
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	22,596,094	850,130	23,446,224	-
Deferred outflows from OPEB	14,928,756	554,160	15,482,916	-
Total deferred outflows of resources	37,524,850	1,404,290	38,929,140	-
LIABILITIES				
Accounts payable	3,761,185	640,507	4,401,692	37,951
Accrued salaries and benefits	2,504,419	72,089	2,576,508	8,593
Unearned revenue	1,572,608	284,638	1,857,246	-
Due to other governments	1,335,015	880,569	2,215,584	-
Interest payable	8,122	-	8,122	-
Noncurrent liabilities:				
Portion due or payable within one year:				
Compensated absences	2,312,422	126,137	2,438,559	4,519
Claims liability	257,453	-	257,453	-
Loan payable	71,736	-	71,736	-
Lease payable	961,753	-	961,753	-
SBITA - Liability	323,842	-	323,842	-
Portion due or payable after one year:				
Compensated absences	3,691,368	188,193	3,879,561	-
Claims liability	315,080	-	315,080	-
Loan payable	182,500	-	182,500	-
Lease payable	2,487,935	-	2,487,935	-
SBITA - Liability	108,998	-	108,998	-
Closure/post-closure liability	-	38,405,991	38,405,991	-
Net pension liability	84,883,512	3,483,574	88,367,086	-
Net OPEB liability	75,257,583	2,793,584	78,051,167	-
Total liabilities	180,035,531	46,875,282	226,910,813	51,063
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	521,042	7,229	528,271	-
Deferred inflows from OPEB	9,998,955	371,163	10,370,118	-
Deferred inflows from leases	-	365,093	365,093	-
Total deferred inflows of resources	10,519,997	743,485	11,263,482	-
NET POSITION				
Net investment in capital assets	75,222,946	20,242,697	95,465,643	-
Restricted for:				
Public protection	20,278,554	-	20,278,554	-
Public ways and facilities	11,552,082	-	11,552,082	-
Health and sanitation	24,405,730	-	24,405,730	-
Public assistance	4,454,441	-	4,454,441	-
Education	4,300	-	4,300	-
Recreation and culture	15,011	-	15,011	-
Other purposes	3,112,226	-	3,112,226	-
Unrestricted	(79,716,403)	(31,396,850)	(111,113,253)	336,437
Total net position	\$ 59,328,887	\$ (11,154,153)	\$ 48,174,734	\$ 336,437

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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
Primary Government:									
Governmental activities:									
General government	\$ 29,379,278	\$ 10,992,588	\$ 10,749,319	\$ -	\$ 21,741,907	\$ (7,637,371)	\$ -	\$ (7,637,371)	\$ -
Public protection	42,849,086	3,959,952	13,271,814	-	17,231,766	(25,617,320)	-	(25,617,320)	-
Public ways and facilities	9,026,196	57,051	9,226,163	3,452,002	12,735,216	3,709,020	-	3,709,020	-
Health and sanitation	16,969,305	1,264,890	13,243,841	-	14,508,731	(2,460,574)	-	(2,460,574)	-
Public assistance	16,565,454	154,005	13,250,486	-	13,404,491	(3,160,963)	-	(3,160,963)	-
Education	1,364,333	573	105,173	-	105,746	(1,258,587)	-	(1,258,587)	-
Recreation and culture	2,499,160	451,458	218,638	-	670,096	(1,829,064)	-	(1,829,064)	-
Interest on long-term debt	50,391	-	-	-	-	(50,391)	-	(50,391)	-
Total governmental activities	118,703,203	16,880,517	60,065,434	3,452,002	80,397,953	(38,305,250)	-	(38,305,250)	-
Business-type activities:									
Airport	5,080,892	2,523,574	409,199	1,285,038	4,217,811	-	(863,081)	(863,081)	-
Solid waste	8,067,018	2,383,402	126,628	-	2,510,030	-	(5,556,988)	(5,556,988)	-
Water system	610,884	831,978	-	-	831,978	-	221,094	221,094	-
CSA #2	34,322	-	-	-	-	-	(34,322)	(34,322)	-
Mosquito abatement	691,083	70,000	38,659	-	108,659	-	(582,424)	(582,424)	-
Total business-type activities	14,484,199	5,808,954	574,486	1,285,038	7,668,478	-	(6,815,721)	(6,815,721)	-
Total primary government	\$ 133,187,402	\$ 22,689,471	\$ 60,639,920	\$ 4,737,040	\$ 88,066,431	(38,305,250)	(6,815,721)	(45,120,971)	-
Component Unit:									
First 5 Inyo	\$ 575,209	\$ -	\$ 405,030	\$ -	\$ 405,030				(170,179)
General revenues:									
Taxes:									
Property taxes						22,862,161	497,106	23,359,267	-
Sales and use taxes						2,025,275	2,021,428	4,046,703	-
Other taxes						5,805,318	-	5,805,318	-
Miscellaneous						647,927	174,681	822,608	-
Unrestricted interest and investment earnings						4,107,784	428,174	4,535,958	7,071
Transfers						(678,043)	678,043	-	-
Total general revenues and transfers						34,770,422	3,799,432	38,569,854	7,071
Change in net position						(3,534,828)	(3,016,289)	(6,551,117)	(163,108)
Net position - beginning, as previously presented						66,871,374	(8,004,726)	58,866,648	499,545
Restatements (see footnote 16)						(4,007,659)	(133,138)	(4,140,797)	-
Net position - beginning, as restated						62,863,715	(8,137,864)	54,725,851	499,545
Net position - ending						\$ 59,328,887	\$ (11,154,153)	\$ 48,174,734	\$ 336,437

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

FUND FINANCIAL STATEMENTS

COUNTY OF INYO | JUNE 30, 2025

Governmental Funds

Balance Sheet

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 88,968,706	\$ 4,581,126	\$ 4,456,912	\$ 5,911,017	\$ 103,917,761
Restricted assets:					
Cash with fiscal agent	115,023	-	-	-	115,023
Imprest cash	1,558	-	325	40	1,923
Deposits with others	41,700	-	-	-	41,700
Accounts receivable	1,857,375	86,026	33,031	19,287	1,995,719
Due from other governments	7,331,860	7,304,652	1,216,378	307,503	16,160,393
Taxes receivable	1,783,516	-	-	-	1,783,516
Interest receivable	322,070	13,380	8,622	16,575	360,647
Loans receivable	-	-	380,000	-	380,000
Due from other funds	4,455,442	-	-	-	4,455,442
Advances to other funds	125,000	-	-	-	125,000
Prepaid expenses	163,120	-	4,508	109	167,737
Inventory	68,063	378,728	-	-	446,791
	<u>\$ 105,233,433</u>	<u>\$ 12,363,912</u>	<u>\$ 6,099,776</u>	<u>\$ 6,254,531</u>	<u>\$ 129,951,652</u>
Total assets					
LIABILITIES					
Accounts payable	\$ 2,049,019	\$ 1,215,237	\$ 387,461	\$ 30,751	\$ 3,682,468
Accrued salaries and benefits	2,330,688	76,640	58,682	31,209	2,497,219
Unearned revenue	789,726	1,947	200,125	580,810	1,572,608
Due to other governments	1,335,015	-	-	-	1,335,015
Due to other funds	-	-	2,609,521	238,200	2,847,721
	<u>6,504,448</u>	<u>1,293,824</u>	<u>3,255,789</u>	<u>880,970</u>	<u>11,935,031</u>
Total liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	3,176,708	2,750,118	546,050	270,248	6,743,124
	<u>3,176,708</u>	<u>2,750,118</u>	<u>546,050</u>	<u>270,248</u>	<u>6,743,124</u>
Total deferred inflows of resources					
FUND BALANCES (DEFICITS)					
Nonspendable	397,883	378,728	4,508	109	781,228
Restricted	46,045,221	7,941,242	3,609,661	1,622,585	59,218,709
Assigned	12,329,036	-	-	3,651,924	15,980,960
Unassigned	36,780,137	-	(1,316,232)	(171,305)	35,292,600
	<u>95,552,277</u>	<u>8,319,970</u>	<u>2,297,937</u>	<u>5,103,313</u>	<u>111,273,497</u>
Total fund balances					
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 105,233,433</u>	<u>\$ 12,363,912</u>	<u>\$ 6,099,776</u>	<u>\$ 6,254,531</u>	<u>\$ 129,951,652</u>

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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

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

Total fund balances - government funds	\$ 111,273,497
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	75,290,679
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	26,888,135
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	6,743,124
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.	(8,122)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loans payable	(254,236)
Net OPEB Liability	(74,625,050)
Compensated absences	(5,924,277)
Net pension liability	(84,573,562)
Lease payable	(620,221)
SBITA	(432,840)
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>5,571,760</u>
Total net position - governmental activities	<u>\$ 59,328,887</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 26,908,548	\$ -	\$ -	\$ 104,636	\$ 27,013,184
Intergovernmental	47,288,304	15,554,280	5,316,705	1,980,654	70,139,943
Use of money and property	3,539,136	234,314	157,012	177,324	4,107,786
Licenses and permits	925,572	15,234	-	-	940,806
Fines, forfeitures, and penalties	1,193,786	-	-	-	1,193,786
Other revenues	281,297	59,788	81	35,095	376,261
Charges for services	14,386,465	41,701	67,357	174,106	14,669,629
	<u>94,523,108</u>	<u>15,905,317</u>	<u>5,541,155</u>	<u>2,471,815</u>	<u>118,441,395</u>
Total revenues					
EXPENDITURES					
Current:					
General government	26,044,398	-	450,000	2,110	26,496,508
Public protection	35,596,315	-	993,556	1,285,891	37,875,762
Public ways and facilities	-	6,703,464	-	66,738	6,770,202
Health and sanitation	13,369,431	-	1,444,870	955,412	15,769,713
Public assistance	13,128,895	-	2,889,217	-	16,018,112
Education	1,164,336	-	-	-	1,164,336
Recreation and culture	2,120,201	-	48,808	-	2,169,009
Capital outlay	4,532,549	8,698,494	171,530	-	13,402,573
Debt service:					
Principal	580,536	5,237	40,835	22,067	648,675
Interest	44,695	1,073	3,165	1,458	50,391
	<u>96,581,356</u>	<u>15,408,268</u>	<u>6,041,981</u>	<u>2,333,676</u>	<u>120,365,281</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(2,058,248)</u>	<u>497,049</u>	<u>(500,826)</u>	<u>138,139</u>	<u>(1,923,886)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,747,403	-	843,920	464,743	3,056,066
Transfers out	(1,994,680)	(15,311)	(1,627,695)	(96,423)	(3,734,109)
Proceeds from SBITAs	802,663	-	-	-	802,663
	<u>555,386</u>	<u>(15,311)</u>	<u>(783,775)</u>	<u>368,320</u>	<u>124,620</u>
Total other financing sources (uses)					
Net change in fund balances	<u>(1,502,862)</u>	<u>481,738</u>	<u>(1,284,601)</u>	<u>506,459</u>	<u>(1,799,266)</u>
Fund balances - beginning, as previously presented	98,687,234	7,838,232	3,582,538	4,596,854	114,704,858
Restatements (see footnote 16)	<u>(1,632,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,632,095)</u>
Fund balances - beginning, as restated	<u>97,055,139</u>	<u>7,838,232</u>	<u>3,582,538</u>	<u>4,596,854</u>	<u>113,072,763</u>
Fund balances - ending	<u>\$ 95,552,277</u>	<u>\$ 8,319,970</u>	<u>\$ 2,297,937</u>	<u>\$ 5,103,313</u>	<u>\$ 111,273,497</u>

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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	\$ (1,799,266)
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.	13,107,495
Less: current year depreciation	<u>(3,700,261)</u>
	9,407,234
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(3,211,349)
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.	(5,077,523)
Revenues that have not met the revenue recognition criteria in the fund financial statements are recognized as revenue in the government-wide financial statements. This amount represents the change in unavailable revenue from the prior year.	(2,594,976)
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	71,024
Lease related	(385,444)
SBITA	160,432
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	(1,396,425)
Internal service funds were used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>1,291,465</u>
Change in net position of governmental activities	<u>\$ (3,534,828)</u>

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

COUNTY OF INYO | JUNE 30, 2025

Proprietary Funds
Statement of Net Position

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 1,425,683	\$ 5,439,051	\$ 3,055,386	\$ 9,920,120	\$ 5,835,351
Imprest cash	265	1,325	-	1,590	-
Accounts receivable	304,607	370,674	265,815	941,096	223,921
Due from other governments	563,480	83,650	-	647,130	-
Interest receivable	-	27,348	8,760	36,108	14,255
Prepaid expenses	-	-	5,726	5,726	15,093
Inventory	96,026	-	-	96,026	-
Total current assets	2,390,061	5,922,048	3,335,687	11,647,796	6,088,620
Noncurrent assets:					
Restricted cash	-	4,287,958	-	4,287,958	-
Lease receivable	421,898	-	-	421,898	-
Capital assets:					
Nondepreciable	3,019,525	-	-	3,019,525	6,979
Depreciable, net	13,905,693	1,624,867	1,692,612	17,223,172	4,062,052
Total noncurrent assets	17,347,116	5,912,825	1,692,612	24,952,553	4,069,031
Total assets	19,737,177	11,834,873	5,028,299	36,600,349	10,157,651
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	146,377	514,574	189,179	850,130	75,910
Deferred outflows from OPEB	102,980	302,180	149,000	554,160	125,475
Total deferred outflows of resources	249,357	816,754	338,179	1,404,290	201,385
LIABILITIES					
Current liabilities:					
Accounts payable	229,147	410,642	718	640,507	78,717
Accrued salaries and benefits	16,975	38,261	16,853	72,089	7,200
Unearned revenue	-	-	284,638	284,638	-
Due to other governments	2,199	800,000	78,370	880,569	-
Due to other funds	1,607,721	-	-	1,607,721	-
Compensated absences	53,762	42,406	29,969	126,137	34,371
Claims liability	-	-	-	-	257,453
Lease payable	-	-	-	-	813,338
Total current liabilities	1,909,804	1,291,309	410,548	3,611,661	1,191,079
Noncurrent liabilities:					
Interest payable	-	-	-	-	-
Compensated absences	55,454	74,446	58,293	188,193	45,142
Claims liability	-	-	-	-	315,080
Lease payable	-	-	-	-	2,016,129
Advance from other funds	-	-	-	-	125,000
Closure/post closure costs	-	38,405,991	-	38,405,991	-
Net OPEB liability	519,134	1,523,323	751,127	2,793,584	632,533
Net pension liability	599,688	2,109,010	774,876	3,483,574	309,950
Total noncurrent liabilities	1,174,276	42,112,770	1,584,296	44,871,342	3,443,834
Total liabilities	3,084,080	43,404,079	1,994,844	48,483,003	4,634,913
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	1,228	4,337	1,664	7,229	627
Deferred inflows from OPEB	68,973	202,393	99,797	371,163	84,040
Deferred inflows from leases	365,093	-	-	365,093	-
Total deferred inflows of resources	435,294	206,730	101,461	743,485	84,667
NET POSITION (DEFICIT)					
Net investment in capital assets	16,925,218	1,624,867	1,692,612	20,242,697	1,239,564
Unrestricted	(458,058)	(32,584,049)	1,577,561	(31,464,546)	4,399,892
Total net position (deficit)	\$ 16,467,160	\$ (30,959,182)	\$ 3,270,173	(11,221,849)	\$ 5,639,456
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				67,696	
Net position of business-type activities (page 6)					\$ (11,154,153)

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position

	Business-Type Activities Enterprise Funds				Governmental
	Airport	Solid Waste	Nonmajor	Total	Internal
			Enterprise Funds		Service Funds
Operating revenues:					
Charges for services	\$ 2,519,125	\$ 1,826,413	\$ 901,978	\$ 5,247,516	\$ 7,650,775
Assessments	-	-	497,106	497,106	-
Fees and permits	-	556,989	-	556,989	-
Other operating revenue	129,148	104	-	129,252	52,536
Total operating revenues	2,648,273	2,383,506	1,399,084	6,430,863	7,703,311
Operating expenses:					
Salaries and benefits	1,035,367	1,983,538	829,219	3,848,124	374,520
Services and supplies	1,961,396	1,713,143	432,848	4,107,387	5,318,977
Closure/post closure	-	4,006,955	-	4,006,955	-
Depreciation	2,093,675	377,683	88,966	2,560,324	966,095
Total operating expenses	5,090,438	8,081,319	1,351,033	14,522,790	6,659,592
Operating income (loss)	(2,442,165)	(5,697,813)	48,051	(8,091,927)	1,043,719
Nonoperating revenues (expenses):					
Tax revenue	-	2,021,114	314	2,021,428	-
Intergovernmental revenues	1,659,904	126,628	38,659	1,825,191	-
Investment earnings	27,279	307,587	93,308	428,174	152,198
Interest expense	-	(224)	-	(224)	(127,430)
Gain (loss) on sale of assets	-	-	-	-	185,289
Other nonoperating revenue	34,446	686	14,746	49,878	76,504
Total nonoperating revenues (expenses)	1,721,629	2,455,791	147,027	4,324,447	286,561
Income (loss) before capital contributions and transfers	(720,536)	(3,242,022)	195,078	(3,767,480)	1,330,280
Capital contributions	34,333	-	-	34,333	-
Transfers in	686,089	-	-	686,089	-
Transfers out	(8,046)	-	-	(8,046)	-
Change in net position	(8,160)	(3,242,022)	195,078	(3,055,104)	1,330,280
Net position - beginning, as previously presented	16,513,889	(27,676,217)	3,128,721		4,357,126
Restatements (see footnote 16)	(38,569)	(40,943)	(53,626)		(47,950)
Net position - beginning, as restated	16,475,320	(27,717,160)	3,075,095		4,309,176
Net position - ending	\$ 16,467,160	\$ (30,959,182)	\$ 3,270,173		\$ 5,639,456
Adjustments for the net effect of the current year activity between the internal service funds and the enterprise funds				38,815	
Changes in net position of business-type activities (page 7)				\$ (3,016,289)	

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 2,339,746	\$ 2,370,274	\$ 1,418,801	\$ 6,128,821	\$ 7,572,820
Cash paid to suppliers for goods and services	(2,071,528)	(1,381,617)	(502,724)	(3,955,869)	(5,137,145)
Cash paid to employees for salaries and benefits	(852,476)	(1,724,919)	(710,669)	(3,288,064)	(303,099)
Other operating receipts	129,148	104	-	129,252	52,536
Net cash provided by (used for) operating activities	(455,110)	(736,158)	205,408	(985,860)	2,185,112
Cash flows from noncapital financing activities:					
Loans from other funds	1,020,548	-	(4,426)	1,016,122	-
Transfer from other funds	686,089	-	-	686,089	-
Transfer to other funds	(8,046)	-	-	(8,046)	-
Grants	-	54,595	38,894	93,489	-
Property taxes	-	2,021,114	-	2,021,114	-
Other nonoperating cash receipts	34,445	686	22,691	57,822	76,504
Proceeds from lease	(8,213)	-	-	(8,213)	-
Lease related	-	-	-	-	313,987
Net cash provided by (used for) noncapital financing activities	1,724,823	2,076,395	57,159	3,858,377	390,491
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	-	-	-	216,024
Principal and interest paid on capital debt, net of new issuance	-	(28,029)	-	(28,029)	-
Acquisition or construction of capital assets	(1,636,659)	(724,234)	(35,110)	(2,396,003)	(2,447,195)
Grants	1,275,243	-	-	1,275,243	-
Net cash provided by (used for) capital and related financing activities	(361,416)	(752,263)	(35,110)	(1,148,789)	(2,231,171)
Cash flows from investing activities:					
Interest earnings	27,698	331,293	99,513	458,504	166,149
Net cash provided by (used for) investing activities	27,698	331,293	99,513	458,504	166,149
Net increase (decrease) in cash and investments	935,995	919,267	326,970	2,182,232	510,581
Cash and investments - beginning	489,953	8,809,067	2,728,416	12,027,436	5,324,770
Cash and investments - ending	\$ 1,425,948	\$ 9,728,334	\$ 3,055,386	\$ 14,209,668	\$ 5,835,351

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Proprietary Funds
Statement of Cash Flows
(Continued)

	Business-Type Activities Enterprise Funds				Governmental Activities
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
Reconciliation of cash and investments to the statement of net position					
Cash and investments	\$ 1,425,683	\$ 5,439,051	\$ 3,055,386	\$ 9,920,120	\$ 5,835,351
Imprest cash	265	1,325	-	1,590	-
Restricted cash	-	4,287,958	-	4,287,958	-
Total	\$ 1,425,948	\$ 9,728,334	\$ 3,055,386	\$ 14,209,668	\$ 5,835,351
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:					
Operating income (loss)	\$ (2,442,165)	\$ (5,697,813)	\$ 48,051	\$ (8,091,927)	\$ 1,043,719
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	2,093,675	377,683	88,966	2,560,324	966,095
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources					
Accounts receivable	(179,379)	(13,128)	19,717	(172,790)	(77,955)
Inventory	82	-	-	82	4,963
Prepays	-	-	(266)	(266)	(15,093)
Deferred outflows of resources	(10,572)	1,197	(12,479)	(21,854)	(24,507)
Accounts payable	(71,645)	332,355	(69,610)	191,100	16,971
Accrued salaries	3,010	-	2,437	5,447	1,538
Liability for compensated absences	29,813	14,239	45,231	89,283	23,484
Closure/post-closure liability	-	4,006,955	-	4,006,955	-
Self-insurance liability	-	-	-	-	174,991
Net pension liability	(7,778)	(10,213)	48,229	30,238	(21,394)
Net OPEB liability	92,552	153,849	11,949	258,350	46,489
Deferred inflows of resources	37,297	98,718	23,183	159,198	45,811
Net cash provided by (used for) operating activities	\$ (455,110)	\$ (736,158)	\$ 205,408	\$ (985,860)	\$ 2,185,112

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

COUNTY OF INYO | JUNE 30, 2025
 Fiduciary Funds
 Statement of Fiduciary Net Position

	<u>Custodial Funds</u>	
	<u>External Investment Pool</u>	<u>Other Custodial</u>
ASSETS		
Cash and investments held in Treasury	\$ 108,441,633	\$ -
Total assets	<u>108,441,633</u>	<u>-</u>
LIABILITIES	<u>-</u>	<u>-</u>
NET POSITION		
Restricted for pool participants	<u>108,441,633</u>	<u>-</u>
Total net position	<u>\$ 108,441,633</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, 2025

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

	Custodial Funds	
	External Investment Pool	Other Custodial
ADDITIONS		
Contributions:		
Contributions to pooled investments	\$ 234,979,040	\$ -
Total contributions	<u>234,979,040</u>	<u>-</u>
Investment earnings:		
Investment earnings - interest and dividends	1,648,823	-
Total investment earnings	<u>1,648,823</u>	<u>-</u>
Collections on behalf of others:		
Property taxes collected for other governments	-	42,872,793
Other taxes, fees, fines, and forfeitures collected for other governments	-	5,286,456
Other collections	-	9,425
Total collections on behalf of others	<u>-</u>	<u>48,168,674</u>
Total additions	<u>236,627,863</u>	<u>48,168,674</u>
DEDUCTIONS		
Distributions from pooled investment	240,480,359	-
Payments to other individuals and governments	-	48,168,674
Total deductions	<u>240,480,359</u>	<u>48,168,674</u>
Net increase (decrease) in fiduciary net position	(3,852,496)	-
Net position - beginning	<u>112,294,129</u>	<u>-</u>
Net position - ending	<u>\$ 108,441,633</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 30th fiscal year end.

Blended Component Units

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

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

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

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

Discretely Presented Component Units

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

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	20 to 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 applied 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. Compensated Absences

Under the terms of union contracts, the County grants employees vacation leave, sick leave, compensatory time, and certain other leave benefits in varying amounts depending on their respective bargaining units. Vacation leave and compensatory time are payable upon termination and subject to accumulation limits. Sick leave may be accumulated without limitation; however, only the portion expected to be used as paid time off or otherwise settled upon termination is recognized as a liability based on applicable bargaining unit provisions and historical usage assumptions. Certain additional leave benefits, such as merit leave, are recognized as liabilities to the extent available for use as of year-end.

During the current year, the County implemented GASB Statement No. 101, *Compensated Absences*, and recognizes a liability for leave earned for services previously rendered that accumulates and is more likely than not to be used or otherwise settled. The liability is measured using year-end leave balances, current pay rates, and applicable salary-related benefits, and is reported in the government-wide statement of net position and proprietary funds as the benefits accrue. In governmental funds, a liability is recorded only to the extent it has matured, such as through employee resignations or retirements. The impact of these changes to net position is described in Note 16.

U. 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.

V. 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 50% of the total cash and investment balance. School districts are considered involuntary participants in the investment pool and hold a balance of the investment pool, which includes County operational funds. Special districts and various fiduciary funds also hold a balance of the investment pool, and the extent of involuntary participation cannot be determined at this time. County operational funds and other fiduciary funds comprise the remaining balance of the investment pool.

At June 30, 2025, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 16,533
Deposits	8,486,023
Cash with fiscal agent	212,675
Less: outstanding checks	<u>(4,437,347)</u>
Total deposits	4,277,884
Investments	<u>228,599,248</u>
Total cash and investments	<u>\$ 232,877,132</u>

Total cash and investments at June 30, 2025 were presented on the County’s financial statements as follows:

Primary government	\$ 124,121,426
Custodial	108,441,633
Discretely presented component unit	<u>314,073</u>
Total cash and investments	<u>\$ 232,877,132</u>

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

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 \$8,268,316 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, 2025, the carrying amount of the Pool’s deposits was \$9,222,303 and the corresponding bank balance was \$8,788,250. The difference of \$434,054 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.

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

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Investments (Continued)

At June 30, 2025, the County had the following investments:

	Interest Rates	Maturities	Fair Value	Weighted Avg Maturity (Years)
Pooled investments:				
Federal agency obligations	0.53%-5.38%	7/21/25-4/8/2030	\$ 168,775,080	3.01
Commercial paper	4.282%-4.507%	7/18/25-12/16/25	30,030,028	0.15
Local Agency Investment Fund	Variable	Demand	20,000,000	-
Negotiable certificates of deposit	.450%-1.100%	8/19/25-11/17/26	1,984,000	0.76
Money market funds	Variable	On Demand	<u>7,810,140</u>	-
Total pooled investments			<u>\$ 228,599,248</u>	

Interest Rate Risk

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

Investment Type	Fair Value	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Federal agency obligations	\$ 168,775,080	\$ 15,000,000	\$ 5,000,000	\$ 19,944,920	\$ 22,951,400	\$ 105,878,760
Commercial paper	30,030,028	30,030,028	-	-	-	-
Local Agency Investment Fund	20,000,000	20,000,000	-	-	-	-
Negotiable certificates of deposit	1,984,000	992,000	992,000	-	-	-
Money market funds	<u>7,810,140</u>	<u>7,810,140</u>	-	-	-	-
Total investments	<u>\$ 228,599,248</u>	<u>\$ 73,832,168</u>	<u>\$ 5,992,000</u>	<u>\$ 19,944,920</u>	<u>\$ 22,951,400</u>	<u>\$ 105,878,760</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, 2025, 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.

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Credit Risk (Continued)

Issuer	Investment Type	Amount Reported	% of Total Investments
Federal Farm Credit Bank	Federal agency obligation	\$ 36,990,500	16.18%
Federal Home Loan Bank	Federal agency obligation	26,970,820	11.80%
Federal Home Loan Mortgage	Federal agency obligation	59,778,760	26.15%
Federal National Mortgage Assn.	Federal agency obligation	45,035,000	19.70%
Credit Agricole CIB NY	Commercial paper	<u>19,371,223</u>	<u>8.47%</u>
		<u>\$ 188,146,303</u>	<u>82.30%</u>

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool’s value at June 30, 2025:

	Credit Quality Ratings		% of Portfolio
	Moody's	S&P	
Federal agency obligations	AAA	AAA	73.82%
Local Agency Investment Fund	Unrated	Unrated	8.75%
Commercial paper	N/A	N/A	13.14%
Negotiable CDs	N/A	N/A	0.87%
Money market funds	N/A	N/A	<u>3.42%</u>
Total			<u>100.00%</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, 2025, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$20,000,000, 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, 2025, was \$178.1 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, 2025:

Statement of Net Position

Net position	\$ 232,877,132
Equity of external investment pool participants	\$ 108,441,633
Equity of internal investment pool participants	124,435,499
Total net position	<u>\$ 232,877,132</u>

Statement of Changes in Net Position:

Net position at July 1, 2024	\$ 240,090,360
Net contributions from pool participants	(7,213,228)
Net position at June 30, 2025	<u>\$ 232,877,132</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, 2025 include the following:

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment Type:				
Federal agency obligations	\$ 168,775,080	\$ -	\$ 168,775,080	\$ -
Negotiable certificates of deposit	1,984,000	-	1,984,000	-
Commercial paper	30,030,028	-	30,030,028	-
Total investments measured at fair value	200,789,108	\$ -	\$ 200,789,108	\$ -
Investments not subject to hierarchy:				
Local Agency Investment Fund	20,000,000			
Money market funds	7,810,140			
Total investments in investment pool	\$ 228,599,248			

NOTE 3 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2025 was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
Major Fund: General Fund	Major Fund: Grant programs	\$ 2,609,521	Cash flow reimbursement grants
	Nonmajor governmental funds	238,200	Provide short term cash flow
	Major Fund: Airport	<u>1,607,721</u>	Provide short term cash flow for large grant
	Total	<u>\$ 4,455,442</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	Airports	\$ 686,017	Subsidy for commercial air
Grant Programs	Airports	72	Close out of grant
Airports	General Fund	<u>8,046</u>	Airport HVAC Project and transfer of capital asset
	Subtotal	<u>694,135</u>	
Between funds within the governmental or business-type activities:			
General Fund	Non Major Governmental Fund	400,000	Board -approved fund balance transfer reflecting unspent fund balance
General Fund	Non Major Governmental Fund	57,257	Augment AB1466 implementation project
General Fund	Non Major Governmental Fund	7,486	Augment Program cost
General Fund	Grant	181,327	Grant match requirement
General Fund	Grant	386,502	County required general fund match
General Fund	Grant	12,506	ARPA Grant transfer
General Fund	Grant	263,585	Tobacco Grant Program funds
Non Major Governmental Fund	General Fund	41,423	Opioid Program cost
Non Major Governmental Fund	General Fund	55,000	Deferred Maintenance Projects
Grant Programs	General Fund	128,254	Broadband Grant Project
Grant Programs	General Fund	21,236	To fund Radio Project
Grant Programs	General Fund	1,446,801	Deferred Maintenance Projects
Grant Programs	General Fund	31,332	Close out grant funds
Road Fund	General Fund	<u>15,311</u>	To fund Radio Project
	Subtotal	<u>3,048,020</u>	
	Total	<u>\$ 3,742,155</u>	

COUNTY OF INYO | JUNE 30, 2025
Notes to the Basic Financial Statements

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2025
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 9,063,401	\$ 6,162	\$ -	\$ -	\$ 9,069,563
Construction in progress	6,531,128	5,315,667	-	(4,434,912)	7,411,883
Total capital assets, not being depreciated/amortized	15,594,529	5,321,829	-	(4,434,912)	16,481,446
Capital assets, being depreciated/amortized:					
Infrastructure	218,014,783	3,650,054	-	1,315,854	222,980,691
Land improvements	6,223,616	948,442	-	1,374,838	8,546,896
Structures and improvements	30,824,336	1,885,015	-	1,718,796	34,428,147
Equipment	21,661,127	2,001,480	(2,930,099)	(208)	20,732,300
Right-to-use leased structures and improvements	432,749	-	-	-	432,749
Right-to-use leased equipment	4,979,301	1,753,736	(409,342)	-	6,323,695
Right-to-use IT subscriptions	1,426,394	235,731	-	-	1,662,125
Total capital assets, being depreciated/amortized	283,562,306	10,474,458	(3,339,441)	4,409,280	295,106,603
Less accumulated depreciation/amortization for:					
Infrastructure	(194,334,431)	(1,095,715)	-	-	(195,430,146)
Land improvements	(3,140,120)	(223,340)	-	-	(3,363,460)
Structures and improvements	(12,212,520)	(969,821)	-	-	(13,182,341)
Equipment	(17,359,827)	(1,122,740)	2,688,502	25,633	(15,768,432)
Right-to-use leased structures and improvements	(318,718)	(22,926)	-	-	(341,644)
Right-to-use leased equipment	(2,571,535)	(877,701)	378,607	-	(3,070,629)
Right-to-use IT subscriptions	(717,574)	(354,113)	-	-	(1,071,687)
Total accumulated depreciation/amortized	(230,654,725)	(4,666,356)	3,067,109	25,633	(232,228,339)
Total capital assets, being depreciated/amortized, net	52,907,581	5,808,102	(272,332)	4,434,913	62,878,264
Governmental activities capital assets, net	\$ 68,502,110	\$ 11,129,931	\$ (272,332)	\$ 1	\$ 79,359,710

COUNTY OF INYO | JUNE 30, 2025
Notes to the Basic Financial Statements

NOTE 4 – CAPITAL ASSETS (Continued)

	Balance July 1, 2024	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2025
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,851,399	\$ -	\$ -	\$ -	\$ 1,851,399
Construction in progress	211,511	1,120,030	-	(163,415)	1,168,126
Total capital assets, not being depreciated	2,062,910	1,120,030	-	(163,415)	3,019,525
Capital assets, being depreciated					
Infrastructure	37,973,827	173,578	-	142,980	38,290,385
Land improvements	2,852,571	-	-	-	2,852,571
Structures and improvements	6,226,303	-	-	-	6,226,303
Equipment	6,496,250	1,136,728	-	46,067	7,679,045
Total capital assets, being depreciated	53,548,951	1,310,306	-	189,047	55,048,304
Less accumulated depreciation for:					
Infrastructure	(23,094,440)	(1,664,117)	-	-	(24,758,557)
Land improvements	(2,539,136)	(46,792)	-	-	(2,585,928)
Structures and improvements	(4,993,852)	(382,630)	-	-	(5,376,482)
Equipment	(4,611,748)	(466,785)	-	(25,632)	(5,104,165)
Total accumulated depreciation	(35,239,176)	(2,560,324)	-	(25,632)	(37,825,132)
Total capital assets, being depreciated, net	18,309,775	(1,250,018)	-	163,415	17,223,172
Business-type activities capital assets, net	\$ 20,372,685	\$ (129,988)	\$ -	\$ -	\$ 20,242,697

A. Depreciation

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

General government	\$ 1,017,299
Public protection	629,529
Public ways and facilities	1,762,848
Health and sanitation	76,063
Public assistance	15,189
Education	444
Recreation and culture	198,889
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>966,095</u>
Total depreciation/amortization expense - governmental activities	\$ <u>4,666,356</u>

NOTE 4 – CAPITAL ASSETS (Continued)

A. Depreciation (Continued)

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

Airport	\$ 2,093,675
Solid Waste	377,683
Nonmajor enterprise funds	<u>88,966</u>
 Total depreciation expense - business-type activities	 <u>\$ 2,560,324</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, and one additional loan was paid in full during fiscal year 2023. Fund balance for the outstanding loans is reported as restricted. As of June 30, 2025 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, 2025 for governmental activities is as follows:

Type of Indebtedness	Restated Balance July 1, 2024	Additions	Retirements	Adjustments	Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities:						
Compensated absences*	\$ 4,583,881	\$ 1,419,909	\$ -	\$ -	\$ 6,003,790	\$ 2,312,422
Claims liability	397,542	180,516	(5,525)	-	572,533	257,453
Net OPEB liability	70,436,144	9,873,889	(5,052,450)	-	75,257,583	-
Net pension liability	86,839,861	18,402,507	(20,358,856)	-	84,883,512	-
Leases payable	2,622,827	1,753,735	(926,874)	-	3,449,688	961,753
SBITA liability	593,272	235,731	(396,163)	-	432,840	323,842
Direct borrowing:						
Loans payable	<u>325,260</u>	<u>-</u>	<u>(71,024)</u>	<u>-</u>	<u>254,236</u>	<u>71,736</u>
 Total long-term liabilities	 <u>\$ 165,798,787</u>	 <u>\$ 31,866,287</u>	 <u>\$ (26,810,892)</u>	 <u>\$ -</u>	 <u>\$ 170,854,182</u>	 <u>\$ 3,927,206</u>

* The compensated absence activity shown in the table above is presented on a net change basis, as permitted by GASB Statement No. 101.

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 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, 2025 consisted of the following:

Governmental Activities	Date of Issuance	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2025
CEC solar loan (to finance a photovoltaic solar project)	10/13/2021	12/14 - 12/28	1.00%	\$26,287 - \$36,865	\$ 992,054	\$ 254,236

The following is a schedule of debt service requirements to maturity as of June 30, 2025 for the loans payable from direct borrowings for governmental activities.

Years Ending June 30,	Governmental Activities Loans from Direct Borrowings	
	Principal	Interest
2026	\$ 71,736	\$ 2,364
2027	72,455	1,645
2028	73,180	920
2029	36,865	184
Total	\$ 254,236	\$ 5,113

A summary of changes in long-term liabilities for the year ended June 30, 2025 for business-type activities is as follows:

Type of Indebtedness	Restated Balance July 1, 2024	Additions	Retirements	Adjustments	Balance June 30, 2025	Amounts Due Within One Year
Business-Type Activities						
Compensated absences*	\$ 251,869	\$ 62,461	\$ -	\$ -	\$ 314,330	126,137
Net OPEB liability	2,488,745	366,522	(61,683)	-	2,793,584	-
Net pension liability	3,499,825	762,901	(779,152)	-	3,483,574	-
Closure/post-closure liability	34,399,036	4,006,955	-	-	38,405,991	-
Direct borrowing:						
Loans payable	26,525	-	(26,525)	-	-	-
Total long-term liabilities	\$ 40,666,000	\$ 5,198,839	\$ (867,360)	\$ -	\$ 44,997,479	\$ 126,137

* The compensated absence activity shown in the table above is presented on a net change basis, as permitted by GASB Statement No. 101.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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

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 loan fully matured during fiscal year June 30, 2025.

Loans payable for business-type activities at June 30, 2025 consisted of the following:

Business-type Activities	Date of Issuance	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2025
Recycling & waste management treasury loan	9/19/2021	12/19 - 9/24	3.40%	\$22,585 - \$26,525	\$ 490,099	\$ -

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 \$234 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the County’s receivable for lease payments was \$1,941. 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, 2025, the balance of the deferred inflow of resources was \$1,019.

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 \$35,004 in fiscal year 2025. The County recognized \$26,926 in lease revenue and \$6,479 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the County’s receivable for lease payments was \$101,061. 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, 2025, the balance of the deferred inflow of resources was \$80,778.

In fiscal year 2024, 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 \$29,717 for the first five years. For the remaining years the County will receive annual payments of \$30,608. The County recognized \$19,732 in lease revenue and \$16,772 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the County’s receivable for lease payments was \$184,373. 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, 2025, the balance of the deferred inflow of resources was \$159,498.

In fiscal year 2024, the County’s Airport Fund leased a portion of the Bishop Airport to a third party. The lease is for 20 years, and the County will receive annual payments of \$14,035 for the first five years. Annual payments increase every five years by 3%. The County recognized \$6,846 in lease revenue and \$11,638 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the County’s receivable for lease payments was \$134,523. 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, 2025, the balance of the deferred inflow of resources was \$123,798.

NOTE 7 – LEASES (Continued)

B. Leases as Lessee

The County has entered into multiple lease agreements as lessee for equipment, facilities, and vehicles, which are reported in governmental activities and internal service funds.

Equipment leases, including office equipment, printers, information system, medical equipment, and police body worn cameras, are primarily reported in governmental activities and generally have five-year terms, with interest rates ranging from approximately 7.75% and 8.5%, and are expected to be paid through fiscal year 2028.

Vehicle leases are reported in governmental and internal service funds and generally have terms of approximately five years, with interest rates ranging from 2.6% to 7.50% and are expected to be paid through fiscal year 2030. During fiscal year 2025, the County entered into additional vehicle lease agreements with similar terms and characteristics. These leases generally have five-year terms with interest rates ranging from approximately 5.45% to 7.01%.

Facility leases, including office building and radio tower leases, are reported in governmental activities and generally have terms ranging from five to fifteen-year terms (including extension options expected to be exercised), wither interest rates ranging from approximately 3.25% to 8.25%, and are expected to be paid through fiscal year 2030.

Right-to-use assets and corresponding lease liabilities are recognized at the commencement of each lease and are amortized over the lease terms in accordance with applicable accounting standards.

As of June 30, 2025 annual lease payables to maturity are as follows:

Years Ending June 30	Governmental Activities	
	Leases Payables	
	Principal	Interest
2026	\$ 961,753	\$ 185,667
2027	902,102	131,968
2028	783,343	79,657
2029	593,186	34,525
2030	209,304	5,140
Total	<u>\$ 3,449,688</u>	<u>\$ 436,957</u>

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

The County has entered into multiple subscription-based information technology arrangements (SBITAs) as lessee for software applications, all of which are recorded in Governmental Activities.

These arrangements include resource planning, probation case management, budgeting, procurement, human resources, and financial management, with subscription terms generally ranging from three to five years and interest rates ranging from approximately 3.25% to 8.50%. Certain arrangements require monthly payments, while others require annual payments.

Right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying software. SBITA liabilities are reported in the County’s long-term obligations and are reduced as payments are made.

The future principal and interest SBITA payments as of June 30, 2025, are as follows:

Years Ending June 30,	Governmental Activities	
	SBITA	
	Principal	Interest
2026	\$ 323,842	\$ 22,664
2027	<u>108,998</u>	<u>8,635</u>
Total	<u>\$ 432,840</u>	<u>\$ 31,299</u>

NOTE 9 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE 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 \$38,405,991 as of the fiscal year end, which is based on the estimated percentage usage (filled), ranging from 49.58% to 76.33% of each landfill site. It is estimated that an additional \$23,967,506 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.

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

The estimated total current cost of the landfill closure and post-closure maintenance costs of \$62,373,497 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, 2025, cash and investments of \$4,287,958 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.

The following is the information for each landfill as of June 30, 2025:

	Percent Filled	Total Closure/ Post-Closure Cost Estimates	Liability June 30, 2025
Bishop Sunland	57.45%	\$ 34,295,894	\$ 19,701,972
Independence	76.33%	10,982,262	8,382,322
Lone Pine	60.76%	9,746,960	5,922,355
Shoshone	49.58%	3,367,681	1,669,820
Tecopa	66.42%	3,726,509	2,475,331
Keeler	100.00%	<u>254,191</u>	<u>254,191</u>
 Total		 <u>\$ 62,373,497</u>	 <u>\$ 38,405,991</u>

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, 2025, were distributed as follows:

	General	Road	Grants Programs	Nonmajor Governmental	Total
Nonspendable:					
Prepays	\$ 163,120	\$ -	\$ 4,508	\$ 109	\$ 167,737
Advances and deposits	166,700	-	-	-	166,700
Inventory	68,063	378,728	-	-	446,791
Total Nonspendable Fund Balance	<u>397,883</u>	<u>378,728</u>	<u>4,508</u>	<u>109</u>	<u>781,228</u>
Restricted:					
Public protection	17,388,444	-	1,885,231	164,156	19,437,831
Public ways and facilities	29,786	7,941,242	1,729	1,292,351	9,265,108
Health and sanitation	23,542,478	-	64,657	166,078	23,773,213
Public assistance	3,133,893	-	1,320,548	-	4,454,441
Education	-	-	300	-	300
Recreation and culture	7,998	-	7,013	-	15,011
Other	1,942,622	-	330,183	-	2,272,805
Total Restricted Fund Balance	<u>46,045,221</u>	<u>7,941,242</u>	<u>3,609,661</u>	<u>1,622,585</u>	<u>59,218,709</u>
Assigned					
Subsequent budget deficit	5,013,493	-	-	-	5,013,493
General government	6,497,356	-	-	3,651,924	10,149,280
Public protection	334,766	-	-	-	334,766
Health and sanitation	503	-	-	-	503
Education	202,025	-	-	-	202,025
Recreation and culture	280,893	-	-	-	280,893
Total Assigned Fund Balance	<u>12,329,036</u>	<u>-</u>	<u>-</u>	<u>3,651,924</u>	<u>15,980,960</u>
Unassigned	<u>36,780,137</u>	<u>-</u>	<u>(1,316,232)</u>	<u>(171,305)</u>	<u>35,292,600</u>
Total Fund Balances	<u>\$ 95,552,277</u>	<u>\$ 8,319,970</u>	<u>\$ 2,297,937</u>	<u>\$ 5,103,313</u>	<u>\$ 111,273,497</u>

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, 2025 are summarized as follows:

	Miscellaneous	
	<u>1st Tier</u>	<u>PEPRA</u>
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426%-2.418%	1.00% to 2.50%
Required employee contribution rates	7.000%	8.250%
Required employer contribution rates	9.680%	9.680%

NOTE 11 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

A. General Information (Continued)

Benefits Provided (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 \$5,800,745 for the fiscal year ended June 30, 2025.

Employees Covered

At the June 30, 2023 valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	589
Inactive employees entitled to but not yet receiving benefits	278
Active employees	<u>370</u>
Total	<u>1,237</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, 2025, were \$8,068,196.

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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024, 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, 2023, actuarial variations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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	6.9% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

⁽²⁾ The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 1997 to 2019. 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, 2023, valuation were based on the results of a December 2021 actuarial experience study for the period 1997 to 2019. 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 ^(a,b)
Global equity - cap-weighted	30.0%	4.54%
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%	1.56%
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	<u>-5.0%</u>	-0.59%
 Total	 <u>100%</u>	

^(a) An expected inflation of 2.30% used for this period.

^(b) 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
Miscellaneous Plan:			
Balance at 6/30/2024	\$ 231,942,288	\$ 162,912,218	\$ 69,030,070
Changes in the year:			
Service cost	4,848,841	-	4,848,841
Interest on total pension liability	15,915,259	-	15,915,259
Changes in benefit terms	-	-	-
Changes of assumptions	-	-	-
Differences between expected and actual experience	2,979,138	-	2,979,138
Plan to plan resource movement	-	-	-
Contributions - employer	-	7,883,434	(7,883,434)
Contributions - employee	-	2,289,496	(2,289,496)
Net investment income	-	15,409,112	(15,409,112)
Benefit payment, including refunds of employee contributions	(13,759,962)	(13,759,962)	-
Administrative expenses	-	(132,682)	132,682
Change in proportion	190,058	133,494	56,564
Net changes	10,173,334	11,822,892	(1,649,558)
Balance at 6/30/2025	\$ 242,115,622	\$ 174,735,110	\$ 67,380,512

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	\$ 100,462,806	\$ 67,380,512	\$ 42,871,201

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, 2025, the County recognized pension expense of \$12,045,867. At June 30, 2025, 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	\$ 10,260,120	\$ -
Changes in assumptions	394,303	-
Differences between actual and expected experience	3,106,377	136,392
Net differences between projected and actual earnings on plan investments	2,693,846	-
Change in employer’s proportion	-	-
Differences between the employer’s actual contributions and the employer’s proportionate share of contributions	-	-
Total	\$ 16,454,646	\$ 136,392

NOTE 11 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

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

\$10,260,120 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, 2026. 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
2026	\$ 2,034,554
2027	5,458,535
2028	(564,516)
2029	(870,439)
Total	\$ <u>6,058,134</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, 2025.

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)

Benefits Provided (Continued)

The rate plan provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Safety	
	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%	13.75%
Required employer contribution rates	27.320%	13.760%

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 \$1,667,917 for the fiscal year ended June 30, 2025.

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, 2025 were \$2,459,668.

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, 2025, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$20,986,572.

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, 2024, 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, 2023, rolled forward to June 30, 2024, 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, 2023 and 2024 was as follows:

Proportion - June 30, 2023	0.2851%
Proportion - June 30, 2024	0.2878%
Change - Increase (Decrease)	0.0027%

For the year ended June 30, 2025, the County recognized pension expense of \$4,536,139. At June 30, 2025, 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	\$ 2,964,451	\$ -
Changes in assumptions	517,066	-
Differences between actual and expected experience	1,712,691	55,687
Net differences between projected and actual earnings on plan investments	1,014,395	-
Change in employer's proportion	258,207	143,449
Differences between the employer's actual contributions and the employer's proportionate share of contributions	524,768	192,743
	<u>6,991,578</u>	<u>391,879</u>
Total	<u>\$ 6,991,578</u>	<u>\$ 391,879</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)

\$2,964,451 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, 2025. 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
2026	\$ 2,034,554
2027	5,458,535
2028	(564,516)
2029	(870,439)
Total	<u>\$ 6,058,134</u>

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
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% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of December 2021 actuarial experience study for the period 1997 to 2019. 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 ^(a,b)
Global equity - cap-weighted	30.0%	4.54%
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%	1.56%
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	<u>-5.0%</u>	-0.59%
 Total	 <u>100%</u>	

^(a) An expected inflation of 2.30% used for this period.

^(b) 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 6.9%	7.9%
\$ 31,138,752	\$ 20,986,572	\$ 12,683,516

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, 2025.

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 \$250,000 per occurrence for its general liability program. Losses which exceed the SIR are covered by excess insurance policy up to \$25,000,000 per occurrence.

The County maintains a self-insured retention (SIR) of \$25,000 per occurrence for its medical malpractice coverage. Losses which exceed the SIR are covered by excess insurance policy up to \$21,475,000 per occurrence.

Airport coverage consists of primary insurance with no self-insured retention and a coverage limit of \$25,000,000.

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, 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
Unpaid claims - beginning of year	\$ 397,542	\$ 299,909
Plus estimated claims incurred	180,516	118,348
Less claims payments	<u>(5,525)</u>	<u>(20,715)</u>
Unpaid claims - end of year	<u>\$ 572,533</u>	<u>\$ 397,542</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, 2025, 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, 2024 consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	352
Active plan members	<u>420</u>
Total	<u><u>772</u></u>

D. Actuarial Methods and Assumptions

The County’s Net OPEB Liability was measured as of June 30, 2025 and the total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2024. 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	5.38%
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	7.00 percent for 2025 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2025-2026, 4.25 percent for 2065-2074, 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, 2024 valuation were based on a review of plan experience during the period July 1, 2022 to June 30, 2024.

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, 2025, 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	\$ 11,362,867	\$ -
Changes of assumptions or other inputs	3,738,848	9,551,939
Net difference between projected and actual return on investments	<u>381,201</u>	<u>818,179</u>
Total	<u>\$ 15,482,916</u>	<u>\$ 10,370,118</u>

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

Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ 2,386,742
2027	1,605,871
2028	46,882
2029	303,252
2030	405,291
Thereafter	<u>364,760</u>
Total	<u>\$ 5,112,798</u>

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

F. Changes in the Net OPEB Liability

Total OPEB Liability	
Service cost	\$ 3,355,710
Interest	4,468,988
Changes in benefit terms	736,225
Difference between expected and actual experience	12,068,948
Changes in assumptions or other inputs	(9,272,444)
Benefit payments ⁽¹⁾	<u>(4,514,132)</u>
Net change in total OPEB liability	6,843,295
Total OPEB liability - beginning (a)	<u>84,385,190</u>
Total OPEB liability - ending (b)	<u>\$ 91,228,485</u>
Plan fiduciary net position	
Contributions - employer ⁽¹⁾	\$ 5,114,132
Net investments income (loss)	1,178,723
Benefit payments ⁽¹⁾	(4,514,132)
Administrative expense	<u>(61,707)</u>
Net change in plan fiduciary net position	1,717,016
Plan fiduciary net position - beginning (c)	<u>11,460,302</u>
Plan fiduciary net position - ending (d)	<u>13,177,318</u>
Net OPEB liability - beginning (a) - (c)	<u>72,924,888</u>
Net OPEB liability - ending (b) - (d)	<u>\$ 78,051,167</u>

⁽¹⁾ 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 5.38 percent, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease <u>4.38%</u>	Current Discount Rate <u>5.38%</u>	1% Increase <u>6.38%</u>
Net OPEB Liability	\$ 90,863,286	\$ 78,051,167	\$ 67,684,198

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

	1% Decrease <u>5.00% for 2025</u>	Current Healthcare Cost Trend Rates <u>7.00% for 2025</u>	1% Increase <u>8.00% for 2025</u>
Net OPEB Liability	\$ 66,058,650	\$ 78,051,167	\$ 93,151,820

NOTE 14 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances/net position at June 30, 2025, as follows:

<u>Fund</u>	<u>Deficit</u>
Primary-Government:	
Business-Type Activities	\$ 11,154,153
Nonmajor Governmental Fund:	
Alcohol Fund	171,305
Enterprise Funds:	
Solid Waste Fund	30,959,182
Mosquito Abatement Fund	541,468

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

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

NOTE 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, 2025, 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 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

During the year ended June 30, 2025, that County implemented GASB Statement No. 101, *Compensated Absences*. The implementation of this pronouncement resulted in the following adjustment of beginning net position.

An error correction was required due to an understatement of unearned revenue reported in the prior year for amounts that did not yet meet revenue recognition requirements related to the underlying revenue source.

	Government-Wide		Governmental Fund	Proprietary Funds			
	Governmental Activities	Business-type Activities	General	Airport	Solid Waste	Nonmajor Enterprise Funds	Internal Service Funds Motor Pool
Net position/fund balance, June 30, 2024, as previously reported	\$ 66,871,374	\$ (8,004,726)	\$ 98,687,234	\$ 16,513,889	\$ (27,676,217)	\$ 3,128,721	\$ 1,598,475
Change in accounting principle: Implementation of GASB 101	(2,375,564)	(133,138)	-	(38,569)	(40,943)	(53,626)	(47,950)
Error correction: Understatement of unearned revenue	<u>(1,632,095)</u>	<u>-</u>	<u>(1,632,095)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position/fund balance, July 1, 2024, as restated	<u>\$ 62,863,715</u>	<u>\$ (8,137,864)</u>	<u>\$ 97,055,139</u>	<u>\$ 16,475,320</u>	<u>\$ (27,717,160)</u>	<u>\$ 3,075,095</u>	<u>\$ 1,550,525</u>

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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

	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
Total Pension Liability										
Service cost	\$ 3,277,007	\$ 3,077,612	\$ 3,600,938	\$ 3,418,074	\$ 3,469,207	\$ 3,692,938	\$ 3,736,608	\$ 4,144,498	\$ 4,440,022	\$ 4,848,841
Interest on the total pension liability	11,062,655	11,569,079	11,938,184	12,296,772	12,973,159	13,835,200	13,837,558	14,151,047	15,241,613	15,915,259
Changes in benefit terms	-	-	-	-	-	-	-	-	343,544	-
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)	3,064,383	2,979,138
Benefit payments, including refunds of employee contributions	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)	(11,446,805)	(11,832,677)	(12,824,580)	(13,759,962)
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	6,282,711	190,058
Net changes in total pension liability	9,190,604	6,751,618	16,067,189	4,789,024	9,879,747	12,598,964	3,363	11,879,844	16,547,693	10,173,334
Total pension liability - beginning	144,234,241	153,424,845	160,176,463	176,243,652	181,032,676	190,912,423	203,511,387	203,514,750	215,394,594	231,942,287
Total pension liability - ending (a)	153,424,845	160,176,463	176,243,652	181,032,676	190,912,423	203,511,387	203,514,750	215,394,594	231,942,287	242,115,621
Plan Fiduciary Net Position										
Plan to plan resource movement	\$ 40,862	\$ -	\$ -	\$ (300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - employer	3,167,006	3,565,443	3,730,889	5,202,590	6,281,979	6,712,605	6,202,683	6,771,752	7,674,537	7,883,434
Contributions - employee	1,394,721	1,490,440	1,406,869	1,418,227	1,561,750	1,737,975	1,706,670	1,799,815	2,012,254	2,289,496
Net investment income	2,612,955	596,621	12,525,916	10,339,367	8,553,453	6,983,596	31,267,810	(12,682,629)	9,640,675	15,409,112
Administrative expenses ¹	(130,610)	(70,133)	(166,834)	(553,112)	(92,990)	(198,312)	(139,240)	(104,739)	(115,101)	(132,682)
Benefit payments, including refunds of employee contributions	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)	(11,446,805)	(11,832,677)	(12,824,580)	(13,759,962)
Change in proportion	2,508,226	(92,779)	662,740	868,478	1,801,484	4,108,237	(5,179,454)	1,157,388	4,436,168	133,494
Net changes in plan fiduciary net position	1,820,767	(2,832,802)	9,234,349	7,363,307	7,629,418	8,004,943	22,411,664	(14,891,090)	10,823,953	11,822,892
Plan fiduciary net position - beginning	113,347,710	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749	144,567,692	166,979,355	152,088,264	162,912,217
Plan fiduciary net position - ending (b)	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749	144,567,692	166,979,356	152,088,265	162,912,217	174,735,109
Net pension liability - ending (a)-(b)	\$ 38,256,368	\$ 47,840,788	\$ 54,673,629	\$ 52,099,345	\$ 54,349,674	\$ 58,943,695	\$ 36,535,394	\$ 63,306,329	\$ 69,030,070	\$ 67,380,512
Plan fiduciary net position as a percentage of the total pension liability	75.07%	70.13%	68.98%	71.22%	71.53%	71.04%	82.05%	70.61%	70.24%	72.17%
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	\$ 26,871,194	\$ 29,402,456
Net pension liability as a percentage of covered payroll	165.11%	200.59%	252.93%	227.26%	251.74%	208.88%	126.54%	241.95%	256.89%	229.17%

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

There were no assumption changes in 2023 or 2024. 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.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Pension Plans – Agent Multiple-Employer Plan

Schedule of Contributions

Last 10 Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially required contribution (actuarially determined)	\$ 3,568,318	\$ 3,709,008	\$ 5,165,686	\$ 6,195,415	\$ 6,516,566	\$ 6,433,165	\$ 6,725,138	\$ 7,457,028	\$ 7,876,980	\$ 9,535,556
Contributions in relation to the actuarially determined contributions	<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>	<u>7,876,980</u>	<u>9,535,556</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,849,570	\$ 21,616,400	\$ 22,925,440	\$ 21,589,489	\$ 28,218,572	\$ 28,871,698	\$ 26,165,166	\$ 32,591,072	\$ 29,402,456	\$ 34,465,422
Contributions as a percentage of covered payroll	14.96%	17.16%	22.53%	28.70%	23.09%	22.28%	25.70%	22.88%	26.79%	27.67%

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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*

	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)	2023 (2022)	2024 (2023)	2025 (2024)
Proportion of the net pension liability	0.2383%	0.2500%	0.2488%	0.2526%	0.2512%	0.2544%	0.2995%	0.2868%	0.2851%	0.2878%
Proportionate share of the net pension liability	\$ 9,818,587	\$ 12,946,511	\$ 14,867,488	\$ 14,820,308	\$ 15,680,214	\$ 16,948,449	\$ 10,511,005	\$ 19,707,182	\$ 21,309,615	\$ 20,986,572
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	\$ 4,472,943
Proportionate share of the net pension liability as percentage of covered payroll	297.03%	328.36%	366.10%	354.31%	553.98%	441.88%	273.75%	485.98%	499.67%	469.19%
Plan fiduciary net position as a percentage of the total pension liability	80.58%	75.20%	73.42%	73.79%	73.33%	72.20%	83.34%	70.39%	69.72%	71.76%

Notes to Schedule:

Changes in Benefit Terms - None

Changes of Assumptions - There were no assumption changes in 2023 or 2024. 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.

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Pension Plans – Cost-Sharing Multiple-Employer Plan

Schedule of Contributions

Last 10 Years*

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Multiple-Employer Defined Benefit Pension Plan										
Actuarially required contribution (actuarially determined)	\$ 1,064,571	\$ 1,126,306	\$ 1,520,177	\$ 1,793,957	\$ 1,961,108	\$ 1,880,485	\$ 2,107,212	\$ 2,301,156	\$ 2,459,668	\$ 2,832,013
Contributions in relation to the actuarially determined contributions	<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>	<u>2,459,668</u>	<u>2,832,013</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$ 2,830,470	\$ 3,835,500	\$ 3,839,656	\$ 4,055,156	\$ 4,264,755	\$ 4,472,943	\$ 4,597,212
Contributions as a percentage of covered payroll	27.00%	27.73%	36.34%	63.38%	51.13%	48.98%	51.96%	53.96%	54.99%	61.60%

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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	2024	2025
Total OPEB Liability:								
Service cost	\$ 1,708,944	\$ 1,760,212	\$ 2,034,039	\$ 1,854,689	\$ 1,876,740	\$ 2,954,224	\$ 3,042,852	\$ 3,355,709
Interest on total OPEB liability	3,081,369	3,193,471	3,244,759	3,237,858	3,349,791	3,460,588	3,563,455	4,468,988
Differences between expected and actual experience	-	-	-	2,267,531	-	2,465,372	-	12,068,948
Changes of assumptions	-	6,078,479	4,991,915	(12,497,694)	8,393,046	7,892,605	(2,705,547)	(9,272,444)
Changes in benefit terms	-	-	-	-	-	-	-	736,225
Benefit payments ¹	(2,989,912)	(2,852,000)	(2,976,655)	(3,314,743)	(3,494,269)	(3,842,921)	(4,222,350)	(4,514,132)
Net change in total OPEB liability	1,800,401	8,180,162	7,294,058	(8,452,359)	10,125,308	12,929,868	(321,590)	6,843,294
Total OPEB liability - beginning	52,829,343	54,629,744	62,809,906	70,103,964	61,651,605	71,776,913	84,706,781	84,385,191
Total OPEB liability - ending (a)	54,629,744	62,809,906	70,103,964	61,651,605	71,776,913	84,706,781	84,385,191	91,228,485
Plan Fiduciary Net Position:								
Contributions - employer ¹	3,162,561	3,053,677	2,976,655	4,008,155	3,794,269	4,442,921	4,222,350	5,114,132
Net investment income (loss)	404,495	479,554	291,720	1,783,096	(1,301,870)	704,182	1,161,289	1,178,723
Benefit payments ¹	(2,989,912)	(2,852,000)	(2,976,655)	(3,314,743)	(3,494,269)	(3,842,921)	(4,222,350)	(4,514,132)
Administrative expenses	(19,216)	(19,643)	(22,909)	(25,953)	(29,435)	(26,982)	(30,363)	(61,707)
Net change in plan fiduciary net position	557,928	661,588	268,811	2,450,555	(1,031,305)	1,277,200	1,130,926	1,717,016
Plan fiduciary net position beginning	6,144,599	6,702,527	7,364,115	7,632,926	10,083,481	9,052,176	10,329,376	11,460,302
Plan fiduciary net position - ending (b)	6,702,527	7,364,115	7,632,926	10,083,481	9,052,176	10,329,376	11,460,302	13,177,318
Net OPEB liability - ending (a)-(b)	\$ 47,927,217	\$ 55,445,791	\$ 62,471,038	\$ 51,568,124	\$ 62,724,737	\$ 74,377,405	\$ 72,924,889	\$ 78,051,167
Plan fiduciary net position as a percentage of the total OPEB liability	12.27%	11.72%	10.89%	16.36%	12.61%	12.19%	13.58%	14.44%
Covered-employee payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783	\$ 34,452,087	\$ 38,771,541	\$ 38,531,452	\$ 42,552,007
Net OPEB liability as a percentage of covered-employee payroll	194.66%	215.02%	210.67%	169.96%	182.06%	191.84%	189.26%	183.43%

¹ Amount includes any implicit subsidy associated with benefits paid.

Changes in Assumptions - None

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

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Pension Plans – Retiree Healthcare Plan (OPEB)

Schedule of Contributions

Last 10 Years*

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially required contribution (actuarially determined)	\$ 4,134,592	\$ 4,250,416	\$ 4,377,928	\$ 4,118,883	\$ 4,242,449	\$ 6,965,368	\$ 6,965,368	\$ 8,511,190
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>	<u>7,174,329</u>	<u>5,114,132</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>	<u>\$ (208,961)</u>	<u>\$ 3,397,058</u>
Covered payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783	\$ 34,452,087	\$ 38,771,541	\$ 38,531,452	\$ 42,552,007
Contributions as a percentage of covered payroll	13%	12%	10%	13%	11%	11%	19%	12%

* 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, 2025

Budgetary Comparison Schedules

General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 24,584,000	\$ 24,574,000	\$ 26,908,548	\$ 2,334,548
Intergovernmental	43,204,652	44,072,680	47,288,304	3,215,624
Use of money and property	1,246,768	1,261,768	3,539,136	2,277,368
Licenses and permits	854,123	860,994	925,572	64,578
Fines, forfeitures, and penalties	1,123,839	1,069,499	1,193,786	124,287
Other revenues	119,000	98,476	281,297	182,821
Charges for services	17,325,979	17,140,485	14,386,465	(2,754,020)
Total revenues	88,458,361	89,077,902	94,523,108	5,445,206
EXPENDITURES				
Current:				
General government	28,881,817	33,158,430	26,044,398	7,114,032
Public protection	39,958,388	41,125,066	35,596,315	5,528,751
Health and sanitation	15,065,701	15,622,064	13,369,431	2,252,633
Public assistance	15,337,516	15,359,910	13,128,895	2,231,015
Education	1,270,610	1,297,927	1,164,336	133,591
Recreation and culture	2,297,092	2,312,938	2,120,201	192,737
Capital outlay	3,119,087	5,989,113	4,532,549	1,456,564
Debt service:				
Principal	71,025	71,025	580,536	(509,511)
Interest	3,076	3,076	44,695	(41,619)
Total expenditures	106,004,312	114,939,549	96,581,356	18,358,193
Excess (deficiency) of revenues over (under) expenditures	(17,545,951)	(25,861,647)	(2,058,248)	23,803,399
OTHER FINANCING SOURCES (USES)				
Transfers in	15,581,812	16,885,344	1,747,403	(15,137,941)
Transfers out	(15,148,632)	(16,360,617)	(1,994,680)	14,365,937
Proceeds from leases	-	-	802,663	802,663
Total other financing sources (uses)	433,180	524,727	555,386	30,659
Net change in fund balance	\$ (17,112,771)	\$ (25,336,920)	(1,502,862)	\$ 23,834,058
Fund balances - beginning, as previously presented			98,687,234	
Restatements (see footnote 16)			(1,632,095)	
Fund balances - beginning, as restated			97,055,139	
Fund balance - ending			\$ 95,552,277	

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Budgetary Comparison Schedules

Road Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,996,125	\$ 13,608,905	\$ 15,554,280	\$ 1,945,375
Use of money and property	55,000	103,165	234,314	131,149
Licenses and permits	20,000	17,000	15,234	(1,766)
Other revenues	30,000	35,000	59,788	24,788
Charges for services	73,165	25,000	41,701	16,701
	<u>12,174,290</u>	<u>13,789,070</u>	<u>15,905,317</u>	<u>2,116,247</u>
EXPENDITURES				
Current:				
Public ways and facilities	8,045,956	7,541,241	6,703,464	837,777
Capital outlay	6,575,000	11,168,755	8,698,494	2,470,261
Debt service:				
Principal	-	-	5,237	(5,237)
Interest	-	-	1,073	(1,073)
	<u>14,620,956</u>	<u>18,709,996</u>	<u>15,408,268</u>	<u>3,301,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,446,666)</u>	<u>(4,920,926)</u>	<u>497,049</u>	<u>5,417,975</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	171,470	171,470	-	(171,470)
Transfers out	<u>(185,670)</u>	<u>(185,670)</u>	<u>(15,311)</u>	<u>170,359</u>
Total other financing sources (uses)	<u>(14,200)</u>	<u>(14,200)</u>	<u>(15,311)</u>	<u>(1,111)</u>
Net change in fund balance	<u>\$ (2,460,866)</u>	<u>\$ (4,935,126)</u>	481,738	<u>\$ 5,416,864</u>
Fund balance - beginning			<u>7,838,232</u>	
Fund balance - ending			<u>\$ 8,319,970</u>	

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Budgetary Comparison Schedules

Grant Programs Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,883,633	\$ 8,314,866	\$ 5,316,705	\$ (2,998,161)
Use of money and property	7,650	(5,118)	157,012	162,130
Other revenues	-	81	81	-
Charges for services	79,950	81,027	67,357	(13,670)
Total revenues	8,971,233	8,390,856	5,541,155	(2,849,701)
EXPENDITURES				
Current:				
General government	1,200,414	1,043,417	450,000	593,417
Public protection	2,088,921	1,923,241	993,556	929,685
Health and sanitation	1,854,973	1,762,051	1,444,870	317,181
Public assistance	3,331,287	3,588,362	2,889,217	699,145
Recreation and culture	120,000	120,000	48,808	71,192
Capital outlay	1,617,288	1,728,559	171,530	1,557,029
Debt service:				
Principal	-	-	40,835	(40,835)
Interest	-	-	3,165	(3,165)
Total expenditures	10,212,883	10,165,630	6,041,981	4,123,649
Excess (deficiency) of revenues over (under) expenditures	(1,241,650)	(1,774,774)	(500,826)	1,273,948
OTHER FINANCING SOURCES (USES)				
Transfers in	948,611	982,610	843,920	(138,690)
Transfers out	(2,014,450)	(2,059,450)	(1,627,695)	431,755
Total other financing sources (uses)	(1,065,839)	(1,076,840)	(783,775)	293,065
Net change in fund balance	\$ (2,307,489)	\$ (2,851,614)	(1,284,601)	\$ 1,567,013
Fund balance - beginning			3,582,538	
Fund balance - ending			\$ 2,297,937	

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, 2025, expenditures exceeded appropriations by the following:

Funds	Amount
General fund:	
Debt service:	
Principal	\$ 509,511
Interest	41,619
Road fund:	
Debt service:	
Principal	5,237
Interest	1,073
Grant programs fund:	
Debt service:	
Principal	40,835
Interest	3,165

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, 2025

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	
ASSETS							
Cash and investments	\$ 3,641,862	\$ 90,516	\$ 83,229	\$ 108,029	\$ 697,709	\$ 1,289,672	\$ 5,911,017
Imprest cash	-	-	-	40	-	-	40
Accounts receivable	-	94	-	19,193	-	-	19,287
Due from other governments	-	-	170,588	-	136,915	-	307,503
Interest receivable	10,062	232	(315)	547	2,140	3,909	16,575
Prepaid expenses	-	-	-	109	-	-	109
Total assets	\$ 3,651,924	\$ 90,842	\$ 253,502	\$ 127,918	\$ 836,764	\$ 1,293,581	\$ 6,254,531
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 1,593	\$ 28,074	\$ -	\$ 1,084	\$ 30,751
Accrued salaries and benefits	-	-	14,524	16,539	-	146	31,209
Unearned revenue	-	9,882	-	-	570,928	-	580,810
Due to other funds	-	-	238,200	-	-	-	238,200
Total liabilities	-	9,882	254,317	44,613	570,928	1,230	880,970
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	170,490	-	99,758	-	270,248
Total deferred inflows of resources	-	-	170,490	-	99,758	-	270,248
FUND BALANCES (DEFICIT)							
Nonspendable	-	-	-	109	-	-	109
Restricted	-	80,960	-	83,196	166,078	1,292,351	1,622,585
Assigned	3,651,924	-	-	-	-	-	3,651,924
Unassigned	-	-	(171,305)	-	-	-	(171,305)
Total fund balances (deficit)	3,651,924	80,960	(171,305)	83,305	166,078	1,292,351	5,103,313
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,651,924	\$ 90,842	\$ 253,502	\$ 127,918	\$ 836,764	\$ 1,293,581	\$ 6,254,531

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,636	\$ 104,636
Intergovernmental	-	-	696,985	1,215,576	67,723	370	1,980,654
Use of money and property	113,020	2,831	(1,494)	4,820	15,342	42,805	177,324
Other revenues	-	-	35,095	-	-	-	35,095
Charges for services	-	23,504	148,373	2,229	-	-	174,106
Total revenues	113,020	26,335	878,959	1,222,625	83,065	147,811	2,471,815
EXPENDITURES							
Current:							
General government	2,110	-	-	-	-	-	2,110
Public protection	-	60,690	-	1,225,201	-	-	1,285,891
Public ways and facilities	-	-	-	-	-	66,738	66,738
Health and sanitation	-	-	955,412	-	-	-	955,412
Debt service:							
Principal	-	22,067	-	-	-	-	22,067
Interest	-	1,458	-	-	-	-	1,458
Total expenditures	2,110	84,215	955,412	1,225,201	-	66,738	2,333,676
Excess (deficiency) of revenues over (under) expenditures	110,910	(57,880)	(76,453)	(2,576)	83,065	81,073	138,139
OTHER FINANCING SOURCES (USES)							
Transfers in	400,000	57,256	7,487	-	-	-	464,743
Transfers out	(55,000)	-	-	-	(41,423)	-	(96,423)
Total other financing sources (uses)	345,000	57,256	7,487	-	(41,423)	-	368,320
Net changes in fund balances	455,910	(624)	(68,966)	(2,576)	41,642	81,073	506,459
Fund balances - beginning	3,196,014	81,584	(102,339)	85,881	124,436	1,211,278	4,596,854
Fund balances - ending	\$ 3,651,924	\$ 80,960	\$ (171,305)	\$ 83,305	\$ 166,078	\$ 1,292,351	\$ 5,103,313

COUNTY OF INYO | JUNE 30, 2025

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	
ASSETS				
Cash and investments	\$ 463,129	\$ 549,913	\$ 276,630	\$ 1,289,672
Interest receivable	1,403	1,664	842	3,909
Total assets	<u>\$ 464,532</u>	<u>\$ 551,577</u>	<u>\$ 277,472</u>	<u>\$ 1,293,581</u>
LIABILITIES				
Accounts payable	\$ 381	\$ 322	\$ 381	\$ 1,084
Accrued salaries and benefits	40	66	40	146
Total liabilities	<u>421</u>	<u>388</u>	<u>421</u>	<u>1,230</u>
FUND BALANCES				
Restricted	<u>464,111</u>	<u>551,189</u>	<u>277,051</u>	<u>1,292,351</u>
Total fund balances	<u>464,111</u>	<u>551,189</u>	<u>277,051</u>	<u>1,292,351</u>
Total liabilities and fund balances	<u>\$ 464,532</u>	<u>\$ 551,577</u>	<u>\$ 277,472</u>	<u>\$ 1,293,581</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

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	
REVENUES				
Taxes	\$ 37,174	\$ 37,018	\$ 30,444	\$ 104,636
Intergovernmental	132	131	107	370
Use of money and property	15,367	18,133	9,305	42,805
Total revenues	<u>52,673</u>	<u>55,282</u>	<u>39,856</u>	<u>147,811</u>
EXPENDITURES				
Current:				
Public ways and facilities	<u>23,411</u>	<u>15,993</u>	<u>27,334</u>	<u>66,738</u>
Total expenditures	<u>23,411</u>	<u>15,993</u>	<u>27,334</u>	<u>66,738</u>
Net changes in fund balances	29,262	39,289	12,522	81,073
Fund balances - beginning	<u>434,849</u>	<u>511,900</u>	<u>264,529</u>	<u>1,211,278</u>
Fund balances - ending	<u>\$ 464,111</u>	<u>\$ 551,189</u>	<u>\$ 277,051</u>	<u>\$ 1,292,351</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, 2025

Nonmajor Enterprise Funds

Combining Statement of Fund Net Position

	CSA #2	Mosquito Abatement	Water System	Total
ASSETS				
Current assets:				
Cash and investments	\$ 472,534	\$ 416,901	\$ 2,165,951	\$ 3,055,386
Accounts receivable	-	7,618	258,197	265,815
Interest receivable	1,425	1,277	6,058	8,760
Prepaid expenses	-	5,726	-	5,726
Total current assets	<u>473,959</u>	<u>431,522</u>	<u>2,430,206</u>	<u>3,335,687</u>
Noncurrent assets:				
Capital assets:				
Depreciable, net	<u>207,818</u>	<u>38,132</u>	<u>1,446,662</u>	<u>1,692,612</u>
Total noncurrent assets	<u>207,818</u>	<u>38,132</u>	<u>1,446,662</u>	<u>1,692,612</u>
Total assets	<u>681,777</u>	<u>469,654</u>	<u>3,876,868</u>	<u>5,028,299</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	1,645	118,107	69,427	189,179
Deferred outflows from OPEB	-	125,475	23,525	149,000
Total deferred outflows of resources	<u>1,645</u>	<u>243,582</u>	<u>92,952</u>	<u>338,179</u>
LIABILITIES				
Current liabilities:				
Accounts payable	-	542	176	718
Accrued salaries and benefits	4	10,643	6,206	16,853
Unearned revenue	-	-	284,638	284,638
Due to other governments	-	-	78,370	78,370
Compensated absences	-	12,073	17,896	29,969
Total current liabilities	<u>4</u>	<u>23,258</u>	<u>387,286</u>	<u>410,548</u>
Noncurrent liabilities:				
Compensated absences	-	28,615	29,678	58,293
Net OPEB liability	-	632,533	118,594	751,127
Net pension liability	<u>6,738</u>	<u>485,140</u>	<u>282,998</u>	<u>774,876</u>
Total noncurrent liabilities	<u>6,738</u>	<u>1,146,288</u>	<u>431,270</u>	<u>1,584,296</u>
Total liabilities	<u>6,742</u>	<u>1,169,546</u>	<u>818,556</u>	<u>1,994,844</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	14	1,118	532	1,664
Deferred inflows from OPEB	-	84,040	15,757	99,797
Total deferred inflows of resources	<u>14</u>	<u>85,158</u>	<u>16,289</u>	<u>101,461</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	207,818	38,132	1,446,662	1,692,612
Unrestricted	<u>468,848</u>	<u>(579,600)</u>	<u>1,688,313</u>	<u>1,577,561</u>
Total net position (deficit)	<u>\$ 676,666</u>	<u>\$ (541,468)</u>	<u>\$ 3,134,975</u>	<u>\$ 3,270,173</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Nonmajor Enterprise Funds

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

	CSA #2	Mosquito Abatement	Water System	Total
Operating revenues:				
Charges for services	\$ -	\$ 70,000	\$ 831,978	\$ 901,978
Assessments	<u>55,792</u>	<u>441,314</u>	<u>-</u>	<u>497,106</u>
Total operating revenues	<u>55,792</u>	<u>511,314</u>	<u>831,978</u>	<u>1,399,084</u>
Operating expenses:				
Salaries and benefits	2,401	500,480	326,338	829,219
Services and supplies	18,124	192,566	222,158	432,848
Depreciation	<u>13,818</u>	<u>7,909</u>	<u>67,239</u>	<u>88,966</u>
Total operating expenses	<u>34,343</u>	<u>700,955</u>	<u>615,735</u>	<u>1,351,033</u>
Operating income (loss)	<u>21,449</u>	<u>(189,641)</u>	<u>216,243</u>	<u>48,051</u>
Nonoperating revenues (expenses):				
Tax revenue	-	-	314	314
Intergovernmental revenues	-	38,659	-	38,659
Investment earnings	15,219	13,731	64,358	93,308
Other nonoperating revenue	<u>-</u>	<u>-</u>	<u>14,746</u>	<u>14,746</u>
Total nonoperating revenues (expenses)	<u>15,219</u>	<u>52,390</u>	<u>79,418</u>	<u>147,027</u>
Change in net position	<u>36,668</u>	<u>(137,251)</u>	<u>295,661</u>	<u>195,078</u>
Net position - beginning, as previously presented	639,998	(377,412)	2,866,135	3,128,721
Restatements (see footnote 16)	<u>-</u>	<u>(26,805)</u>	<u>(26,821)</u>	<u>(53,626)</u>
Net position - beginning, as restated	639,998	(404,217)	2,839,314	3,075,095
Net position - ending	<u>\$ 676,666</u>	<u>\$ (541,468)</u>	<u>\$ 3,134,975</u>	<u>\$ 3,270,173</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Nonmajor Enterprise Funds

Combining Statement of Cash Flows

	CSA #2	Mosquito Abatement	Water System	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 55,792	\$ 528,886	\$ 834,123	\$ 1,418,801
Cash paid to suppliers for goods and services	(27,351)	(192,505)	(282,868)	(502,724)
Cash paid to employees for salaries and benefits	(2,242)	(395,290)	(313,137)	(710,669)
Net cash provided by (used for) operating activities	<u>26,199</u>	<u>(58,909)</u>	<u>238,118</u>	<u>205,408</u>
Cash flows from noncapital financing activities:				
Loans from other funds	-	(1,000)	(3,426)	(4,426)
Grants	-	38,659	235	38,894
Other nonoperating cash receipts	-	-	22,691	22,691
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>37,659</u>	<u>19,500</u>	<u>57,159</u>
Cash flows from capital and related financing activities:				
Acquisition or construction of capital assets	-	(10,385)	(24,725)	(35,110)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(10,385)</u>	<u>(24,725)</u>	<u>(35,110)</u>
Cash flows from investing activities:				
Interest earnings	16,459	14,813	68,241	99,513
Net cash provided by (used for) investing activities	<u>16,459</u>	<u>14,813</u>	<u>68,241</u>	<u>99,513</u>
Net increase (decrease) in cash and investments	42,658	(16,822)	301,134	326,970
Cash and investments - beginning	429,876	433,723	1,864,817	2,728,416
Cash and investments - ending	<u>\$ 472,534</u>	<u>\$ 416,901</u>	<u>\$ 2,165,951</u>	<u>\$ 3,055,386</u>

	CSA #2	Mosquito Abatement	Water System	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 21,449	\$ (189,641)	\$ 216,243	\$ 48,051
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	13,818	7,909	67,239	88,966
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
Accounts receivable	-	17,572	2,145	19,717
Prepays	-	(266)	-	(266)
Deferred outflows of resources	413	(27,187)	14,295	(12,479)
Accounts payable	(9,227)	327	(60,710)	(69,610)
Accrued salaries	(21)	2,202	256	2,437
Liability for compensated absences	-	3,883	41,348	45,231
Net Pension liability	(165)	82,934	(34,540)	48,229
Net OPEB liability	-	-	11,949	11,949
Deferred inflows of resources	(68)	43,358	(20,107)	23,183
Net cash provided by (used for) operating activities	<u>\$ 26,199</u>	<u>\$ (58,909)</u>	<u>\$ 238,118</u>	<u>\$ 205,408</u>

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, 2025
Internal Service Funds
Combining Statement of Net Position

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
ASSETS						
Current assets:						
Cash and investments	\$ 133,090	\$ 1,458,357	\$ 1,120,763	\$ 2,879,467	\$ 243,674	\$ 5,835,351
Accounts receivable	-	223,921	-	-	-	223,921
Interest receivable	-	3,940	2,054	7,562	699	14,255
Prepaid expenses	-	-	5,031	5,031	5,031	15,093
Total current assets	<u>133,090</u>	<u>1,686,218</u>	<u>1,127,848</u>	<u>2,892,060</u>	<u>249,404</u>	<u>6,088,620</u>
Noncurrent assets:						
Capital assets:						
Nondepreciable	-	6,979	-	-	-	6,979
Depreciable, net	-	4,062,052	-	-	-	4,062,052
Total noncurrent assets	-	<u>4,069,031</u>	-	-	-	<u>4,069,031</u>
Total assets	<u>133,090</u>	<u>5,755,249</u>	<u>1,127,848</u>	<u>2,892,060</u>	<u>249,404</u>	<u>10,157,651</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	-	75,910	-	-	-	75,910
Deferred outflows from OPEB	-	125,475	-	-	-	125,475
Total deferred outflows of resources	-	<u>201,385</u>	-	-	-	<u>201,385</u>
LIABILITIES						
Current liabilities:						
Accounts payable	-	73,829	5	4,883	-	78,717
Accrued salaries and benefits	-	7,200	-	-	-	7,200
Compensated absences	-	34,371	-	-	-	34,371
Claims Liability	-	-	-	257,453	-	257,453
Lease payable	-	813,338	-	-	-	813,338
Total current liabilities	-	<u>928,738</u>	<u>5</u>	<u>262,336</u>	-	<u>1,191,079</u>
Noncurrent liabilities:						
Compensated absences	-	45,142	-	-	-	45,142
Claims Liability	-	-	-	315,080	-	315,080
Lease payable	-	2,016,129	-	-	-	2,016,129
Advance from other funds	125,000	-	-	-	-	125,000
Net OPEB Liability	-	632,533	-	-	-	632,533
Net pension liability	-	309,950	-	-	-	309,950
Total noncurrent liabilities	<u>125,000</u>	<u>3,003,754</u>	-	<u>315,080</u>	-	<u>3,443,834</u>
Total liabilities	<u>125,000</u>	<u>3,932,492</u>	<u>5</u>	<u>577,416</u>	-	<u>4,634,913</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	-	627	-	-	-	627
Deferred inflows from OPEB	-	84,040	-	-	-	84,040
Total deferred inflows of resources	-	<u>84,667</u>	-	-	-	<u>84,667</u>
NET POSITION						
Net investment in capital assets	-	1,239,564	-	-	-	1,239,564
Unrestricted	<u>8,090</u>	<u>699,911</u>	<u>1,127,843</u>	<u>2,314,644</u>	<u>249,404</u>	<u>4,399,892</u>
Total net position	<u>\$ 8,090</u>	<u>\$ 1,939,475</u>	<u>\$ 1,127,843</u>	<u>\$ 2,314,644</u>	<u>\$ 249,404</u>	<u>\$ 5,639,456</u>

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Operating revenues:						
Charges for services	\$ 15,127	\$ 2,680,093	\$ 2,467,620	\$ 2,273,022	\$ 214,913	\$ 7,650,775
Other operating revenue	-	15,435	342	36,759	-	52,536
Total operating revenues	15,127	2,695,528	2,467,962	2,309,781	214,913	7,703,311
Operating expenses:						
Salaries and benefits	-	374,520	-	-	-	374,520
Services and supplies	16,762	1,170,113	2,121,449	1,852,247	158,406	5,318,977
Depreciation	-	966,095	-	-	-	966,095
Total operating expenses	16,762	2,510,728	2,121,449	1,852,247	158,406	6,659,592
Operating income (loss)	(1,635)	184,800	346,513	457,534	56,507	1,043,719
Nonoperating revenues (expenses):						
Investment earnings	2,314	69,787	8,433	65,383	6,281	152,198
Interest expense	-	(127,430)	-	-	-	(127,430)
Gain (loss) on sale of assets	-	185,289	-	-	-	185,289
Other nonoperating revenue	-	76,504	-	-	-	76,504
Total nonoperating revenues (expenses)	2,314	204,150	8,433	65,383	6,281	286,561
Change in net position	679	388,950	354,946	522,917	62,788	1,330,280
Net position - beginning, as previously presented	7,411	1,598,475	772,897	1,791,727	186,616	4,357,126
Restatements (see footnote 16)	-	(47,950)	-	-	-	(47,950)
Net position - beginning, as restated	7,411	1,550,525	772,897	1,791,727	186,616	4,309,176
Net position - ending	\$ 8,090	\$ 1,939,475	\$ 1,127,843	\$ 2,314,644	\$ 249,404	\$ 5,639,456

COUNTY OF INYO | FOR THE YEAR ENDED JUNE 30, 2025

Internal Service Funds

Combining Statement of Cash Flows

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Cash flows from operating activities:						
Cash receipts from customers	\$ 15,127	\$ 2,602,138	\$ 2,467,620	\$ 2,273,022	\$ 214,913	\$ 7,572,820
Cash paid to suppliers for goods and services	(11,799)	(1,156,837)	(2,126,475)	(1,678,597)	(163,437)	(5,137,145)
Cash paid to employees for salaries and benefits	-	(303,099)	-	-	-	(303,099)
Other operating receipts	-	15,435	342	36,759	-	52,536
Net cash provided by (used for) operating activities	3,328	1,157,637	341,487	631,184	51,476	2,185,112
Cash flows from noncapital financing activities:						
Other nonoperating cash receipts	-	76,504	-	-	-	76,504
Lease related	-	313,987	-	-	-	313,987
Net cash provided by (used for) noncapital financing activities	-	390,491	-	-	-	390,491
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	216,024	-	-	-	216,024
Acquisition or construction of capital assets	-	(2,447,195)	-	-	-	(2,447,195)
Net cash provided by (used for) capital and related financing activities	-	(2,231,171)	-	-	-	(2,231,171)
Cash flows from investing activities:						
Interest earnings	2,314	78,090	9,286	69,809	6,650	166,149
Net cash provided by (used for) investing activities	2,314	78,090	9,286	69,809	6,650	166,149
Net increase (decrease) in cash and investments	5,642	(604,953)	350,773	700,993	58,126	510,581
Cash and investments - beginning	127,448	2,063,310	769,990	2,178,474	185,548	5,324,770
Cash and investments - ending	\$ 133,090	\$ 1,458,357	\$ 1,120,763	\$ 2,879,467	\$ 243,674	\$ 5,835,351

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:						
Operating income (loss)	\$ (1,635)	\$ 184,800	\$ 346,513	\$ 457,534	\$ 56,507	\$ 1,043,719
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	-	966,095	-	-	-	966,095
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
Accounts receivable	-	(77,955)	-	-	-	(77,955)
Inventory	4,963	-	-	-	-	4,963
Prepays	-	-	(5,031)	(5,031)	(5,031)	(15,093)
Deferred outflows of resources	-	(24,507)	-	-	-	(24,507)
Accounts payable	-	13,276	5	3,690	-	16,971
Accrued salaries	-	1,538	-	-	-	1,538
Liability for compensated absences	-	23,484	-	-	-	23,484
Self-insurance liability	-	-	-	174,991	-	174,991
Net Pension liability	-	(21,394)	-	-	-	(21,394)
Net OPEB liability	-	46,489	-	-	-	46,489
Deferred inflows of resources	-	45,811	-	-	-	45,811
Net cash provided by (used for) operating activities	\$ 3,328	\$ 1,157,637	\$ 341,487	\$ 631,184	\$ 51,476	\$ 2,185,112