



**COUNTY OF INYO
INDEPENDENCE, CALIFORNIA**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2022**

**COUNTY OF INYO
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the County of Inyo, California (the County), as of and for the year ended June 30, 2022, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, 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, 2022. 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.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, in 2022 the County adopted new accounting guidance, GASB No. 87, Leases. Our opinions are not modified with respect to this matter.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

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 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, 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 November 8, 2023, on our consideration of the County’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
November 8, 2023

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	First 5 Inyo
ASSETS				
Cash and investments	\$ 89,692,463	\$ 5,584,159	\$ 95,276,622	\$ 653,547
Cash with fiscal agent	129,586	-	129,586	-
Imprest cash	2,253	1,390	3,643	-
Deposits with others	41,700	-	41,700	-
Restricted cash	-	2,561,745	2,561,745	-
Accounts receivable	2,399,559	784,942	3,184,501	19,469
Due from other governments	10,613,336	163,260	10,776,596	-
Taxes receivable	2,492,331	-	2,492,331	-
Interest receivable	12,767	1,876	14,643	90
Loans receivable	380,000	-	380,000	-
Internal balances	530,417	(530,417)	-	-
Prepaid expenses	181,433	6,586	188,019	1,800
Inventory	516,613	104,167	620,780	-
Lease receivable	-	202,928	202,928	-
Capital assets:				
Nondepreciable	13,424,327	1,851,399	15,275,726	-
Depreciable, net	45,566,213	22,856,246	68,422,459	-
Total assets	<u>165,982,998</u>	<u>33,588,281</u>	<u>199,571,279</u>	<u>674,906</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	12,527,471	436,262	12,963,733	-
Deferred outflows from OPEB	10,081,116	654,897	10,736,013	-
Total deferred outflows of resources	<u>22,608,587</u>	<u>1,091,159</u>	<u>23,699,746</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,999,731	116,535	2,116,266	15,068
Accrued salaries and benefits	3,183,970	113,331	3,297,301	-
Unearned revenue	593,966	7,159	601,125	-
Due to other governments	521,421	858,626	1,380,047	-
Interest payable	8,054	1,279	9,333	-
Noncurrent liabilities:				
Portion due or payable within on year:				
Compensated absences	2,023,094	119,764	2,142,858	4,618
Claims liability	98,574	-	98,574	-
Loan payable	316,622	116,681	433,303	-
Lease payable	587,775	-	587,775	-
Portion due or payable after one year:				
Compensated absences	-	-	-	4,618
Claims liability	131,438	-	131,438	-
Loan payable	2,987,570	142,968	3,130,538	-
Lease payable	1,140,110	-	1,140,110	-
Closure/post-closure liability	-	19,104,995	19,104,995	-
Net pension liability	45,172,134	1,874,267	47,046,401	-
Net OPEB liability	58,898,528	3,826,209	62,724,737	-
Total liabilities	<u>117,662,987</u>	<u>26,281,814</u>	<u>143,944,801</u>	<u>24,304</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	21,854,089	796,805	22,650,894	-
Deferred inflows from OPEB	7,249,866	470,970	7,720,836	-
Deferred inflows from leases	-	180,919	180,919	-
Total deferred inflows from pensions	<u>29,103,955</u>	<u>1,448,694</u>	<u>30,552,649</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	56,797,463	24,447,996	81,245,459	-
Restricted for:				
General government	3,312,365	-	3,312,365	-
Public protection	17,667,218	-	17,667,218	-
Public ways and facilities	12,230,510	-	12,230,510	-
Health and sanitation	22,373,401	-	22,373,401	-
Public assistance	4,601,277	-	4,601,277	-
Recreation and culture	154,234	-	154,234	-
Other purposes	-	-	-	677,199
Unrestricted	(75,311,825)	(17,499,064)	(92,810,889)	(26,597)
Total net position	<u>\$ 41,824,643</u>	<u>\$ 6,948,932</u>	<u>\$ 48,773,575</u>	<u>\$ 650,602</u>

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

**COUNTY OF INYO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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	\$ 18,623,461	\$ 9,840,893	\$ 8,330,975	\$ -	\$ 18,171,868	\$ (451,593)	\$ -	\$ (451,593)	\$ -
Public protection	27,786,686	2,210,362	10,907,836	-	13,118,198	(14,668,488)	-	(14,668,488)	-
Public ways and facilities	7,683,554	149,975	8,361,819	1,466,524	9,978,318	2,294,764	-	2,294,764	-
Health and sanitation	11,985,834	2,086,385	11,898,238	-	13,984,623	1,998,789	-	1,998,789	-
Public assistance	10,400,119	185,734	10,833,981	-	11,019,715	619,596	-	619,596	-
Education	387,090	4,320	104,402	-	108,722	(278,368)	-	(278,368)	-
Recreation and culture	1,427,094	436,680	205,417	-	642,097	(784,997)	-	(784,997)	-
Interest on long-term debt	202,825	-	-	-	-	(202,825)	-	(202,825)	-
Total governmental activities	78,496,663	14,914,349	50,642,668	1,466,524	67,023,541	(11,473,122)	-	(11,473,122)	-
Business-type activities:									
Airport	4,263,070	1,973,732	215,470	426,615	2,615,817	-	(1,647,253)	(1,647,253)	-
Solid waste	4,686,157	2,133,357	141,235	-	2,274,592	-	(2,411,565)	(2,411,565)	-
Water system	445,444	823,336	-	-	823,336	-	377,892	377,892	-
CSA #2	51,591	-	-	-	-	-	(51,591)	(51,591)	-
Mosquito abatement	405,702	65,000	33,444	-	98,444	-	(307,258)	(307,258)	-
Total business-type activities	9,851,964	4,995,425	390,149	426,615	5,812,189	-	(4,039,775)	(4,039,775)	-
Total primary government	\$ 88,348,627	\$ 19,909,774	\$ 51,032,817	\$ 1,893,139	\$ 72,835,730	(11,473,122)	(4,039,775)	(15,512,897)	-
Component Unit:									
First 5 Inyo	\$ 497,066	\$ -	\$ 405,807	\$ -	\$ 405,807				(91,259)
General revenues:									
Taxes:									
Property taxes						18,589,009	476,097	19,065,106	-
Sales and use taxes						2,189,484	1,964,119	4,153,603	-
Other taxes						4,784,851	-	4,784,851	-
Miscellaneous						268,582	2,989	271,571	-
Unrestricted interest and investment earnings						(3,098,529)	(317,907)	(3,416,436)	2,207
Gain on sale of capital assets						-	40,125	40,125	-
American Recovery Plan Act						3,503,864	-	3,503,864	-
Transfers						(1,665,108)	1,665,108	-	-
Total general revenues and transfers						24,572,153	3,830,531	28,402,684	2,207
Change in net position						13,099,031	(209,244)	12,889,787	(89,052)
Net position - beginning (restated)						28,725,612	7,158,176	35,883,788	739,654
Net position - ending						\$ 41,824,643	\$ 6,948,932	\$ 48,773,575	\$ 650,602

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

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

**COUNTY OF INYO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 70,855,498	\$ 7,009,363	\$ 4,493,462	\$ 3,644,436	\$ 86,002,759
Restricted assets:					
Cash with fiscal agent	129,586	-	-	-	129,586
Imprest cash	1,788	100	325	40	2,253
Deposits with others	41,700	-	-	-	41,700
Accounts receivable	1,721,355	595,696	44,239	38,028	2,399,318
Due from other governments	4,901,452	2,133,318	3,354,419	224,147	10,613,336
Taxes receivable	2,492,331	-	-	-	2,492,331
Interest receivable	10,718	930	280	438	12,366
Loans receivable	-	-	380,000	-	380,000
Due from other funds	2,216,809	-	-	-	2,216,809
Advances to other funds	125,000	-	-	-	125,000
Prepaid expenses	176,713	-	2,700	1,422	180,835
Inventory	20,372	490,140	-	-	510,512
	<u>\$ 82,693,322</u>	<u>\$ 10,229,547</u>	<u>\$ 8,275,425</u>	<u>\$ 3,908,511</u>	<u>\$ 105,106,805</u>
LIABILITIES					
Accounts payable	\$ 1,313,989	\$ 288,416	\$ 226,500	\$ 51,215	\$ 1,880,120
Accrued salaries and benefits	2,841,094	145,582	120,374	66,226	3,173,276
Unearned revenue	591,487	2,479	-	-	593,966
Due to other governments	521,421	-	-	-	521,421
Due to other funds	-	-	1,675,849	-	1,675,849
	<u>5,267,991</u>	<u>436,477</u>	<u>2,022,723</u>	<u>117,441</u>	<u>7,844,632</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>2,946,475</u>	<u>1,021,032</u>	<u>1,191,426</u>	<u>243,478</u>	<u>5,402,411</u>
	<u>2,946,475</u>	<u>1,021,032</u>	<u>1,191,426</u>	<u>243,478</u>	<u>5,402,411</u>
FUND BALANCES (DEFICITS)					
Nonspendable	363,785	490,140	2,700	1,422	858,047
Restricted	40,505,660	8,281,898	5,058,576	1,254,867	55,101,001
Assigned	11,712,948	-	-	2,331,251	14,044,199
Unassigned	<u>21,896,463</u>	<u>-</u>	<u>-</u>	<u>(39,948)</u>	<u>21,856,515</u>
	<u>74,478,856</u>	<u>8,772,038</u>	<u>5,061,276</u>	<u>3,547,592</u>	<u>91,859,762</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 82,693,322</u>	<u>\$ 10,229,547</u>	<u>\$ 8,275,425</u>	<u>\$ 3,908,511</u>	<u>\$ 105,106,805</u>

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

COUNTY OF INYO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2022

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

Total fund balances - government funds	\$ 91,859,762
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	57,271,932
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	(6,486,971)
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	5,402,411
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(8,054)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Loans payable	(3,304,192)
Net OPEB Liability	(58,446,910)
Compensated absences	(2,017,214)
Net pension liability	(45,015,032)
Lease payable	(664,236)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain activities of the internal service funds is reported with governmental activities.	<u>3,233,147</u>
Total net position - governmental activities	<u>\$ 41,824,643</u>

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

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General	Road	Grant Programs	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 22,998,345	\$ -	\$ 54,838	\$ 87,404	\$ 23,140,587
Intergovernmental	37,811,579	10,144,497	7,230,062	1,643,319	56,829,457
Use of money and property	(2,494,399)	(275,715)	(183,481)	(144,934)	(3,098,529)
Licenses and permits	1,022,285	18,482	-	-	1,040,767
Fines, forfeitures, and penalties	1,473,587	-	-	-	1,473,587
Other revenues	193,519	61,848	-	13,215	268,582
Charges for services	12,071,504	131,493	95,957	135,205	12,434,159
	<u>73,076,420</u>	<u>10,080,605</u>	<u>7,197,376</u>	<u>1,734,209</u>	<u>92,088,610</u>
Total revenues					
EXPENDITURES					
Current:					
General government	18,230,273	-	54,601	91,746	18,376,620
Public protection	25,821,293	-	821,827	1,125,544	27,768,664
Public ways and facilities	-	6,059,983	-	55,292	6,115,275
Health and sanitation	9,791,972	-	1,731,937	740,372	12,264,281
Public assistance	9,557,892	-	1,618,218	-	11,176,110
Education	875,817	-	-	-	875,817
Recreation and culture	1,401,087	-	-	-	1,401,087
Capital outlay	8,563,187	2,767,829	143,786	261,256	11,736,058
Debt service:					
Principal	542,020	4,242	-	10,520	556,782
Interest	200,258	1,533	-	1,034	202,825
	<u>74,983,799</u>	<u>8,833,587</u>	<u>4,370,369</u>	<u>2,285,764</u>	<u>90,473,519</u>
Total expenditures					
Excess (deficiency) of revenues over (under) expenditures	<u>(1,907,379)</u>	<u>1,247,018</u>	<u>2,827,007</u>	<u>(551,555)</u>	<u>1,615,091</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	22,659	-	441,905	1,496,630	1,961,194
Transfers out	(2,450,995)	-	(22,659)	(1,152,648)	(3,626,302)
Proceeds from leases	20,207	-	-	-	20,207
	<u>(2,408,129)</u>	<u>-</u>	<u>419,246</u>	<u>343,982</u>	<u>(1,644,901)</u>
Total other financing sources (uses)					
Net change in fund balances	(4,315,508)	1,247,018	3,246,253	(207,573)	(29,810)
Fund balances - beginning (restated)	<u>78,794,364</u>	<u>7,525,020</u>	<u>1,815,023</u>	<u>3,755,165</u>	<u>91,889,572</u>
Fund balances - ending	<u>\$ 74,478,856</u>	<u>\$ 8,772,038</u>	<u>\$ 5,061,276</u>	<u>\$ 3,547,592</u>	<u>\$ 91,859,762</u>

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

**COUNTY OF INYO
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

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 \$ (29,810)

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.	11,476,827	
Less: current year depreciation	<u>(2,411,989)</u>	
		9,064,838

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. 5,953,435

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. (3,196,065)

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. 1,172,192

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		392,299
Lease related		5,572

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 (29,440)

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. (233,990)

Change in net position of governmental activities \$ 13,099,031

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

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PROPRIETARY FUND FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 294,277	\$ 3,831,516	\$ 1,458,366	\$ 5,584,159	\$ 3,689,704
Imprest cash	265	1,125	-	1,390	-
Accounts receivable	221,443	385,024	178,475	784,942	241
Due from other governments	-	163,260	-	163,260	-
Interest receivable	966	740	170	1,876	401
Prepaid expenses	972	-	5,614	6,586	598
Inventory	104,167	-	-	104,167	6,101
Total current assets	622,090	4,381,665	1,642,625	6,646,380	3,697,045
Noncurrent assets:					
Restricted cash	-	2,561,745	-	2,561,745	-
Lease receivable	202,928	-	-	202,928	-
Capital assets:					
Nondepreciable	1,851,399	-	-	1,851,399	6,979
Depreciable, net	19,201,463	1,805,413	1,849,370	22,856,246	1,711,629
Total noncurrent assets	21,255,790	4,367,158	1,849,370	27,472,318	1,718,608
Total assets	21,877,880	8,748,823	3,491,995	34,118,698	5,415,653
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows from pensions	78,669	264,503	93,090	436,262	36,683
Deferred outflows from OPEB	83,741	382,202	188,954	654,897	77,299
Total deferred outflows of resources	162,410	646,705	282,044	1,091,159	113,982
LIABILITIES					
Current liabilities:					
Accounts payable	6,775	102,548	7,212	116,535	119,611
Accrued salaries and benefits	28,407	57,784	27,140	113,331	10,694
Unearned revenue	1,050	-	6,109	7,159	-
Due to other governments	2,200	800,000	56,426	858,626	-
Due to other funds	537,584	-	3,376	540,960	-
Interest payable	-	1,279	-	1,279	-
Compensated absences	27,925	78,798	13,041	119,764	5,880
Liability for self-insurance	-	-	-	-	98,574
Loans payable	-	100,425	16,256	116,681	-
Total current liabilities	603,941	1,140,834	129,560	1,874,335	234,759
Noncurrent liabilities:					
Liability for self-insurance	-	-	-	-	131,438
Loans payable	-	130,410	12,558	142,968	-
Lease payable	-	-	-	-	1,063,649
Advance from other funds	-	-	-	-	125,000
Closure/post closure costs	-	19,104,995	-	19,104,995	-
Net OPEB liability	489,253	2,233,001	1,103,955	3,826,209	451,618
Net pension liability	339,780	1,136,251	398,236	1,874,267	157,102
Total noncurrent liabilities	829,033	22,604,657	1,514,749	24,948,439	1,928,807
Total liabilities	1,432,974	23,745,491	1,644,309	26,822,774	2,163,566
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from pensions	144,450	483,054	169,301	796,805	66,789
Deferred inflows from OPEB	60,222	274,862	135,886	470,970	55,590
Deferred inflows from leases	180,919	-	-	180,919	-
Total deferred inflows of resources	385,591	757,916	305,187	1,448,694	122,379
NET POSITION (DEFICIT)					
Net investment in capital assets	21,052,862	1,574,578	1,820,556	24,447,996	(9,277)
Unrestricted	(831,137)	(16,682,457)	3,987	(17,509,607)	3,252,967
Total net position (deficit)	\$ 20,221,725	\$ (15,107,879)	\$ 1,824,543	6,938,389	\$ 3,243,690
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				10,543	
Net position of business-type activities (page 8)				<u>\$ 6,948,932</u>	

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

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:					
Charges for services	\$ 1,973,732	\$ 1,600,603	\$ 888,336	\$ 4,462,671	\$ 4,323,699
Assessments	-	-	476,097	476,097	-
Fees and permits	-	532,754	-	532,754	-
Other operating revenue	2,924	-	-	2,924	573
Total operating revenues	1,976,656	2,133,357	1,364,433	5,474,446	4,324,272
Operating expenses:					
Salaries and benefits	697,228	1,308,532	465,445	2,471,205	182,893
Services and supplies	1,587,635	1,734,429	342,528	3,664,592	3,710,321
Closure/post closure	-	1,230,884	-	1,230,884	-
Depreciation	1,976,455	398,580	86,856	2,461,891	667,129
Total operating expenses	4,261,318	4,672,425	894,829	9,828,572	4,560,343
Operating income (loss)	(2,284,662)	(2,539,068)	469,604	(4,354,126)	(236,071)
Nonoperating revenues (expenses):					
Tax revenue	-	1,964,119	-	1,964,119	-
Intergovernmental revenues	215,470	141,235	33,444	390,149	-
Investment earnings	(3,599)	(253,885)	(60,423)	(317,907)	(150,450)
Interest expense	-	(12,841)	(1,315)	(14,156)	(25,123)
Gain (loss) on sale of assets	-	40,125	-	40,125	168,418
Other nonoperating revenue	-	65	-	65	-
Total nonoperating revenues (expenses)	211,871	1,878,818	(28,294)	2,062,395	(7,155)
Income (loss) before capital contributions and transfers	(2,072,791)	(660,250)	441,310	(2,291,731)	(243,226)
Capital contributions	426,615	-	-	426,615	-
Transfers in	1,152,648	512,460	-	1,665,108	-
Change in net position	(493,528)	(147,790)	441,310	(200,008)	(243,226)
Net position - beginning (restated)	20,715,253	(14,960,089)	1,383,233		3,486,916
Net position - ending	\$ 20,221,725	\$ (15,107,879)	\$ 1,824,543		\$ 3,243,690
Adjustments for the net effect of the current year activity between the internal service funds and the enterprise funds				(9,236)	
Changes in net position of business-type activities (page 9)				\$ (209,244)	

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

**COUNTY OF INYO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	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	\$ 2,423,486	\$ 3,297,548	\$ 1,322,570	\$ 7,043,604	\$ 4,323,458
Cash paid to suppliers for goods and services	(1,627,428)	(2,942,967)	(347,935)	(4,918,330)	(3,676,258)
Cash paid to employees for salaries and benefits	(587,726)	(1,314,617)	(543,694)	(2,446,037)	(222,807)
Other operating receipts	2,924	-	-	2,924	573
Legal settlement	-	(654,460)	-	(654,460)	-
Net cash provided by (used for) operating activities	<u>211,256</u>	<u>(1,614,496)</u>	<u>430,941</u>	<u>(972,299)</u>	<u>424,966</u>
Cash flows from noncapital financing activities:					
Loans from other funds	(3,698,214)	-	(38,922)	(3,737,136)	(338,079)
Transfer from other funds	1,152,648	512,460	-	1,665,108	-
Grants	209,410	131,618	36,845	377,873	-
Property taxes	-	1,964,119	-	1,964,119	-
Other nonoperating cash receipts	-	65	3,627	3,692	-
Proceeds from lease	(22,009)	-	-	(22,009)	-
Lease related	-	-	-	-	1,368,188
Net cash provided by (used for) noncapital financing activities	<u>(2,358,165)</u>	<u>2,608,262</u>	<u>1,550</u>	<u>251,647</u>	<u>1,030,109</u>
Cash flows from capital and related financing activities:					
Proceeds from sale of capital assets	-	40,125	-	40,125	179,828
Principal and interest paid on capital debt, net of new issuance	-	(219,426)	(17,030)	(236,456)	(829,425)
Acquisition or construction of capital assets	(1,668,848)	(361,049)	(46,055)	(2,075,952)	(951,642)
Grants	22,528	-	-	22,528	-
Net cash provided by (used for) capital and related financing activities	<u>(1,646,320)</u>	<u>(540,350)</u>	<u>(63,085)</u>	<u>(2,249,755)</u>	<u>(1,601,239)</u>
Cash flows from investing activities:					
Interest earnings	(3,902)	(245,860)	(59,650)	(309,412)	(146,293)
Net cash provided by (used for) investing activities	<u>(3,902)</u>	<u>(245,860)</u>	<u>(59,650)</u>	<u>(309,412)</u>	<u>(146,293)</u>
Net increase (decrease) in cash and investments	(3,797,131)	207,556	309,756	(3,279,819)	(292,457)
Cash and investments - beginning	<u>4,091,673</u>	<u>6,186,830</u>	<u>1,148,610</u>	<u>11,427,113</u>	<u>3,982,161</u>
Cash and investments - ending	<u>\$ 294,542</u>	<u>\$ 6,394,386</u>	<u>\$ 1,458,366</u>	<u>\$ 8,147,294</u>	<u>\$ 3,689,704</u>

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

COUNTY OF INYO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

	Business-Type Activities Enterprise Funds			Governmental
	Airport	Solid Waste	Nonmajor Enterprise Funds	Internal Service Funds
			Total	
Reconciliation of cash and investments to the statement of net position				
Cash and investments	\$ 294,277	\$ 3,831,516	\$ 1,458,366	\$ 5,584,159
Imprest cash	265	1,125	-	1,390
Restricted cash	-	2,561,745	-	2,561,745
Total	\$ 294,542	\$ 6,394,386	\$ 1,458,366	\$ 8,147,294
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:				
Operating income (loss)	\$ (2,284,662)	\$ (2,539,068)	\$ 469,604	\$ (4,354,126)
Adjustments to reconcile operating income (loss) to net cash provided by (used) for operating activities:				
Depreciation	1,976,454	398,580	86,856	2,461,890
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
Accounts receivable	449,754	(66,693)	(41,863)	341,198
Inventory	(43,564)	-	-	(43,564)
Prepays	(972)	-	(5,614)	(6,586)
Deferred outflows of resources	(49,515)	(150,115)	(57,046)	(256,676)
Accounts payable	4,743	(626,233)	207	(621,283)
Accrued salaries	11,859	-	1,791	13,650
Liability for compensated absences	16,964	18,045	(240)	34,769
Closure/post-closure liability	-	1,230,884	-	1,230,884
Self-insurance liability	-	-	-	406
Net pension liability	(77,519)	(651,699)	(222,125)	(951,343)
Net OPEB liability	87,021	397,176	83,675	567,872
Deferred inflows of resources	120,693	374,627	115,696	611,016
Net cash provided by (used) for operating activities	\$ 211,256	\$ (1,614,496)	\$ 430,941	\$ (972,299)
Schedule of noncash capital and related financing activities:				
Capital contributions from General Fund	\$ 426,615	\$ -	\$ -	\$ 426,615

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

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FIDUCIARY FUND FINANCIAL STATEMENTS

**COUNTY OF INYO
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Custodial Funds	
	External Investment Pool	Other Custodial
ASSETS		
Cash and investments held in Treasury	\$ 79,072,189	\$ -
Total assets	79,072,189	-
LIABILITIES	-	-
NET POSITION		
Restricted for pool participants	79,072,189	-
Total net position	\$ 79,072,189	\$ -

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

**COUNTY OF INYO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Custodial Funds	
	External Investment Pool	Other Custodial
ADDITIONS		
Contributions:		
Contributions to pooled investments	\$ 185,432,984	\$ -
Total contributions	185,432,984	-
Investment earnings:		
Investment earnings - interest and dividends	(3,121,945)	-
Total investment earnings	(3,121,945)	-
Collections on behalf of others:		
Property taxes collected for other governments	-	37,593,026
Other taxes, fees, fines, and forfeitures collected for other governments	-	4,786,124
Other collections	-	8,223
Total collections on behalf of others	-	42,387,373
Total additions	182,311,039	42,387,373
DEDUCTIONS		
Distributions from pooled investment	178,468,569	-
Payments to other individuals and governments	-	42,387,373
Total deductions	178,468,569	42,387,373
Net increase (decrease) in fiduciary net position	3,842,470	-
Net position, beginning (restated)	75,229,719	-
Net position, ending	\$ 79,072,189	\$ -

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

Blended Component Units

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

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

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

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

Discretely Presented Component Units

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

The County reports the following major governmental funds:

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Measurement Focus (Continued)

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

D. Estimates

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

E. Deposits and Investments

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

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

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

F. Cash and Cash Equivalents

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

G. Restricted Cash

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Inventories and Prepaid Items

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

I. Receivables

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

J. Interfund Transactions

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

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

K. Property and Tax Revenue

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

L. Capital Assets

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets (Continued)

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

The estimated useful lives are as follows:

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

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

M. Right-to-Use Lease Assets

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

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

N. Leases

Lessee

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

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

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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. 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.

P. 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).

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Deferred Outflows/Inflows of Resources (Continued)

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

Q. 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.

R. Fund Balance/Net Position

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

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

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

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

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

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Fund Balance/Net Position (Continued)

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.

T. Pensions

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

U. Other Postemployment Benefits

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

V. Implementation of GASB Pronouncement

For the year ended June 30, 2022, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB Statement No. 87 enhances the relevance and consistency of information of the County's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated into the County's June 30, 2022 financial statements and resulted in an increase to the opening balance of governmental activities capital assets and long-term debt of \$883,432 and \$892,066, respectively. See restatement of beginning net position/fund balance footnote for net position and fund balance opening balance impact.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 – CASH IN TREASURY

A. Cash Management

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

The County Treasurer determines the fair value of investments annually, at fiscal year-end, for the purpose of financial reporting. Participants may withdraw their investment from the pool on a dollar per dollar basis. School districts, special districts, and other funds held in a fiduciary capacity are part of the Custodial Funds, which are approximately 40% of the total cash and investment balance. School districts are considered involuntary participants in the investment pool and hold a balance of the investment pool, which includes County operational funds. Special districts and various fiduciary funds also hold a balance of the investment pool, and the extent of involuntary participation cannot be determined at this time. County operational funds and other fiduciary funds comprise the remaining balance of the investment pool.

At June 30, 2022, total County cash and investments were as follows:

Cash:	
Cash on hand	\$ 25,982
Deposits	11,002,771
Cash with fiscal agent	211,103
Less: outstanding checks	<u>(1,574,347)</u>
Total deposits	<u>9,665,509</u>
Investments	<u>168,073,523</u>
Total cash and investments	<u>\$ 177,739,032</u>

Total cash and investments at June 30, 2022 were presented on the County's financial statements as follows:

Primary government	\$ 98,013,296
Custodial	79,072,189
Discretely presented component unit	<u>653,547</u>
Total cash and investments	<u>\$ 177,739,032</u>

Custodial Credit Risk Related to Deposits

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Pool will not be able to recover deposits or collateralized securities that are in possession of an outside party. This risk is mitigated in the County's total bank balance, \$250,000 per account is insured by the Federal Depository Insurance Corporation. The remaining \$12,160,093 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.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

At June 30, 2022, the carrying amount of the Pool's deposits was \$10,641,856 and the corresponding bank balance was \$12,773,270. The difference of \$2,131,414 was principally due to purchases of investments, outgoing payroll and warrants as of year end.

Investments

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

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

At June 30, 2022, the County had the following investments:

	Interest Rates	Maturities	Fair Value	Weighted Avg Maturity (Years)
Pooled investments:				
Federal agency obligations	.0400%-2.80%	7/1/21-6/30/26	\$ 97,776,680	3.04
U.S. treasury notes	.0160%-2.75%	4/30/23-5/31/23	7,945,410	0.88
Commercial paper	N/A	7/24/22-2/24/23	13,845,480	0.34
Local Agency Investment Fund	Variable	Demand	31,999,759	-
Negotiable certificates of deposit	.40%-3.4%	11/29/22-11/17/26	6,374,650	2.37
Local agency debt	N/A	N/A	422,744	-
Money market funds	Variable	On Demand	<u>9,708,800</u>	-
Total pooled investments			<u>\$ 168,073,523</u>	

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Interest Rate Risk

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

Investment Type	Fair Value	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years
Federal agency obligations	\$ 97,776,680	\$ -	\$ -	\$ 25,588,000	\$ 65,651,000	\$ 6,537,680
U.S. treasury notes	7,945,410	7,945,410	-	-	-	-
Commercial paper	13,845,480	13,845,480	-	-	-	-
Local Agency Investment Fund	31,999,759	31,999,759	-	-	-	-
Negotiable certificates of deposit	6,374,650	1,239,548	1,210,367	2,119,132	905,480	900,123
Local agency debt	422,744	422,744	-	-	-	-
Money market funds	9,708,800	9,708,800	-	-	-	-
Total investments	<u>\$ 168,073,523</u>	<u>\$ 65,161,741</u>	<u>\$ 1,210,367</u>	<u>\$ 27,707,132</u>	<u>\$ 66,556,480</u>	<u>\$ 7,437,803</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, 2022, the County had the following investments in the following individual issuers that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Issuer	Investment Type	Amount Reported	% of Total Investments
Federal Farm Credit Bank	Federal agency obligation	\$ 19,442,310	11.57%
Federal Home Loan Bank	Federal agency obligation	42,347,530	25.20%
Federal Home Loan Mortgage	Federal agency obligation	18,403,820	10.95%
Federal National Mortgage Assn.	Federal agency obligation	17,583,020	10.46%
		<u>\$ 97,776,680</u>	<u>58.18%</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH IN TREASURY (Continued)

A. Cash Management (Continued)

Credit Risk (Continued)

The following is a summary of the credit quality distribution and concentration of credit risk by investment type as a percentage of the County Investment Pool’s value at June 30, 2022:

	Credit Quality Ratings		% of Portfolio
	Moody's	S&P	
Federal agency obligations	AAA	AAA	58.17%
US Treasury notes	N/A	N/A	4.73%
Local Agency Investment Fund	Unrated	Unrated	19.04%
Local agency debt	Unrated	Unrated	0.25%
Commercial paper	N/A	N/A	8.24%
Negotiable CDs	N/A	N/A	3.79%
Money market funds	N/A	N/A	5.78%
Total			100%

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, 2022, the County’s investment position in the State of California Local Agency Investment Fund (LAIF) was \$31,999,759, 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, 2022, was \$234.5 billion, the majority of which is invested in non-derivative financial products.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022:

Statement of Net Position

Net position	<u>\$ 177,739,032</u>
Equity of external investment pool participants	\$ 79,072,189
Equity of internal investment pool participants	<u>98,666,843</u>
Total net position	<u>\$ 177,739,032</u>

Statement of Changes in Net Position:

Net position at July 1, 2021	\$ 178,147,297
Net contributions from pool participants	<u>(408,265)</u>
Net position at June 30, 2022	<u>\$ 177,739,032</u>

B. Allocations of Interest Income Among Funds

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

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

C. Authorized Investments

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022 include the following:

	Fair Value	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investment Type:				
Federal agency obligations	\$ 97,776,680	\$ -	\$ 97,776,680	\$ -
U.S. treasury notes	7,945,410	-	7,945,410	-
Negotiable certificates of deposit	6,374,650	-	6,374,650	-
Commercial paper	13,845,480	-	13,845,480	-
Total investments measured at fair value	125,942,220	\$ -	\$ 125,942,220	\$ -
Investments not subject to hierarchy:				
Local Agency Investment Fund	31,999,759			
Local agency debt	422,744			
Money market funds	9,708,800			
Total investments in investment pool	\$ 168,073,523			

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – INTERFUND TRANSACTIONS

A. Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2022 was as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
Major Fund: General Fund	Major Fund: Grant programs Airport Nonmajor enterprise funds Total	\$ 1,675,849 537,584 3,376 <u>\$ 2,216,809</u>	Cash flow reimbursement grants Provide short term cash flow for large grant Provide short term cash flow

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	Grant Programs	\$ 130,022	County required grant match
General Fund	Grant Programs	311,883	To augment ongoing operations
General Fund	Nonmajor governmental funds	1,494,917	Future funding for airport and capital projects
General Fund	Nonmajor governmental funds	1,713	To augment ongoing operations
General Fund	Solid waste	512,460	To augment ongoing operations
		<u>2,450,995</u>	
Grant Programs	General Fund	22,659	Grant Program contribution to cover A87 cost.
		<u>22,659</u>	
Nonmajor governmental funds	Airport	1,152,648	Grant match for County share and augment ongoing operations
		<u>1,152,648</u>	
	Total	<u>\$ 3,626,302</u>	

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Balance June 30, 2021 <u>Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Adjustments/ Transfers</u>	Balance June 30, 2022
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 8,899,171	\$ -	\$ -	\$ -	\$ 8,899,171
Construction in progress	<u>4,147,108</u>	<u>2,531,090</u>	<u>-</u>	<u>(2,153,042)</u>	<u>4,525,156</u>
Total capital assets, not being depreciated/amortized	<u>13,046,279</u>	<u>2,531,090</u>	<u>-</u>	<u>(2,153,042)</u>	<u>13,424,327</u>
Capital assets, being depreciated/amortized:					
Infrastructure	209,288,961	309,051	-	1,349,576	210,947,588
Land improvements	5,733,433	169,451	-	(23,881)	5,879,003
Structures and improvements	21,213,183	7,829,686	-	509,270	29,552,139
Equipment	19,410,738	952,045	(786,872)	318,077	19,893,988
Right-to-use leased structures and improvements	483,685	-	-	-	483,685
Right-to-use leased equipment	<u>3,042,001</u>	<u>660,002</u>	<u>(344,952)</u>	<u>(50,533)</u>	<u>3,306,518</u>
Total capital assets, being depreciated/amortized	<u>259,172,001</u>	<u>9,920,235</u>	<u>(1,131,824)</u>	<u>2,102,509</u>	<u>270,062,921</u>
Less accumulated depreciation/amortization for:					
Infrastructure	(191,404,946)	(945,865)	-	-	(192,350,811)
Land improvements	(2,714,396)	(146,982)	-	9,726	(2,851,652)
Structures and improvements	(9,733,760)	(722,174)	-	(9,726)	(10,465,660)
Equipment	(16,596,939)	(881,577)	772,813	-	(16,705,703)
Right-to-use leased structures and improvements	(221,132)	(39,647)	-	-	(260,779)
Right-to-use leased equipment	<u>(1,654,434)</u>	<u>(603,154)</u>	<u>344,952</u>	<u>50,533</u>	<u>(1,862,103)</u>
Total accumulated depreciation/amortized	<u>(222,325,607)</u>	<u>(3,339,399)</u>	<u>1,117,765</u>	<u>50,533</u>	<u>(224,496,708)</u>
Total capital assets, being depreciated/amortized, net	<u>36,846,394</u>	<u>6,580,836</u>	<u>(14,059)</u>	<u>2,153,042</u>	<u>45,566,213</u>
Governmental activities capital assets, net	<u>\$ 49,892,673</u>	<u>\$ 9,111,926</u>	<u>\$ (14,059)</u>	<u>\$ -</u>	<u>\$ 58,990,540</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS (Continued)

	Balance June 30, 2021	Additions	Retirements	Transfers & Adjustments	Balance June 30, 2022
Business-Type Activities					
Capital assets, not being depreciated:					
Land	\$ 1,851,399	\$ -	\$ -	\$ -	\$ 1,851,399
Total capital assets, not being depreciated	<u>1,851,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,851,399</u>
Capital assets, being depreciated					
Infrastructure	36,698,618	1,255,343	-	-	37,953,961
Land improvements	2,723,569	-	-	-	2,723,569
Structures and improvements	6,059,703	73,109	-	-	6,132,812
Equipment	5,328,245	1,174,116	(65,480)	(5,970)	6,430,911
Total capital assets, being depreciated	<u>50,810,135</u>	<u>2,502,568</u>	<u>(65,480)</u>	<u>(5,970)</u>	<u>53,241,253</u>
Less accumulated depreciation for:					
Infrastructure	(18,193,388)	(1,614,862)	-	-	(19,808,250)
Land improvements	(2,368,123)	(43,565)	-	-	(2,411,688)
Structures and improvements	(3,863,548)	(378,219)	-	-	(4,241,767)
Equipment	(3,569,507)	(425,245)	65,480	5,970	(3,923,302)
Total accumulated depreciation	<u>(27,994,566)</u>	<u>(2,461,891)</u>	<u>65,480</u>	<u>5,970</u>	<u>(30,385,007)</u>
Total capital assets, being depreciated, net	<u>22,815,569</u>	<u>40,677</u>	<u>-</u>	<u>-</u>	<u>22,856,246</u>
Business-type activities capital assets, net	<u>\$ 24,666,968</u>	<u>\$ 40,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,707,645</u>

A. Depreciation

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

General government	\$ 608,296
Public protection	437,471
Public ways and facilities	1,402,908
Health and sanitation	122,955
Public assistance	11,513
Education	444
Recreation and culture	88,683
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>667,129</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 3,339,399</u>

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

Airport	\$ 1,976,455
Solid Waste	398,580
Nonmajor enterprise funds	<u>86,856</u>
Total depreciation expense - business-type activities	<u>\$ 2,461,891</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – LOANS RECEIVABLE

The County issued four loans as part of the federal HOME program to first time home buyers totaling \$780,000 during the fiscal year ending June 30, 2008. The loans are deferred for a period of 30 years and are due in the event that the property acquired with the proceeds is sold before the deferral period ends. During fiscal year 2022, two loans were paid in full. Fund balance for the outstanding loans is reported as restricted. As of June 30, 2022 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, 2022 for governmental activities is as follows:

<u>Type of Indebtedness</u>	Balance June 30, 2021 Restated	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities:						
Compensated absences	\$ 2,011,257	\$ 1,487,251	\$ (1,475,414)	\$ -	\$ 2,023,094	\$ 2,023,094
Claims liability	229,606	21,350	(20,944)	-	230,012	98,574
Net OPEB liability	48,422,469	14,038,877	(3,562,818)	-	58,898,528	-
Net pension liability	72,953,852	4,213,201	(31,994,919)	-	45,172,134	-
Leases payable	1,721,491	660,002	(653,608)	-	1,727,885	587,775
Direct borrowing:						
Loans payable	3,696,491	-	(317,457)	(74,842)	3,304,192	316,622
Total long-term liabilities	<u>\$ 129,035,166</u>	<u>\$ 20,420,681</u>	<u>\$ (38,025,160)</u>	<u>\$ (74,842)</u>	<u>\$ 111,355,845</u>	<u>\$ 3,026,065</u>

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

B. Loans Payable (Direct Borrowing) – Governmental Activities

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

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

The County entered into a direct borrowing agreement to finance a new property tax management system in December 2012. The County paid the loan in full during fiscal year 2022.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LONG-TERM LIABILITIES (Continued)

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

Loans payable for governmental activities at June 30, 2022 consisted of the following:

Governmental Activities	Date of Issuance	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2022
CalPERS side fund refunding (to refund unfunded accrued liability for the County's retirement plan)	3/14/2021	5/11 - 5/25	5.50%	\$90,000 - \$479,000	\$ 4,045,000	\$ 2,839,000
CEC solar loan (to finance a photovoltaic solar project)	10/13/2021	12/14 - 12/28	1.00%	\$26,287 - \$36,865	\$ 992,054	\$ 465,192

The following is a schedule of debt service requirements to maturity as of June 30, 2022 for the loans payable from direct borrowings for governmental activities.

Years Ending June 30	Governmental Activities	
	Loans from Direct Borrowings	
	Principal	Interest
2023	\$ 316,622	\$ 155,550
2024	343,310	140,741
2025	373,024	124,434
2026	404,736	106,410
2027	438,456	86,716
2028-2030	1,428,044	123,233
Total	\$ 3,304,192	\$ 737,084

C. Business-Type Long-Term Liabilities

A summary of changes in long-term liabilities for the year ended June 30, 2022 for business-type activities is as follows:

Type of Indebtedness	Balance June 30, 2021	Additions/ Adjustments	Retirements/ Adjustments	Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Business-Type Activities						
Compensated absences	\$ 84,995	\$ 102,010	\$ (67,241)	\$ -	\$ 119,764	\$ 119,764
Net OPEB liability	3,145,655	912,004	(231,450)	-	3,826,209	-
Net pension liability	2,938,292	212,773	(1,276,798)	-	1,874,267	-
Closure/post-closure liability	17,874,111	1,230,884	-	30,000	19,104,995	-
Direct borrowing:						
Equipment financed purchase	109,503	-	(109,073)	(430)	-	-
Loans payable	372,446	-	(112,797)	-	259,649	116,681
Total long-term liabilities	\$ 24,525,002	\$ 2,457,671	\$ (1,797,359)	\$ 29,570	\$ 25,184,884	\$ 236,445

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LONG-TERM LIABILITIES (Continued)

D. Equipment financed purchase (Direct Borrowing) – Business-Type

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

The financed purchase was paid in full during fiscal year 2022.

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

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

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

The following is a schedule of debt service requirements to maturity as of June 30, 2022 for the loans payable for business-type activities.

Years Ending June 30	Business-Type	
	Loans Payable	
	Principal	Interest
2023	\$ 116,681	\$ 7,351
2024	116,442	3,333
2025	26,526	225
Total	\$ 259,649	\$ 10,909

NOTE 7 – LEASES

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. Starting in fiscal year 2022, the quarterly payments increased by 5%, increasing the annualized payment of \$6,825 to \$7,081. The County recognized \$6,115 in lease revenue and \$946 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the County’s receivable for lease payments was \$23,143. 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, 2022, the balance of the deferred inflow of resources was \$19,364.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – LEASES (Continued)

Leases as Lessor (Continued)

In fiscal year 2019, the County's Airport Fund leased a portion of the Bishop Airport to a third party. The lease is for ten years, and the County will receive annual payments of \$29,315. Annual payments increase each year by 3%. The County received a payment of \$32,033 in fiscal year 2022. The County recognized \$26,926 in lease revenue and \$10,087 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the County's receivable for lease payments was \$179,786. 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, 2022, the balance of the deferred inflow of resources was \$161,555.

Leases as Lessee

The County negotiated a vehicle master equity leasing agreement with Enterprise FM Trust (Enterprise), a Delaware statutory trust, on May 6, 2015. An initial lease liability was recorded in the amount of \$1,063,649. The term of a lease begins on the date a vehicle is delivered and continues for the lease term set forth in the applicable schedule for the leased vehicle. At any time after the expiration of the minimum lease term, the vehicle can be surrendered to Enterprise unless an extension is agreed upon. Enterprise will sell the vehicle. If the net proceeds exceed the depreciated value less the guaranteed residual value, Enterprise will issue a refund. If the net proceeds are less than the depreciated value less the guaranteed residual value, the County will be billed the difference. Vehicles are being depreciated over various periods ranging from thirty (30) to eighty-four (84) months. As of June 30, 2022, the County was leasing 76 vehicles, of which 22 are being leased on a month-to-month basis. The County will continue to lease the vehicles until they have been fully depreciated. The value of the right-to-use assets as of June 30, 2022 was \$2,381,095 and had accumulated amortization of \$1,334,105.

In fiscal year 2020, the County's General Fund entered into a master lease agreement as lessee for the use of office printers. An initial lease liability was recorded in the amount of \$642,461. As of June 30, 2022, the value of the lease liability was \$253,990. The County is required to make monthly principal and interest payments of \$12,636. The value of the right-to-use asset as of the end of the current fiscal year was \$239,867 and had accumulated amortization of \$402,594.

In fiscal year 2019, the County's General Fund entered into a lease agreement as lessee for the use of an office building. An initial lease liability was recorded in the amount of \$50,936. As of June 30, 2022, the value of the lease liability was \$13,950. The County is required to make monthly principal and interest payments of \$963. The use of the office building has an estimated useful life of five years. The value of the right-to-use asset as of the end of the current fiscal year was \$12,734 and had accumulated amortization of \$38,202.

In fiscal year 2016, the County's General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$130,319. As of June 30, 2022, the value of the lease liability was \$86,125. Monthly payments increase 3% each year. The County was required to make monthly principal and interest payments of \$896 in fiscal 2022. The use of the radio tower has an estimated useful life of fifteen years. The value of the right-to-use asset as of the end of the current fiscal year was \$69,503 and had accumulated amortization of \$60,815.

In fiscal year 2021, the County's General Fund entered into a master lease agreement as lessee for the use of radios. An initial lease liability was recorded in the amount of \$227,564. As of June 30, 2022, the value of the lease liability was \$135,065. The County was required to make monthly principal and interest payments of \$6,625. The use of radios has an estimated useful life of three years. The value of the right-to-use asset as of the end of the current fiscal year was \$132,746 and had accumulated amortization of \$94,818.

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – LEASES (Continued)

Leases as Lessee (Continued)

In fiscal year 2004, the County’s General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$72,036. As of June 30, 2022, the value of the lease liability was \$14,631. Monthly payments increase 4% each year. The County was required to make monthly principal and interest payments of \$843 in fiscal 2022. The use of the radio tower has an estimated useful life of twenty years. The value of the right-to-use asset as of the end of the current fiscal year was \$5,103 and had accumulated amortization of \$66,933.

In fiscal year 2007, the County’s General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$67,298. As of June 30, 2022, the value of the lease liability was \$34,831. Monthly payments increase 4% each year. The County was required to make monthly principal and interest payments of \$765 in fiscal 2022. The use of the radio tower has an estimated useful life of twenty years. The value of the right-to-use asset as of the end of the current fiscal year was \$13,740 and had accumulated amortization of \$53,558.

In fiscal year 2020, the County’s General Fund entered into a lease agreement as lessee for the use of an office building. An initial lease liability was recorded in the amount of \$24,086. As of June 30, 2022, the value of the lease liability was \$11,905. The County is required to make monthly principal and interest payments of \$450. The use of the office building has an estimated useful life of five years. The value of the right-to-use asset as of the end of the current fiscal year was \$11,240 and had accumulated amortization of \$12,846.

In fiscal year 2015, the County’s General Fund entered into a master lease agreement as lessee for the use of a radio tower. An initial lease liability was recorded in the amount of \$69,505. As of June 30, 2022, the value of the lease liability was \$44,828. Monthly payments increase 3% each year. The County was required to make monthly principal and interest payments of \$492 in fiscal 2022. The use of the radio tower has an estimated useful life of fifteen years. The value of the right-to-use asset as of the end of the current fiscal year was \$35,911 and had accumulated amortization of \$33,594.

In fiscal year 2018, the County’s General Fund entered into a master lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$35,191. As of June 30, 2022, the value of the lease liability was \$5,802. The County is required to make monthly principal and interest payments of \$657. The value of the right-to-use asset as of the end of the current fiscal year was \$5,278 and had accumulated amortization of \$29,913.

In fiscal year 2022, the County’s General Fund entered into a master lease agreement as lessee for the use of office equipment. An initial lease liability was recorded in the amount of \$20,207. As of June 30, 2022, the value of the lease liability was \$18,281. The County is required to make monthly principal and interest payments of \$364. The value of the right-to-use asset as of the end of the current fiscal year was \$18,186 and had accumulated amortization of \$2,021.

As of June 30, 2022 annual lease payables to maturity are as follows:

Years Ending June 30	<u>Governmental Activities</u>	
	<u>Leases Payables</u>	
	Principal	Interest
2023	\$ 587,775	\$ 47,260
2024	508,338	27,243
2025	297,297	14,572
2026	186,385	7,807
2027	73,254	3,703
2028-2030	<u>74,836</u>	<u>3,708</u>
Total	<u>\$ 1,727,885</u>	<u>\$ 104,293</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS

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

The estimated liability of all County landfill sites for closure and post-closure maintenance costs was \$19,104,995 as of the fiscal year end, which is based on the estimated percentage usage (filled), ranging from 39.23% to 70.46% of each landfill site. It is estimated that an additional \$19,700,366 liability will be recognized as closure and post closure maintenance costs between the date of the balance sheet and the date the landfills are expected to be filled to capacity.

The estimated total current cost of the landfill closure and post-closure maintenance costs of \$38,805,361 is based on the amounts that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of the balance sheet date. However, the costs for landfill closure and post-closure maintenance costs are based on yearly estimates, reviewed by the California Integrated Waste Management Board, as prepared by the Geo-logic Associates of Claremont, California.

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

The County is required by state and federal laws and regulations to make annual contributions to finance closure and post closure maintenance costs. The County makes deposits into various accounts based on the annual liability amounts calculated by CWA. As of June 30, 2022, a total of \$2,561,745 was deposited into these accounts for the purpose of funding landfill closure costs. This amount is reported as restricted cash in the Solid Waste Fund. A Pledge of Revenue agreement with the California Integrated Waste Management Board has been established as a funding mechanism for the County's landfill post closure costs.

NOTE 8 – ESTIMATED LIABILITY FOR SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE MAINTENANCE COSTS (Continued)

The following is the information for each landfill as of June 30, 2022:

	Percent Filled	Total Closure/ Post-Closure Cost Estimates	Liability June 30, 2022
Bishop Sunland	39.23%	\$ 19,669,680	\$ 7,715,523
Independence	70.46%	5,692,569	4,011,152
Lone Pine	45.53%	7,044,462	3,207,193
Shoshone	64.02%	2,932,431	1,877,418
Tecopa	63.87%	3,244,881	2,072,371
Keeler	100.00%	221,338	221,338
		<u>\$ 38,805,361</u>	<u>\$ 19,104,995</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – FUND BALANCES

A. Classification

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

Fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

	<u>General</u>	<u>Road</u>	<u>Grants Programs</u>	<u>Nonmajor Governmental</u>	<u>Total</u>
Nonspendable:					
Prepays	\$ 176,713	\$ -	\$ 2,700	\$ 1,422	\$ 180,835
Advances and deposits	166,700	-	-	-	166,700
Inventory	<u>20,372</u>	<u>490,140</u>	<u>-</u>	<u>-</u>	<u>510,512</u>
Total Nonspendable Fund Balance	<u>363,785</u>	<u>490,140</u>	<u>2,700</u>	<u>1,422</u>	<u>858,047</u>
Restricted:					
General government	2,208,126	-	740,454	-	2,948,580
Public protection	15,325,419	-	1,121,016	202,076	16,648,511
Public ways and facilities	65,388	8,281,898	1,655	1,052,791	9,401,732
Health and sanitation	21,174,206	-	172,461	-	21,346,667
Public assistance	1,718,831	-	2,882,446	-	4,601,277
Recreation and culture	<u>13,690</u>	<u>-</u>	<u>140,544</u>	<u>-</u>	<u>154,234</u>
Total Restricted Fund Balance	<u>40,505,660</u>	<u>8,281,898</u>	<u>5,058,576</u>	<u>1,254,867</u>	<u>55,101,001</u>
Assigned					
General government	4,310,540	-	-	2,331,251	6,641,791
Public protection	3,598,994	-	-	-	3,598,994
Health and sanitation	742,632	-	-	-	742,632
Public assistance	736,967	-	-	-	736,967
Education	866,109	-	-	-	866,109
Recreation and culture	<u>1,457,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,457,706</u>
Total Assigned Fund Balance	<u>11,712,948</u>	<u>-</u>	<u>-</u>	<u>2,331,251</u>	<u>14,044,199</u>
Unassigned	<u>21,896,463</u>	<u>-</u>	<u>-</u>	<u>(39,948)</u>	<u>21,856,515</u>
Total Fund Balances	<u>\$ 74,478,856</u>	<u>\$ 8,772,038</u>	<u>\$ 5,061,276</u>	<u>\$ 3,547,592</u>	<u>\$ 91,859,762</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – 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, 2022 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%	7.500%
Required employer contribution rates	9.380%	9.380%

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

A. General Information (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The County’s required contribution for the unfunded liability was \$4,684,161 for the fiscal year ended June 30, 2022.

Employees Covered

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	568
Inactive employees entitled to but not yet receiving benefits	206
Active employees	370
Total	1,144

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, 2022 were \$6,583,890.

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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial variations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.00%
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

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

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

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

B. Net Pension Liability (Continued)

Discount Rate (Continued)

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

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

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

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

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – 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 June 30, 2020 (Measurement Date)	<u>\$ 203,511,387</u>	<u>\$ 144,567,692</u>	<u>\$ 58,943,694</u>
Changes in the year:			
Service cost	3,736,608	-	3,736,608
Interest on total pension liability	13,837,558	-	13,837,558
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,167,244	-	1,167,244
Plan to plan resource movement	-	-	-
Contributions - employer	-	6,202,683	(6,202,683)
Contributions - employee	-	1,706,670	(1,706,670)
Net investment income	-	31,267,810	(31,267,810)
Benefit payments, including refunds of employee contributions	(11,446,805)	(11,446,805)	-
Administrative expenses	-	(139,240)	139,240
Changes in proportion	(7,291,242)	(5,179,456)	(2,111,786)
Net changes	<u>3,363</u>	<u>22,411,662</u>	<u>(22,408,299)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 203,514,750</u>	<u>\$ 166,979,354</u>	<u>\$ 36,535,395</u>

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

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
Miscellaneous plan	\$ 65,395,371	\$ 36,535,395	\$ 16,631,439

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, 2022, the County recognized pension expense of \$1,394,343. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 7,493,429	\$ -
Changes in assumptions	-	-
Differences between actual and expected experience	1,016,762	-
Net differences between projected and actual earnings on plan investments	-	15,532,270
Total	<u>\$ 8,510,191</u>	<u>\$ 15,532,270</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

AGENT MULTIPLE EMPLOYER PLANS (Continued)

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

\$7,493,429 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, 2023. 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
2023	\$ (3,357,224)
2024	(3,221,093)
2025	(3,647,932)
2026	(4,289,259)
2027	-
Thereafter	-
Total	<u>\$ (14,515,508)</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, 2022.

COST-SHARING MULTIPLE-EMPLOYER PLANS

A. General Information

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

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

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

A. General Information (Continued)

The rate plan provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Safety	
	1st Tier	PEPRA
	Prior to	On or after
Hire date	1-Jan-13	1-Jan-13
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of annual salary	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.00%
Required employer contribution rates	23.710%	13.130%

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 \$1,254,668 for the fiscal year ended June 30, 2022.

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, 2022 were \$1,880,485.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – 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, 2022, the County reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$10,511,005.

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, 2021, 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, 2020, rolled forward to June 30, 2021, 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, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.2544%
Proportion - June 30, 2021	0.2995%
Change - Increase (Decrease)	0.0451%

For the year ended June 30, 2022, the County recognized pension expense of \$2,103,512. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,243,364	\$ -
Changes in assumptions	-	-
Differences between actual and expected experience	1,795,796	-
Net differences between projected and actual earnings on plan investments	-	6,256,068
Change in employer's proportion	414,384	15,304
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	847,252
Total	<u>\$ 4,453,544</u>	<u>\$ 7,118,624</u>

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

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

\$2,243,364 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, 2023. 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
2023	\$ (831,430)
2024	(1,012,853)
2025	(1,342,579)
2026	(1,721,582)
2027	-
Thereafter	-
Total	<u>\$ (4,908,444)</u>

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	<u>Safety</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate Return	7.15% ⁽¹⁾
Mortality	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

D. Discount Rate

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

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

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

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

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

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

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

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

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 – PENSION PLANS (Continued)

COST-SHARING MULTIPLE-EMPLOYER PLANS (Continued)

D. Discount Rate (Continued)

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

Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
\$ 19,001,119	\$ 10,511,005	\$ 3,537,425

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, 2022.

NOTE 11 – RISK MANAGEMENT

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

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

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

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

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

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – 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, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Unpaid claims - beginning of year	\$ 229,606	\$ 165,622
Plus estimated claims incurred	21,350	148,276
Less claims payments	<u>(20,944)</u>	<u>(84,292)</u>
Unpaid claims - end of year	<u>\$ 230,012</u>	<u>\$ 229,606</u>

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

Plan Administration

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

Benefits Provided

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

County contribution caps are determined by employment unit:

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

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

B. Funding Policy

Contributions

The County has established an OPEB trust with PARS. For the year ended June 30, 2022, the County contributed \$300,000, in addition to pay-go-costs, which were paid outside the trust.

C. Plan Membership

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

Inactive plan members or beneficiaries currently receiving benefits	317
Active plan members	311
Total	628

D. Actuarial Methods and Assumptions

The County's Net OPEB Liability was measured as of June 30, 2022 and the total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Actuarial Assumptions:

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	Fair value of assets
Discount Rate	6.00%
Inflation Rate	2.75%
Projected Salary Increase	3.00% per annum, in aggregate
Investment Rate Return	6%, net of OPEB plan investment expense
Healthcare Cost Trend Rates	4.00 percent for 2022-2023, 5.20 percent for 2024-2069, 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years

Pre-retirement and post-retirement mortality rates for Public Agency Miscellaneous and Public Agency Police were based on the 2021 CalPERS Experience Study.

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

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

E. Actuarial Methods and Assumptions (Continued)

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real rate of return</u>
Broad U.S. Equity	50.0%	4.40%
U.S. Fixed	50.0%	1.50%
Total	<u>100%</u>	

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

At June 30, 2022, the County reported deferred inflows and deferred outflows of resources related to OPEB as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,259,739	\$ -
Changes of assumptions	7,882,252	6,943,162
Differences between projected and actual return on investments	<u>1,594,022</u>	<u>777,674</u>
Total	<u>\$ 10,736,013</u>	<u>\$ 7,720,836</u>

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

<u>Year Ending June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2023	\$ 1,240,440
2024	6,772
2025	987,092
2026	780,873
2027	-
Thereafter	-
	<u>\$ 3,015,177</u>

COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

G. Changes in the Net OPEB Liability

Total OPEB Liability

Service cost	\$ 1,876,739
Interest	3,349,791
Changes in benefit terms	-
Changes in assumptions	8,393,046
Benefits payments, including refunds*	<u>(3,494,269)</u>
Net change in total OPEB liability	10,125,307
Total OPEB liability - beginning (a)	<u>61,651,605</u>
Total OPEB liability - ending (b)	<u>\$ 71,776,912</u>

Plan fiduciary net position

Contributions - employer	\$ 3,794,269
Net investments income (loss)	(1,301,870)
Benefit payments ¹	(3,494,269)
Administrative expense	<u>(29,435)</u>
Net change in plan fiduciary net position	(1,031,305)
Plan fiduciary net position - beginning (c)	<u>10,083,481</u>
Plan fiduciary net position - ending (d)	9,052,176

Net OPEB liability - beginning (a) - (c)	<u>51,568,124</u>
Net OPEB liability - ending (b) - (d)	<u>\$ 62,724,736</u>

¹ Amount includes any implicit subsidy associated with benefits paid.

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

The following presents the Net OPEB Liability of the County, calculated using the discount rate of 4.44 percent, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease <u>3.44%</u>	Current Discount Rate <u>4.44%</u>	1% Increase <u>5.44%</u>
Net OPEB Liability	\$ 72,781,022	\$ 62,724,736	\$ 54,529,734

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

	1% Decrease <u>3.00% for 2021-2023</u>	Current Healthcare Cost Trend Rates <u>4.00% for 2021-2023</u>	1% Increase <u>5.00% for 2021-2023</u>
Net OPEB Liability	\$ 52,860,845	\$ 62,724,736	\$ 74,975,169

**COUNTY OF INYO
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 – DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances/net position at June 30, 2022, as follows:

Fund	Deficit
Nonmajor Governmental Fund	
Alcohol Fund	\$ 39,898
Enterprise Funds:	
Solid Waste Enterprise Fund	\$ 15,107,879
Mosquito Abatement Enterprise Fund	522,512

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

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

NOTE 14 – 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, 2022, 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 15 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

The beginning net position/fund balance of the funds identified below have been restated to record a change in accounting principle, previous year's revenue, and change in fund type as presented in the following reconciliation:

	Government-Wide		Governmental Fund			Proprietary Fund		Fiduciary Funds	
	Governmental	Business-type	Governmental Fund		Proprietary Fund		Fiduciary Funds		
	Activities	Activities	General	Road	Grants Program	Airport	Internal Service Funds	Custodial	
								External	Investment Pool
Net position/fund balance, June 30, 2021, as previously reported	\$ 30,824,736	\$ 7,138,126	\$ 79,648,139	\$ 7,271,649	\$ 3,566,955	\$ 20,695,203	\$ 1,770,829	\$ 74,378,944	
Prior period adjustments:									
Understatement of revenue	253,371	-	-	253,371	-	-	-	-	-
Overstatement of revenue - ARPA	(1,751,932)	-	-	-	(1,751,932)	-	-	-	-
Change in fund type (1)	(853,775)	20,050	(853,775)	-	-	20,050	-	850,775	-
Total prior period adjustments	(2,352,336)	20,050	(853,775)	253,371	(1,751,932)	20,050	-	850,775	-
Change in accounting principle:									
Implementation of GASB 87	253,212	-	-	-	-	-	302,689	-	-
Total change in account principle	253,212	-	-	-	-	-	302,689	-	-
Net position/fund balance, July 1, 2021, as restated	\$ 28,725,612	\$ 7,158,176	\$ 78,794,364	\$ 7,525,020	\$ 1,815,023	\$ 20,715,253	\$ 2,073,518	\$ 75,229,719	

(1) In prior years, Court activity was classified within a County fund. A recent court decision determined that the activity and related assets and liabilities should be reported as a fiduciary fund.

REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF INYO
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
AGENT MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

	Reporting Fiscal Year (Measurement Year)							
	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)
Total Pension Liability:								
Service cost	\$ 3,208,960	\$ 3,277,007	\$ 3,077,612	\$ 3,600,938	\$ 3,418,074	\$ 3,469,207	\$ 3,692,938	\$ 3,736,608
Interest on total pension liability	10,187,707	11,062,655	11,569,079	11,938,183	12,296,772	12,973,159	13,835,200	13,837,558
Differences between expected and actual experience	-	2,012,865	550,920	(926,084)	(1,504,896)	1,384,213	666,738	1,167,244
Changes of assumptions	-	(2,581,231)	-	9,434,400	(768,044)	-	-	-
Benefit payments, including refunds of employee contributions	(6,788,054)	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)	(11,446,805)
Change in proportion	-	3,191,701	(123,599)	944,983	1,259,061	2,529,426	5,743,246	(7,291,242)
Net change in total pension liability	6,608,613	9,190,604	6,751,618	16,067,189	4,789,024	9,879,747	12,598,964	3,363
Total pension liability - beginning	137,625,628	144,234,241	153,424,845	160,176,463	176,243,652	181,032,676	190,912,423	203,511,387
Total pension liability - ending (a)	\$ 144,234,241	\$ 153,424,845	\$ 160,176,463	\$ 176,243,652	\$ 181,032,676	\$ 190,912,423	\$ 203,511,387	\$ 203,514,750
Plan Fiduciary Net Position:								
Plan to plan resource movement	\$ -	\$ 40,862	\$ -	\$ -	\$ (300)	\$ -	\$ -	\$ -
Contributions - employer	3,085,418	3,167,006	3,565,443	3,730,889	5,202,590	6,281,979	6,712,605	6,202,683
Contributions - employee	1,477,303	1,394,721	1,490,440	1,406,869	1,418,227	1,561,750	1,737,975	1,706,670
Net investment income	17,039,604	2,612,955	596,621	12,525,916	10,339,367	8,553,453	6,983,596	31,267,810
Benefit payments, including refunds of employee contributions	(6,788,056)	(7,772,393)	(8,322,394)	(8,925,231)	(9,911,943)	(10,476,258)	(11,339,158)	(11,446,805)
Administrative expenses ¹	-	(130,610)	(70,133)	(166,834)	(553,112)	(92,990)	(198,312)	(139,240)
Change in proportion	-	2,508,226	(92,779)	662,740	868,478	1,801,484	4,108,237	(5,179,454)
Net change in plan fiduciary net position	14,814,269	1,820,767	(2,832,802)	9,234,349	7,363,307	7,629,418	8,004,943	22,411,664
Plan fiduciary net position beginning	98,533,441	113,347,710	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749	144,567,692
Plan fiduciary net position - ending (b)	113,347,710	115,168,477	112,335,675	121,570,024	128,933,331	136,562,749	144,567,692	166,979,356
Net pension liability - ending (a)-(b)	\$ 30,886,531	\$ 38,256,368	\$ 47,840,788	\$ 54,673,628	\$ 52,099,345	\$ 54,349,674	\$ 58,943,695	\$ 36,535,394
Plan fiduciary net position as a percentage of the total pension liability	78.59%	75.07%	70.13%	68.98%	71.22%	71.53%	71.04%	82.05%
Covered payroll	20,277,786	23,169,925	23,849,570	21,616,400	22,925,440	21,589,489	28,218,572	28,871,698
Net pension liability as a percentage of covered payroll	152.32%	165.11%	200.59%	252.93%	227.26%	251.74%	208.88%	126.54%

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

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

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

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

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – AGENT MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

	Reporting Fiscal Year							
	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially required contribution (actuarially determined)	\$ 3,098,442	\$ 3,568,318	\$ 3,709,008	\$ 5,165,686	\$ 6,195,415	\$ 6,516,566	\$ 6,433,165	\$ 6,725,138
Contributions in relation to the actuarially determined contributions	<u>3,098,442</u>	<u>3,568,318</u>	<u>3,709,008</u>	<u>5,165,686</u>	<u>6,195,415</u>	<u>6,516,566</u>	<u>6,433,165</u>	<u>6,725,138</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 23,169,925	\$ 23,849,570	\$ 21,616,400	\$ 22,925,440	\$ 21,589,489	\$ 28,218,572	\$ 28,871,698	\$ 26,165,166
Contributions as a percentage of covered payroll	13.37%	14.96%	17.16%	22.53%	28.70%	23.09%	22.28%	25.70%

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

COUNTY OF INYO
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) AND
RELATED RATIOS AS OF THE MEASUREMENT DATE
COST-SHARING MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

	Reporting Fiscal Year (Measurement Year)							
	2015 (2014)	2016 (2015)	2017 (2016)	2018 (2017)	2019 (2018)	2020 (2019)	2021 (2020)	2022 (2021)
Proportion of the net pension liability	0.2428%	0.2383%	0.2500%	0.2488%	0.2526%	0.2512%	0.2544%	0.2995%
Proportionate share of the net pension liability	\$ 9,181,100	\$ 9,818,587	\$ 12,946,511	\$ 14,867,488	\$ 14,820,308	\$ 15,680,214	\$ 16,948,449	\$ 10,511,005
Covered payroll	\$ 3,279,232	\$ 3,305,621	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$ 2,830,470	\$ 3,835,500	\$ 3,839,656
Proportionate share of the net pension liability as percentage of covered payroll	279.98%	297.03%	328.36%	366.10%	354.31%	553.98%	441.88%	273.75%
Plan fiduciary net position as a percentage of the total pension liability	74.56%	80.58%	75.20%	73.42%	73.79%	73.33%	72.20%	83.34%

Notes to Schedule:

Changes in Benefit Terms - None

Changes of Assumptions - None

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

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – COST-SHARING MULTIPLE-EMPLOYER PLAN
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

	Reporting Fiscal Year							
	2015	2016	2017	2018	2019	2020	2021	2022
Multiple-Employer Defined Benefit Pension Plan								
Actuarially required contribution (actuarially determined)	\$ 928,922	\$ 1,064,571	\$ 1,126,306	\$ 1,520,177	\$1,793,957	\$1,961,108	\$ 1,880,485	\$ 2,107,212
Contributions in relation to the actuarially determined contributions	<u>928,922</u>	<u>1,064,571</u>	<u>1,126,306</u>	<u>1,520,177</u>	<u>1,793,957</u>	<u>1,961,108</u>	<u>1,880,485</u>	<u>2,107,212</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,305,621	\$ 3,942,738	\$ 4,061,020	\$ 4,182,851	\$2,830,470	\$3,835,500	\$ 3,839,656	\$ 4,055,156
Contributions as a percentage of covered payroll	28.10%	27.00%	27.73%	36.34%	63.38%	51.13%	48.98%	51.96%

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

COUNTY OF INYO
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS – RETIREE
HEALTHCARE PLAN
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

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

¹ Amount includes any implicit subsidy associated with benefits paid.

Changes in Assumptions - None

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

COUNTY OF INYO
SCHEDULE OF CONTRIBUTIONS – RETIREE HEALTHCARE PLAN (OPEB)
FOR THE YEAR ENDED JUNE 30, 2022
LAST 10 YEARS*

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially required contribution (actuarially determined)	\$ 4,134,592	\$ 4,250,416	\$ 4,377,928	\$ 4,118,883	\$ 4,242,449
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>
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>
Covered payroll	\$ 24,620,499	\$ 25,786,167	\$ 29,653,657	\$ 30,340,783	\$ 34,452,087
Contributions as a percentage of covered payroll	13%	12%	10%	13%	11%

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

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 19,520,288	\$ 20,380,186	\$ 22,998,345	\$ 2,618,159
Intergovernmental	32,090,650	33,250,425	37,811,579	4,561,154
Use of money and property	308,530	338,556	(2,494,399)	(2,832,955)
Licenses and permits	752,341	716,991	1,022,285	305,294
Fines, forfeitures, and penalties	943,386	943,023	1,473,587	530,564
Other revenues	59,100	236,041	193,519	(42,522)
Charges for services	12,914,846	12,808,818	12,071,504	(737,314)
	<u>66,589,141</u>	<u>68,674,040</u>	<u>73,076,420</u>	<u>4,402,380</u>
Total revenues				
EXPENDITURES				
Current:				
General government	20,878,028	22,407,149	18,230,273	4,176,876
Public protection	29,473,988	30,099,658	25,821,293	4,278,365
Health and sanitation	11,073,598	11,543,188	9,791,972	1,751,216
Public assistance	10,410,014	11,373,596	9,557,892	1,815,704
Education	936,224	956,565	875,817	80,748
Recreation and culture	1,543,466	1,617,500	1,401,087	216,413
Capital outlay	8,890,759	9,211,749	8,563,187	648,562
Debt service:				
Principal	290,931	290,931	542,020	(251,089)
Interest	168,947	168,947	200,258	(31,311)
	<u>83,665,955</u>	<u>87,669,283</u>	<u>74,983,799</u>	<u>12,685,484</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(17,076,814)</u>	<u>(18,995,243)</u>	<u>(1,907,379)</u>	<u>17,087,864</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,869,605	8,389,623	22,659	(8,366,964)
Transfers out	(8,262,430)	(10,660,025)	(2,450,995)	8,209,030
Proceeds from leases	-	-	20,207	20,207
	<u>(1,392,825)</u>	<u>(2,270,402)</u>	<u>(2,408,129)</u>	<u>(137,727)</u>
Total other financing sources (uses)				
Net change in fund balance	<u>\$ (18,469,639)</u>	<u>\$ (21,265,645)</u>	(4,315,508)	<u>\$ 16,950,137</u>
Fund balances - beginning (restated)			<u>78,794,364</u>	
Fund balance - ending			<u>\$ 74,478,856</u>	

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
ROAD FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 10,872,970	\$ 11,310,927	\$ 10,144,497	\$ (1,166,430)
Use of money and property	40,000	40,000	(275,715)	(315,715)
Licenses and permits	20,000	20,000	18,482	(1,518)
Other revenues	21,000	45,000	61,848	16,848
Charges for services	<u>57,589</u>	<u>87,589</u>	<u>131,493</u>	<u>43,904</u>
 Total revenues	 <u>11,011,559</u>	 <u>11,503,516</u>	 <u>10,080,605</u>	 <u>(1,422,911)</u>
EXPENDITURES				
Current:				
Public ways and facilities	6,738,235	7,116,245	6,059,983	1,056,262
Capital outlay	<u>3,788,000</u>	<u>6,184,672</u>	<u>2,767,829</u>	<u>3,416,843</u>
Debt service:				
Principal	-	-	4,242	(4,242)
Interest	<u>-</u>	<u>-</u>	<u>1,533</u>	<u>(1,533)</u>
 Total expenditures	 <u>10,526,235</u>	 <u>13,300,917</u>	 <u>8,833,587</u>	 <u>4,467,330</u>
 Net change in fund balance	 <u>\$ 485,324</u>	 <u>\$ (1,797,401)</u>	 1,247,018	 <u>\$ 3,044,419</u>
 Fund balances - beginning (restated)			 <u>7,525,020</u>	
 Fund balance - ending			 <u>\$ 8,772,038</u>	

**COUNTY OF INYO
BUDGETARY COMPARISON SCHEDULES
GRANT PROGRAMS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 38,026	\$ 42,164	\$ 54,838	\$ 12,674
Intergovernmental	8,248,810	7,516,456	7,230,062	(286,394)
Use of money and property	9,300	10,196	(183,481)	(193,677)
Other revenues	5,000	-	-	-
Charges for services	<u>65,000</u>	<u>63,864</u>	<u>95,957</u>	<u>32,093</u>
 Total revenues	 <u>8,366,136</u>	 <u>7,632,680</u>	 <u>7,197,376</u>	 <u>(435,304)</u>
EXPENDITURES				
Current:				
General government	720,063	720,063	54,601	665,462
Public protection	1,930,691	1,586,959	821,827	765,132
Health and sanitation	2,409,640	2,403,542	1,731,937	671,605
Public assistance	1,934,549	2,199,427	1,618,218	581,209
Recreation and culture	90,000	90,000	-	90,000
Capital outlay	<u>2,233,295</u>	<u>2,348,415</u>	<u>143,786</u>	<u>2,204,629</u>
 Total expenditures	 <u>9,318,238</u>	 <u>9,348,406</u>	 <u>4,370,369</u>	 <u>4,978,037</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(952,102)</u>	 <u>(1,715,726)</u>	 <u>2,827,007</u>	 <u>4,542,733</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	441,312	438,410	441,905	3,495
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(22,659)</u>	<u>77,341</u>
 Total other financing sources (uses)	 <u>341,312</u>	 <u>338,410</u>	 <u>419,246</u>	 <u>80,836</u>
 Net change in fund balance	 <u>\$ (610,790)</u>	 <u>\$ (1,377,316)</u>	 3,246,253	 <u>\$ 4,623,569</u>
 Fund balances - beginning (restated)			 1,815,023	
 Fund balance - ending			 <u>\$ 5,061,276</u>	

COUNTY OF INYO
NOTES TO THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, expenditures exceeded appropriations by the following:

<u>Funds</u>	<u>Amount</u>
General Fund	
Debt service:	
Principal	\$ 251,089
Interest	31,311
Road Fund	
Debt service:	
Principal	\$ 4,242
Interest	1,533

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

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

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

**COUNTY OF INYO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Capital Projects	Special Revenue Funds				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
ASSETS						
Cash and investments	\$ 2,330,996	\$ 110,544	\$ 5,205	\$ 142,612	\$ 1,055,079	\$ 3,644,436
Imprest cash	-	-	-	40	-	40
Accounts receivable	29,667	28	-	8,333	-	38,028
Due from other governments	-	-	245,323	(21,176)	-	224,147
Interest receivable	255	14	2	29	138	438
Prepaid expenses	-	-	50	1,372	-	1,422
Total assets	\$ 2,360,918	\$ 110,586	\$ 250,580	\$ 131,210	\$ 1,055,217	\$ 3,908,511
LIABILITIES						
Accounts payable	\$ 29,667	\$ 600	\$ 16,366	\$ 2,771	\$ 1,811	\$ 51,215
Accrued salaries and benefits	-	-	30,634	34,977	615	66,226
Total liabilities	29,667	600	47,000	37,748	2,426	117,441
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	243,478	-	-	243,478
Total deferred inflows of resources	-	-	243,478	-	-	243,478
FUND BALANCES (DEFICIT)						
Nonspendable	-	-	50	1,372	-	1,422
Restricted	-	109,986	-	92,090	1,052,791	1,254,867
Assigned	2,331,251	-	-	-	-	2,331,251
Unassigned	-	-	(39,948)	-	-	(39,948)
Total fund balances (deficit)	2,331,251	109,986	(39,898)	93,462	1,052,791	3,547,592
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 2,360,918	\$ 110,586	\$ 250,580	\$ 131,210	\$ 1,055,217	\$ 3,908,511

COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Capital Projects	Special Revenue Funds				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 87,404	\$ 87,404
Intergovernmental	169,667	-	448,597	1,024,670	385	1,643,319
Use of money and property	(93,208)	(4,350)	(114)	(5,610)	(41,652)	(144,934)
Other revenues	-	-	12,685	530	-	13,215
Charges for services	51,351	35,819	48,035	-	-	135,205
Total revenues	<u>127,810</u>	<u>31,469</u>	<u>509,203</u>	<u>1,019,590</u>	<u>46,137</u>	<u>1,734,209</u>
EXPENDITURES						
Current:						
General government	91,746	-	-	-	-	91,746
Public protection	-	56,164	-	1,069,380	-	1,125,544
Public ways and facilities	-	-	-	-	55,292	55,292
Health and sanitation	-	-	740,372	-	-	740,372
Capital outlay	261,256	-	-	-	-	261,256
Debt service:						
Principal	-	-	-	10,520	-	10,520
Interest	-	-	-	1,034	-	1,034
Total expenditures	<u>353,002</u>	<u>56,164</u>	<u>740,372</u>	<u>1,080,934</u>	<u>55,292</u>	<u>2,285,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,192)</u>	<u>(24,695)</u>	<u>(231,169)</u>	<u>(61,344)</u>	<u>(9,155)</u>	<u>(551,555)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	1,494,917	1,713	-	-	-	1,496,630
Transfers out	(1,152,648)	-	-	-	-	(1,152,648)
Total other financing sources (uses)	<u>342,269</u>	<u>1,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,982</u>
Net changes in fund balances	117,077	(22,982)	(231,169)	(61,344)	(9,155)	(207,573)
Fund balances - beginning	<u>2,214,174</u>	<u>132,968</u>	<u>191,271</u>	<u>154,806</u>	<u>1,061,946</u>	<u>3,755,165</u>
Fund balances - ending	<u>\$ 2,331,251</u>	<u>\$ 109,986</u>	<u>\$ (39,898)</u>	<u>\$ 93,462</u>	<u>\$ 1,052,791</u>	<u>\$ 3,547,592</u>

**COUNTY OF INYO
COMBINING BALANCE SHEET
SPECIAL DISTRICTS UNDER THE BOARD
JUNE 30, 2022**

	Special Revenue Funds			
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	Total Special Districts Under the Board
ASSETS				
Cash and investments	\$ 383,212	\$ 436,040	\$ 235,827	\$ 1,055,079
Interest receivable	50	57	31	138
Total assets	<u>\$ 383,262</u>	<u>\$ 436,097</u>	<u>\$ 235,858</u>	<u>\$ 1,055,217</u>
LIABILITIES				
Accounts payable	\$ 400	\$ 309	\$ 1,102	\$ 1,811
Accrued salaries and benefits	205	205	205	615
Total liabilities	605	514	1,307	2,426
FUND BALANCES				
Restricted	382,657	435,583	234,551	1,052,791
Total fund balances	382,657	435,583	234,551	1,052,791
Total liabilities and fund balances	<u>\$ 383,262</u>	<u>\$ 436,097</u>	<u>\$ 235,858</u>	<u>\$ 1,055,217</u>

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL DISTRICTS UNDER THE BOARD
JUNE 30, 2022**

	Special Revenue Funds			Total Special Districts Under the Board
	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	
REVENUES				
Taxes	\$ 29,754	\$ 30,868	\$ 26,782	\$ 87,404
Intergovernmental	132	136	117	385
Use of money and property	<u>(15,130)</u>	<u>(17,222)</u>	<u>(9,300)</u>	<u>(41,652)</u>
Total revenues	<u>14,756</u>	<u>13,782</u>	<u>17,599</u>	<u>46,137</u>
EXPENDITURES				
Current:				
Public ways and facilities	<u>18,327</u>	<u>15,143</u>	<u>21,822</u>	<u>55,292</u>
Total expenditures	<u>18,327</u>	<u>15,143</u>	<u>21,822</u>	<u>55,292</u>
Net changes in fund balances	(3,571)	(1,361)	(4,223)	(9,155)
Fund balances - beginning	<u>386,228</u>	<u>436,944</u>	<u>238,774</u>	<u>1,061,946</u>
Fund balances - ending	<u><u>\$ 382,657</u></u>	<u><u>\$ 435,583</u></u>	<u><u>\$ 234,551</u></u>	<u><u>\$ 1,052,791</u></u>

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NONMAJOR ENTERPRISE FUNDS

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

COUNTY OF INYO
COMBINING STATEMENT OF FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
JUNE 30, 2022

	<u>CSA #2</u>	<u>Mosquito Abatement</u>	<u>Water System</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 374,307	\$ 364,931	\$ 719,128	\$ 1,458,366
Accounts receivable	-	-	178,475	178,475
Interest receivable	51	45	74	170
Prepaid expenses	-	5,614	-	5,614
	<u>374,358</u>	<u>370,590</u>	<u>897,677</u>	<u>1,642,625</u>
Total current assets				
Noncurrent assets:				
Capital assets:				
Depreciable, net	249,272	26,244	1,573,854	1,849,370
	<u>249,272</u>	<u>26,244</u>	<u>1,573,854</u>	<u>1,849,370</u>
Total noncurrent assets				
	<u>249,272</u>	<u>26,244</u>	<u>1,573,854</u>	<u>1,849,370</u>
Total assets	<u>623,630</u>	<u>396,834</u>	<u>2,471,531</u>	<u>3,491,995</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	846	57,173	35,071	93,090
Deferred outflows from OPEB	-	108,434	80,520	188,954
	<u>846</u>	<u>165,607</u>	<u>115,591</u>	<u>282,044</u>
Total deferred outflows of resources				
LIABILITIES				
Current liabilities:				
Accounts payable	-	2,561	4,651	7,212
Accrued salaries and benefits	-	12,932	14,208	27,140
Unearned revenue	-	-	6,109	6,109
Due to other governments	-	-	56,426	56,426
Due to other funds	-	-	3,376	3,376
Compensated absences	-	9,107	3,934	13,041
Loans payable	-	-	16,256	16,256
	<u>-</u>	<u>24,600</u>	<u>104,960</u>	<u>129,560</u>
Total current liabilities				
Noncurrent liabilities:				
Loans payable	-	-	12,558	12,558
OPEB liability	-	633,520	470,435	1,103,955
Net pension liability	3,654	244,787	149,795	398,236
	<u>3,654</u>	<u>878,307</u>	<u>632,788</u>	<u>1,514,749</u>
Total noncurrent liabilities				
	<u>3,654</u>	<u>878,307</u>	<u>632,788</u>	<u>1,514,749</u>
Total liabilities	<u>3,654</u>	<u>902,907</u>	<u>737,748</u>	<u>1,644,309</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	1,553	104,066	63,682	169,301
Deferred inflows from OPEB	-	77,980	57,906	135,886
	<u>1,553</u>	<u>182,046</u>	<u>121,588</u>	<u>305,187</u>
Total deferred inflows of resources				
NET POSITION (DEFICIT)				
Net investment in capital assets	249,272	26,244	1,545,040	1,820,556
Unrestricted	369,997	(548,756)	182,746	3,987
	<u>619,269</u>	<u>(522,512)</u>	<u>1,727,786</u>	<u>1,824,543</u>
Total net position (deficit)				
	<u>\$ 619,269</u>	<u>\$ (522,512)</u>	<u>\$ 1,727,786</u>	<u>\$ 1,824,543</u>

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>CSA #2</u>	<u>Mosquito Abatement</u>	<u>Water System</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ -	\$ 65,000	\$ 823,336	\$ 888,336
Assessments	<u>55,440</u>	<u>420,657</u>	<u>-</u>	<u>476,097</u>
Total operating revenues	<u>55,440</u>	<u>485,657</u>	<u>823,336</u>	<u>1,364,433</u>
Operating expenses:				
Salaries and benefits	2,779	238,942	223,724	465,445
Services and supplies	35,527	152,633	154,368	342,528
Depreciation	<u>13,286</u>	<u>7,719</u>	<u>65,851</u>	<u>86,856</u>
Total operating expenses	<u>51,592</u>	<u>399,294</u>	<u>443,943</u>	<u>894,829</u>
Operating income (loss)	<u>3,848</u>	<u>86,363</u>	<u>379,393</u>	<u>469,604</u>
Nonoperating revenues (expenses):				
Intergovernmental revenues	-	33,444	-	33,444
Investment earnings	(14,762)	(14,933)	(30,728)	(60,423)
Interest expense	<u>-</u>	<u>-</u>	<u>(1,315)</u>	<u>(1,315)</u>
Total nonoperating revenues (expenses)	<u>(14,762)</u>	<u>18,511</u>	<u>(32,043)</u>	<u>(28,294)</u>
Change in net position	(10,914)	104,874	347,350	441,310
Net position - beginning	<u>630,183</u>	<u>(627,386)</u>	<u>1,380,436</u>	<u>1,383,233</u>
Net position - ending (deficit)	<u>\$ 619,269</u>	<u>\$ (522,512)</u>	<u>\$ 1,727,786</u>	<u>\$ 1,824,543</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	CSA #2	Mosquito Abatement	Water System	Total
Cash flows from operating activities:				
Cash receipts from customers	\$ 55,440	\$ 486,170	\$ 780,960	\$ 1,322,570
Cash paid to suppliers for goods and services	(39,300)	(157,198)	(151,437)	(347,935)
Cash paid to employees for salaries and benefits	(2,540)	(282,284)	(258,870)	(543,694)
Net cash provided by (used for) operating activities	<u>13,600</u>	<u>46,688</u>	<u>370,653</u>	<u>430,941</u>
Cash flows from noncapital financing activities:				
Loans from other funds	-	-	(38,922)	(38,922)
Grants	-	33,444	3,401	36,845
Other nonoperating cash receipts	-	-	3,627	3,627
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>33,444</u>	<u>(31,894)</u>	<u>1,550</u>
Cash flows from capital and related financing activities:				
Principal and interest paid on capital debt	-	-	(17,030)	(17,030)
Acquisition or construction of capital assets	(26,615)	(19,440)	-	(46,055)
Net cash provided by (used for) capital and related financing activities	<u>(26,615)</u>	<u>(19,440)</u>	<u>(17,030)</u>	<u>(63,085)</u>
Cash flows from investing activities:				
Interest earnings	(14,228)	(14,620)	(30,802)	(59,650)
Net cash provided by (used for) investing activities	<u>(14,228)</u>	<u>(14,620)</u>	<u>(30,802)</u>	<u>(59,650)</u>
Net increase (decrease) in cash and investments	(27,243)	46,072	290,927	309,756
Cash and investments - beginning	<u>401,550</u>	<u>318,859</u>	<u>428,201</u>	<u>1,148,610</u>
Cash and investments - ending	<u>\$ 374,307</u>	<u>\$ 364,931</u>	<u>\$ 719,128</u>	<u>\$ 1,458,366</u>
Reconciliation of cash and investments to the statement of net position				
Cash and investments	<u>\$ 374,307</u>	<u>\$ 364,931</u>	<u>\$ 719,128</u>	<u>\$ 1,458,366</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 3,848	\$ 86,363	\$ 379,393	\$ 469,604
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	13,286	7,719	65,851	86,856
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources				
Accounts receivable	-	513	(42,376)	(41,863)
Prepays	-	(5,614)	-	(5,614)
Deferred outflows of resources	(45)	(35,639)	(21,362)	(57,046)
Accounts payable	(3,773)	1,049	2,931	207
Accrued salaries	(205)	(1,096)	3,092	1,791
Liability for compensated absences	-	16	(256)	(240)
Net Pension liability	(1,064)	(79,927)	(141,134)	(222,125)
Net OPEB liability	-	-	83,675	83,675
Deferred inflows of resources	1,553	73,304	40,839	115,696
Net cash provided by (used for) operating activities	<u>\$ 13,600</u>	<u>\$ 46,688</u>	<u>\$ 370,653</u>	<u>\$ 430,941</u>

INTERNAL SERVICE FUNDS

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

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

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

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

COUNTY OF INYO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
ASSETS						
Current assets:						
Cash and investments	\$ 129,105	\$ 1,864,012	\$ 425,235	\$ 1,180,325	\$ 91,027	\$ 3,689,704
Accounts receivable	241	-	-	-	-	241
Interest receivable	-	215	35	140	11	401
Prepaid expenses	-	-	598	-	-	598
Inventory	6,101	-	-	-	-	6,101
Total current assets	<u>135,447</u>	<u>1,864,227</u>	<u>425,868</u>	<u>1,180,465</u>	<u>91,038</u>	<u>3,697,045</u>
Noncurrent assets:						
Nondepreciable	-	6,979	-	-	-	6,979
Depreciable, net	-	1,711,629	-	-	-	1,711,629
Total noncurrent assets	<u>-</u>	<u>1,718,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,718,608</u>
Total assets	<u>135,447</u>	<u>3,582,835</u>	<u>425,868</u>	<u>1,180,465</u>	<u>91,038</u>	<u>5,415,653</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows from pensions	-	36,683	-	-	-	36,683
Deferred outflows from OPEB	-	77,299	-	-	-	77,299
Total deferred outflows of resources	<u>-</u>	<u>113,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,982</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,371	96,487	599	21,154	-	119,611
Accrued salaries and benefits	-	10,694	-	-	-	10,694
Compensated absences	-	5,880	-	-	-	5,880
Liability for self-insurance	-	-	-	98,574	-	98,574
Total current liabilities	<u>1,371</u>	<u>113,061</u>	<u>599</u>	<u>119,728</u>	<u>-</u>	<u>234,759</u>
Noncurrent liabilities:						
Liability for self-insurance	-	-	-	131,438	-	131,438
Lease payable	-	1,063,649	-	-	-	1,063,649
Advance from other funds	125,000	-	-	-	-	125,000
Net OPEB Liability	-	451,618	-	-	-	451,618
Net pension liability	-	157,102	-	-	-	157,102
Total noncurrent liabilities	<u>125,000</u>	<u>1,672,369</u>	<u>-</u>	<u>131,438</u>	<u>-</u>	<u>1,928,807</u>
Total liabilities	<u>126,371</u>	<u>1,785,430</u>	<u>599</u>	<u>251,166</u>	<u>-</u>	<u>2,163,566</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows from pensions	-	66,789	-	-	-	66,789
Deferred inflows from OPEB	-	55,590	-	-	-	55,590
Total deferred inflows of resources	<u>-</u>	<u>122,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,379</u>
NET POSITION						
Net investment in capital assets	-	(9,277)	-	-	-	(9,277)
Unrestricted	9,076	1,798,285	425,269	929,299	91,038	3,252,967
Total net position	<u>\$ 9,076</u>	<u>\$ 1,789,008</u>	<u>\$ 425,269</u>	<u>\$ 929,299</u>	<u>\$ 91,038</u>	<u>\$ 3,243,690</u>

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Purchasing Revolving</u>	<u>Motor Pool</u>	<u>Workers' Compensation</u>	<u>County Liability</u>	<u>Medical Malpractice</u>	<u>Total</u>
Operating revenues:						
Charges for services	\$ 109,061	\$ 1,850,282	\$ 1,192,935	\$ 1,062,604	\$ 108,817	\$ 4,323,699
Other operating revenue	-	-	250	323	-	573
Total operating revenues	<u>109,061</u>	<u>1,850,282</u>	<u>1,193,185</u>	<u>1,062,927</u>	<u>108,817</u>	<u>4,324,272</u>
Operating expenses:						
Salaries and benefits	-	182,893	-	-	-	182,893
Services and supplies	115,244	1,353,328	1,116,922	1,037,095	87,732	3,710,321
Depreciation	-	667,129	-	-	-	667,129
Total operating expenses	<u>115,244</u>	<u>2,203,350</u>	<u>1,116,922</u>	<u>1,037,095</u>	<u>87,732</u>	<u>4,560,343</u>
Operating income (loss)	<u>(6,183)</u>	<u>(353,068)</u>	<u>76,263</u>	<u>25,832</u>	<u>21,085</u>	<u>(236,071)</u>
Nonoperating revenues (expenses):						
Investment earnings	(5,530)	(74,737)	(18,633)	(47,872)	(3,678)	(150,450)
Interest expense	-	(25,123)	-	-	-	(25,123)
Gain (loss) on sale of assets	-	168,418	-	-	-	168,418
Total nonoperating revenues (expenses)	<u>(5,530)</u>	<u>68,558</u>	<u>(18,633)</u>	<u>(47,872)</u>	<u>(3,678)</u>	<u>(7,155)</u>
Change in net position	(11,713)	(284,510)	57,630	(22,040)	17,407	(243,226)
Net position, beginning (restated)	20,789	2,073,518	367,639	951,339	73,631	3,486,916
Net position - ending	<u>\$ 9,076</u>	<u>\$ 1,789,008</u>	<u>\$ 425,269</u>	<u>\$ 929,299</u>	<u>\$ 91,038</u>	<u>\$ 3,243,690</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
Cash flows from operating activities:						
Cash receipts from customers	\$ 108,820	\$ 1,850,282	\$ 1,192,935	\$ 1,062,604	\$ 108,817	\$ 4,323,458
Cash paid to suppliers for goods and services	(120,099)	(1,320,329)	(1,116,921)	(1,031,177)	(87,732)	(3,676,258)
Cash paid to employees for salaries and benefits	-	(222,807)	-	-	-	(222,807)
Other operating receipts	-	-	250	323	-	573
Net cash provided by (used for) operating activities	(11,279)	307,146	76,264	31,750	21,085	424,966
Cash flows from noncapital financing activities:						
Loans from other funds	-	-	(338,079)	-	-	(338,079)
Lease related	-	1,368,188	-	-	-	1,368,188
Net cash provided by (used for) noncapital financing activities	-	1,368,188	(338,079)	-	-	1,030,109
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	179,828	-	-	-	179,828
Principal and interest paid on capital debt	-	(829,425)	-	-	-	(829,425)
Acquisition or construction of capital assets	-	(951,642)	-	-	-	(951,642)
Net cash provided by (used for) capital and related financing activities	-	(1,601,239)	-	-	-	(1,601,239)
Cash flows from investing activities:						
Interest earnings	(5,530)	(72,510)	(18,309)	(46,347)	(3,597)	(146,293)
Net cash provided by (used for) investing activities	(5,530)	(72,510)	(18,309)	(46,347)	(3,597)	(146,293)
Net increase (decrease) in cash and investments	(16,809)	1,585	(280,124)	(14,597)	17,488	(292,457)
Cash and investments - beginning	145,914	1,862,427	705,359	1,194,922	73,539	3,982,161
Cash and investments - ending	\$ 129,105	\$ 1,864,012	\$ 425,235	\$ 1,180,325	\$ 91,027	\$ 3,689,704
Reconciliation of cash and investments to the statement of net position						
Cash and investments	\$ 129,105	\$ 1,864,012	\$ 425,235	\$ 1,180,325	\$ 91,027	\$ 3,689,704
Reconciliation of operating income (loss) to net cash provided by (used) for operating activities:						
Operating income (loss)	\$ (6,183)	\$ (353,068)	\$ 76,263	\$ 25,832	\$ 21,085	\$ (236,071)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation	-	667,129	-	-	-	667,129
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources						
Accounts receivable	(241)	-	-	-	-	(241)
Inventory	(1,132)	-	-	-	-	(1,132)
Prepays	-	-	(598)	-	-	(598)
Deferred outflows of resources	-	(27,013)	-	-	-	(27,013)
Accounts payable	(3,723)	32,999	599	5,512	-	35,387
Accrued salaries	-	134	-	-	-	134
Liability for compensated absences	-	(17,605)	-	-	-	(17,605)
Self-insurance liability	-	-	-	406	-	406
Net Pension liability	-	(120,618)	-	-	-	(120,618)
Net OPEB liability	-	80,328	-	-	-	80,328
Deferred inflows of resources	-	44,860	-	-	-	44,860
Net cash provided by (used for) operating activities	\$ (11,279)	\$ 307,146	\$ 76,264	\$ 31,750	\$ 21,085	\$ 424,966



**COUNTY OF INYO
INDEPENDENCE, CALIFORNIA**

SINGLE AUDIT REPORT

**FOR THE YEAR ENDED
JUNE 30, 2022**

**COUNTY OF INYO
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Supervisors
County of Inyo
Independence, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Inyo, California (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 8, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001 that we consider to be a significant deficiency.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540

fax 559.299.2344

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-002.

The County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Price Pange & Company

Clovis, California
November 8, 2023



The Place to Be

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE, SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE AND SUPPLEMENTAL SCHEDULE OF THE CALIFORNIA OFFICE OF EMERGENCY SERVICES (CALOES) GRANTS EXPENDITURES

To the Board of Supervisors
County of Inyo
Independence, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Inyo, California's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611
tel 559.299.9540
fax 559.299.2344

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Supplemental Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated November 8, 2023, which contained a qualified opinion on those financial statements. The First 5 Inyo County audit report included a qualified opinion for the governmental activities' opinion unit because the net pension liability and related deferred inflows/deferred outflows of resources had not been recorded, and those amounts could not be determined. We did not audit the financial statements of First 5 Inyo County, which is a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon had been furnished to us, and our opinion, insofar as they relate to the amounts included for First 5 Inyo County, are based solely on the reports of the other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. The accompanying Supplemental Schedule of California Office of Emergency Services (CalOES) Grants Expenditures is presented for purposes of additional analysis as required by CalOES and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Schedule of Expenditures of Federal Awards and the Supplemental Schedule of CalOES is fairly stated in all material respects in relation to the basic financial statements as a whole.

Price Page & Company

Clovis, California
November 8, 2023

**COUNTY OF INYO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Passed through State Department of Social Services: Administrative Matching Grant for CalFresh (SNAP) Programs	10.561	--	\$ -	\$ 992,132
Passed through California Department of Public Health: Special Supplemental Nutrition Program for Women, Infants and Children	10.557	--	-	327,741
Total U.S. Department of Agriculture			-	1,319,873
U.S. Department of Housing and Urban Development				
Passed through the State Department of Housing and Urban Development: HOME Investment Partnership Program	14.239	--	-	780,000
Total U.S. Department of Housing and Urban Development			-	780,000
U.S. Department of Justice				
Direct Programs: 2018 Domestic Cannabis Eradication/Suppression Program	16.001	2021-20	-	1,926
Total Direct Programs			-	1,926
Passed through the California Emergency Management Agency: Crime Victim Witness Assistance Program	16.575	VW20 29 0140	-	66,806
Crime Victim Witness Assistance Program	16.575	VW21 30 0140	-	110,535
Subtotal ALN 16.575			-	177,341
Total U.S. Department of Justice			-	179,267
U.S. Department of Labor				
Passed through Kern County: Workforce Investment Act - Adult Program	17.258	--	-	60,739
Total U.S. Department of Labor			-	60,739
U.S. Department of Transportation				
Passed through California Department of Transportation:				
Airport Improvement Program	20.106	AIP-3-06-0024-021-2019	-	7,950
Airport Improvement Program	20.106	AIP-3-06-0024-023-2020	-	849,061
Airport Improvement Program	20.106	AIP-3-06-0024-025-2020	-	8,122
Airport Improvement Program	20.106	AIP-3-06-0024-027-2021	-	175,470
COVID-19 Airport Rescue Grant-ARPA KW2022	20.106	ARGO 3-06-0024-028-2022	-	32,000
COVID-19 Airport Rescue Grant	20.106	ARGO 3-06-0126-017-2022	-	4,555
Airport Coronavirus Response Grant Program	20.106	ACRGP 3-06-0024-026-2021	-	9,000
Subtotal ALN 20.106			-	1,086,158
Highway Planning and Construction	20.205	BRLO-5948-(074)	-	4,890
Highway Planning and Construction	20.205	BRLO-5948-(076)	-	9,104
Highway Planning and Construction	20.205	HSIPL-5948-(094)	-	149,451
Subtotal Highway Planning and Construction Cluster			-	163,445
Total U.S. Department of Transportation			-	1,249,603
U.S. Department of the Treasury				
Direct Program: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	--	-	3,503,864
Total U.S. Department of the Treasury			-	3,503,864
U.S. Department of Energy				
Direct Program: Yucca Mountain Oversight Grant	81.065	--	-	53,493
Total U.S. Department of Energy			-	53,493

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF INYO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services				
Passed through California Department of Child Support Services:				
Child Support Enforcement	93.563	--	-	731,637
Passed through California Department of Social Services:				
Promoting Safe and Stable Families	93.556	--	-	13,430
Temporary Assistance for Needy Families	93.558	--	-	562,146
Refugee Admin	93.566	--	-	173
Community-Based Child Abuse Prevention Grants	93.590	--	-	23,028
Stephanie Tubbs Jones Child Welfare Services Program	93.645	--	-	13,674
Foster Care - Title IV-E	93.658	--	-	685,396
Adoption Assistance Program	93.659	--	-	75,081
CWS TITLE XX	93.667	--	-	22,956
Chafee Foster Care Independence Program	93.674	--	-	951
Subtotal Pass-Through			-	1,396,835
Passed through State Department of Aging:				
Title VII Elder Abuse Prevention	93.041	--	-	652
Title VII Ombudsmen	93.042	--	-	38,219
Title III, Part D, Disease Prevention	93.043	--	-	3,153
Title IIIB: Supportive Services	93.044	--	-	95,565
Title III, Part C, Nutrition Services	93.045	--	-	204,345
Title IIIE: NFCSP	93.052	--	-	20,649
Nutrition Services Incentive Program	93.053	--	-	40,998
Subtotal Aging Cluster			-	403,581
Passed through State Department of Public Health:				
Public Health Emergency Response	93.069	--	-	71,385
Maternal and Child Health Federal Consolidated Programs	93.110	--	-	98,231
Immunization Grants	93.268	--	-	37,170
COVID-19 #2 Immunization Grant	93.268	--	-	23,662
COVID-19 #3 Immunization Grant	93.268	--	-	4,899
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC #2	-	544,154
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	ELC #2 Expansion	-	221,294
Health Emergency Preparedness	93.889	--	-	68,216
CARES Program-Ryan White AIDS Consortium	93.917	--	-	9,075
Subtotal Pass-Through			-	1,078,086
Passed through State Department of Health Care Services:				
California Children's Service-Admin	93.767	--	-	61,775
California Children's Service-Treatment	93.767	--	-	11,594
Subtotal ALN 93.767			-	73,369
Medi-Cal Assistance Program	93.778	--	-	441,256
Medi-Cal Administrative Services	93.778	--	-	247,022
Subtotal Medicaid Cluster			-	688,278
Passed through the State Department of Mental Health:				
SAMHSA: Substance Abuse Mental Health Svc. Admin	93.958	--	-	336,882
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin ARPA	93.958	--	-	73,429
COVID-19 SAMHSA: Substance Abuse Mental Health SVC Admin CRSSA	93.958	--	-	24,468
Subtotal Pass-Through			-	434,779
Passed through State Department of Alcohol and Drug Abuse:				
COVID-19 Block Grants for Prevention and Treatment of Substance Abuse	93.959	--	-	17,670
Block Grants for Prevention and Treatment of Substance Abuse (SAPT)	93.959	--	-	418,296
Subtotal Pass-Through			-	435,966
Maternal and Child Health Services Block Grant to the States	93.994	--	-	13,328
Total Department of Health and Human Services			-	5,255,859

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF INYO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal ALN</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security				
Passed through Governor's Office of Emergency Services:				
State Homeland Security Program (EMPG)	97.042	2020-0006, CalOES ID:027-0000	-	1,962
State Homeland Security Program (EMPG)	97.042	2019-0015, CalOES ID:027-0000	-	74,545
COVID-19 State Homeland Security Program (EMPG-S)	97.042	2020-0019, CalOES ID:027-0000	-	37,318
State Homeland Security Program (HSGP)	97.067	2020-0095, CalOES ID:027-0000	-	69,718
State Homeland Security Program (HSGP)	97.067	2019-0035, CalOES ID:027-0000	-	21,509
Total U.S. Department of Homeland Security			-	<u>205,052</u>
Total Expenditures of Federal Awards			\$ -	<u>\$ 12,607,750</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

COUNTY OF INYO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the County of Inyo, but not its discretely presented component unit, First 5 Inyo County. The County of Inyo reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

NOTE 2 – BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in the notes to the County financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement. In addition, the outstanding balance of prior year's loans that have significant continuing compliance requirements have been included in total federal expenditures.

NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE LISTING NUMBERS (ALN)

The program titles and ALNs were obtained from the federal or pass-through grantor. When no ALN had been assigned to a program, the two-digit federal agency identifier and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier and the word "unknown" were used.

NOTE 4 – INDIRECT COST RATE

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the related federal financial assistance reports.

NOTE 6 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree or can be reconciled with amounts reported in the County's basic financial statements.

COUNTY OF INYO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

NOTE 7 – PASS-THROUGH ENTITIES’ IDENTIFYING NUMBERS

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program, or the County was unable to obtain an identifying number from the pass-through entity, and “--” is shown.

NOTE 8 – LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The County participates in certain federal award programs that sponsor revolving loan programs which are administered by the County. These programs require servicing arrangements with the County. The funds are returned to the programs upon repayment of the principal and interest. In accordance with Section 200.510 of the Uniform Guidance, the County has reported the outstanding balance of loans from previous years that have significant continuing compliance requirements as of June 30, 2022, along with the value of total outstanding and new loans made during the current year.

The programs listed below had the following aggregate, federally funded loans outstanding at June 30, 2022:

Federal Assistance Listing Number	Program Title	SEFA June 30, 2022	FY21/22 Paydowns	Financial Statements Balance June 30, 2022
14.239	HOME Investment Partnership Program	\$ 780,000	\$ 400,000	\$ 380,000

NOTE 9 – CALIFORNIA DEPARTMENT OF AGING SUMMARY

The table below summarizes the Federal pass-through expenditures incurred by Title as required by the California Department of Aging:

	Federal ALN	Total
U.S. Department of Health and Human Services		
Passed through State Department of Aging:		
Title VII Elder Abuse Prevention	93.041	\$ 652
Title VII Ombudsmen	93.042	38,219
Title III, Part D, Disease Prevention	93.043	3,153
Title IIIB: Supportive Services	93.044	20,649
Title III, Part C, Nutrition Services	93.045	95,565
Title IIIE: NFCSP	93.052	204,345
Nutrition Services Incentive Program	93.053	40,998
Total		\$ 403,581

**COUNTY OF INYO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued: Qualified opinion for First 5 Inyo County, a discretely presented component unit, unmodified for all other opinion units.

Internal control over financial reporting:
 Material weaknesses identified? _____ Yes X No
 Significant deficiencies identified that are not considered to be material weaknesses? _____ X _____ Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:
 Material weaknesses identified? _____ Yes X No
 Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ X _____ Yes _____ No

Identification of Major Programs:

Federal Assistance Listing Number
 10.561
 14.239
 21.027
 93.323

Name of Federal Program or Cluster
 Administrative Matching Grant for CalFresh (SNAP) Programs
 HOME Investment Partnership Program
 COVID-19 Coronavirus State and Local Fiscal Recovery Funds
 COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

COUNTY OF INYO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2022-001 – Accounts Receivable (Significant Deficiency)

Criteria:

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

During the audit of the County's financial statements, we identified misstatements related to the accuracy and completeness of the County's receivables. Adjusting entries were required for both the Water Systems fund and Solid Waste fund to correct the respective receivable balance in each fund.

Cause:

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

Effect:

The accounts receivable balance for the funds noted above were initially misstated, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

Recommendation:

We recommend the County review the receivable balance for these specific funds next year to ensure they are appropriately supported and recorded as part of the year-end close. In addition, we recommend the County update the closing checklist and related responsibilities for receivables as deemed necessary to improve the accuracy of receivables for next year over all funds.

Management's Response:

See Corrective Action Plan.

COUNTY OF INYO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022
(Continued)

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Finding 2022-002 – Schedule of Expenditures of Federal Awards

Condition:

In preparing the Schedule of Expenditures of Federal Awards (SEFA) amounts applicable to the program noted below required subsequent adjustment after it was identified as being originally incorrectly stated. The County had an overall adjustment to the SEFA for \$400,000 as noted below. We identified this error during our audit and proposed the necessary accounting adjustments to correct the affected account balances as applicable and corrected the final SEFA presentation as well.

Federal Assistance Listing Number	Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Total Adjustment: Overstatement/ (Understatement)
14.239	HOME Investment Partnership Program	\$ (400,000)
	Total adjustment to SEFA	\$ (400,000)

Criteria:

Title 2 CFR Section 200.302(b)(2) of the Uniform Guidance requires that grantees provide accurate, current, and complete disclosure of the financial results of each Federal award or program, which includes expenditures of federal awards of grants that are presented in the SEFA. *Title 2 CFR Section 200.502(b)-(d) of the Uniform Guidance* also states certain requirements regarding the reporting of loans on the SEFA, which includes presenting the beginning of the audit period balance of loans from previous years for which the federal government imposes continuing compliance requirements.

Cause:

The County erroneously understated the HOME Investment Partnership Program SEFA balance by \$400,000, which caused the SEFA to initially be misstated.

Effect:

As noted in the chart above, the SEFA had one understatement that initially misstated the SEFA. If not corrected, the County would have misrepresented federal expenditures individually and in total in accordance with the Uniform Guidance.

Recommendation:

We recommend the County update and review its procedures related to the preparation of the SEFA to ensure that all costs are included in accordance with *Title 2 CFR Section 200.302(b)(2) of the Uniform Guidance*.

Management’s Response:

See Corrective Action Plan.

**COUNTY OF INYO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS

Finding 2021-001 – Payroll Allocation (Significant Deficiency)

Criteria:

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

During the audit of the County's financial statements, we identified a misstatement related to the allocation of the County's payroll liability. Initially the full payroll liability was sitting in the General Fund and required an adjusting journal entry to correctly allocate it to the other funds.

Cause:

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

Effect:

The payroll liability by was initially misstated as described above, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

Recommendation:

We recommend the County update the closing checklist to include a posting and review of the allocated payroll liability amounts as part of the year-end close.

Current Year Status:

Implemented.

**COUNTY OF INYO
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENT FINDINGS (Continued)

Finding 2021-002 – Accounts Receivable (Significant Deficiency)

Criteria:

A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process in order to accurately and completely close the current year general ledger in a timely manner. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Condition:

During the audit of the County's financial statements, we identified misstatements related to the accuracy and completeness of the County's receivables. Adjusting entries were required for both the Grant Programs fund and Solid Waste fund to correct the respective receivable balance in each fund.

Cause:

COVID-19 caused unforeseen delays as County staff had to work remotely and/or quarantine at various points over time which resulted in significant delays. Additionally, items such as ongoing training of County staff affected the County's ability to effectively close their books, both of which contributed to the misstatement.

Effect:

The accounts receivable balance for the funds noted above were initially misstated, which required a journal entry to be posted subsequent to receiving the County's final trial balance.

Recommendation:

We recommend the County review the receivable balance for these specific funds next year to ensure they are appropriately supported and recorded as part of the year-end close. In addition, we recommend the County update the closing checklist and related responsibilities for receivables as deemed necessary to improve the accuracy of receivables for next year over all funds.

Current Year Status:

Partially implemented, see current year finding 2022-001.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reportable.

**COUNTY OF INYO
SUPPLEMENTAL SCHEDULE OF THE CALIFORNIA OFFICE
OF EMERGENCY SERVICES (CALOES) GRANTS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2022**

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2021	For the Year Ended June 30, 2022	Cumulative As of June 30, 2022	Federal Share	State Share	County Share
2019 HSGP						
2019-0035						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	72,407	3,000	75,407	3,000	-	-
Equipment	-	18,509	18,509	18,509	-	-
Totals	\$ 72,407	\$ 21,509	\$ 93,916	\$ 21,509	\$ -	\$ -
2020 HSGP						
623720						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	19,666	19,666	19,666	-	-
Equipment	-	50,052	50,052	50,052	-	-
Totals	\$ -	\$ 69,718	\$ 69,718	\$ 69,718	\$ -	\$ -
2020 EMPG						
2020-0006						
Personal services	\$ 72,031	\$ -	\$ 72,031	\$ -	\$ -	\$ -
Operating expenses	3,863	1,962	5,825	1,962	-	-
Equipment	-	-	-	-	-	-
Totals	\$ 75,894	\$ 1,962	\$ 77,856	\$ 1,962	\$ -	\$ -
2021 EMPG						
623821						
Personal services	\$ -	\$ 68,379	\$ 68,379	\$ 68,379	\$ -	\$ -
Operating expenses	-	6,166	6,166	6,166	-	-
Equipment	-	-	-	-	-	-
Totals	\$ -	\$ 74,545	\$ 74,545	\$ 74,545	\$ -	\$ -
2020 EMPG COVID-S						
610191						
Personal services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating expenses	-	-	-	-	-	-
Equipment	-	37,318	37,318	37,318	-	-
Totals	\$ -	\$ 37,318	\$ 37,318	\$ 37,318	\$ -	\$ -
Victim Witness Assistance Program						
VW 20 29 0140						
Personal services	\$ 152,112	\$ 59,203	\$ 211,315	\$ 50,981	\$ 8,222	\$ -
Operating expenses	26,682	16,739	43,421	15,825	914	-
Equipment	-	-	-	-	-	-
Totals	\$ 178,794	\$ 75,942	\$ 254,736	\$ 66,806	\$ 9,136	\$ -
Victim Witness Assistance Program						
VW 21 30 0140						
Personal services	\$ 201,030	\$ 167,698	\$ 368,728	\$ 110,533	\$ 59,181	\$ -
Operating expenses	43,638	25,178	68,816	-	23,162	-
Equipment	-	-	-	-	-	-
Totals	\$ 244,668	\$ 192,876	\$ 437,544	\$ 110,533	\$ 82,343	\$ -

AMY SHEPHERD
Auditor- Controller
 ashepherd@inyocounty.us

(760) 878-0343
 FAX: (760) 878-0391



COUNTY OF INYO
 OFFICE OF THE AUDITOR-CONTROLLER
 P. O. Drawer R
 Independence, California 93526

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2022-001	<p><u>Water Systems</u> Reports for the Water Systems Enterprise Fund will be run on the date that we print service charges for the month of June. This will show the true total of what is owed to us as of June 30.</p>	Will be fixed for the 22/23 FY audit	Breanne Nelums, Senior Management Analyst
2022-01	<p><u>Solid Waste</u> The County has limited staff that have a background in accounting or an understanding of generally accepted accounting principles and the related revenue recognition principles.</p> <p>Departments are requested to identify accounts receivable, along with the fiscal year in which it was earned.</p> <p>To ensure revenue is correctly reported we require departments to certify that they have reviewed revenues for the year-end closing, that they have correctly posted revenues, and identify outstanding receivables.</p>	At the close of Fiscal Year 2022-2023	Amy Shepherd Auditor Controller

	In addition, there will be an additional focus on grants and enterprise funds to ensure their revenues are posted in the correct fiscal year.		
2022-002	We concur with the finding. We will state the beginning fiscal year balance of the loans, not the year end balance, as required by 2 CFR 200.302(b)2	Beginning Fiscal Year 2022-2023	Christie Martindale Assistant Auditor Controller

Christie Martindale
Name Christie Martindale
Title Assistant Auditor Controller