

COUNTY OF INYO
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2019



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**COUNTY OF INYO
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019**

Independent Auditors' Report	1
Management's Discussion and Analysis	4
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Activities	15
Statement of Activities	15
Fund Financial Statements	
Governmental Funds	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	20
Proprietary Funds	
Statement of Net Position	21
Statement of Revenues, Expenses, and Changes in Fund Net Position	22
Statement of Cash Flows	23
Fiduciary Funds	
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26
Notes to Basic Financial Statements	27
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in Net Pension Liability and Related Ratios	64
Schedule of County's Contribution	65
Schedule of Proportionate Share of the Net Pension Liability (Asset) and Related Ratios as of the Measurement Date	66
Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Healthcare Plan	67
Schedule of Contributions – Retiree Healthcare Plan (OPEB)	68
Budgetary Comparison Schedules	
General Fund	69

**COUNTY OF INYO
ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2019**

Road Fund	71
Grant Programs Fund	72
Note to Budgetary Comparison Schedule	73
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Nonmajor Governmental Funds	
Combining Balance Sheet	74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	75
Combining Balance Sheet – Special Districts Under the Board	76
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Special Districts Under the Board	77
Enterprise Funds	
Combining Statement of Fund Net Position	78
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	79
Combining Statement of Cash Flows	80
Internal Service Funds	
Combining Statement of Net Position	81
Combining Statement of Revenues, Expenses, and Changes in Net Position	82
Combining Statement of Cash Flows	83
Fiduciary Funds	
Investment Trust Fund	
Combining Statement of Fiduciary Net Position	85
Combining Statement of Changes in Fiduciary Net Position	86



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion on Discretely Presented Component Unit

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

Qualified Opinion

In our opinion, based on our audits and the report of the other auditors, except for the effects of the matter described in the Basis for Qualified Opinion on Discretely Presented Component Unit paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position 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, as of June 30, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is 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 July 31, 2020 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.



CliftonLarsonAllen LLP

Roseville, California
July 31, 2020

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

As management of the County of Inyo we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here along with the information presented in the County's basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS

Government-wide financial analysis

The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources as the close of the most recent fiscal year by \$17,032,099 (*net position*). The majority of this amount, \$57,292,582 is the net investment in capital assets, while \$47,095,443 is restricted for specific purposes (*restricted net position*). *Unrestricted net position* indicates the portion of net position which may be used to meet the County's ongoing obligations to citizens and creditors; however, the recording of the County's pension liability in accordance with GASB Statement No. 68 and the recording of additional postemployment benefits liability in accordance with GASB Statement No. 75 created a negative unrestricted net position of \$(87,355,926).

Fund financial analysis

Total fund balances for the County's governmental funds amounted to \$76,170,594 as of June 30, 2019, an increase of \$10,420,685 from the prior fiscal year.

Unassigned fund balance in the General Fund, at year-end was \$23.0 million, or 40.44% of its total expenditures for the year.

Capital asset and long-term liabilities

The County's investment in capital assets has decreased by \$2,919,817 from \$62,229,174 to \$59,309,357. These balances consisted of \$46,921,937 for the governmental activities and \$12,387,420 for the business-type activities.

The County's outstanding long term liabilities have increased by \$4,982,063. The significant increase in the County's long term liabilities is primarily due to an increase in the County's other post-employee benefit (OPEB) liability in the amount of \$7,518,754. However, long-term liabilities, as a whole, only increased by the \$4,982,063 due to a decrease in the County's net pension liability of \$2,621,463.

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements include the following three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities, deferred inflows and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned, but unused vacation leave, long-term debt and grant funds expended but not received as of fiscal year end).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education and recreation. The business-type activities of the County include the Airports, Solid Waste, County Service Area #2, Water Systems, and Mosquito Abatement.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a County's near-term financing requirements.

COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Road Fund and Grant Programs, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregate presentation under the Other Governmental heading. Individual data for the other governmental funds can be found in Combining and Individual Fund Statements and Schedules on pages 74-77.

The County adopts annual appropriated budgets for all of its governmental funds. Therefore, budgetary comparison schedules have been provided for each fund presented in this report. These statements demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds: The County maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Airports, Solid Waste, County Service Area #2, Water Systems, and Mosquito Abatement.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for Motor Pool, Purchasing Revolving, Workers Compensation, County Liability, and Medical Malpractice Insurance. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airports and Solid Waste and combine all other enterprise funds under the Non-major Enterprise heading. Conversely, all internal service funds are combined into a single aggregate presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 21-24 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 25-26 of this report.

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-63 of this report.

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgetary comparison schedules for the General Fund and all major special revenue funds as well as the schedules of funding progress for the retirement programs. Required Supplementary Information can be found on pages 64-73 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. In the case of the County of Inyo, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,032,099 at June 30, 2019.

Condensed Statement of Net Position							
	Governmental Activities		Business-type Activities		Total		Total % Change
	2019	2018	2019	2018	2019	2018	
Assets:							
Current and other assets	\$ 84,187,742	\$ 74,772,116	\$ 6,653,425	\$ 5,718,654	\$ 90,841,167	\$ 80,490,770	12.86%
Capital assets	46,921,937	49,237,153	12,387,420	12,992,021	59,309,357	62,229,174	-4.69%
Total assets	131,109,679	124,009,269	19,040,845	18,710,675	150,150,524	142,719,944	5.21%
Deferred outflows of resources:	18,723,829	18,555,577	775,576	682,046	19,499,405	19,237,623	1.36%
Liabilities:							
Current and other liabilities	3,345,590	4,144,931	385,000	380,108	3,730,590	4,525,039	-17.56%
Long-term liabilities	123,365,103	120,417,353	22,688,722	20,654,409	146,053,825	141,071,762	3.53%
Total liabilities	126,710,693	124,562,284	23,073,722	21,034,517	149,784,415	145,596,801	2.88%
Deferred inflows of resources:	2,749,918	1,097,109	83,497	28,929	2,833,415	1,126,038	151.63%
Net Position:							
Net Investment in Capital Assets	45,363,074	47,341,233	11,929,508	12,477,356	57,292,582	59,818,589	-4.22%
Restricted	47,095,443	40,935,706	--	--	47,095,443	40,935,706	15.05%
Unrestricted	(72,085,620)	(71,371,486)	(15,270,306)	(14,148,081)	(87,355,926)	(85,519,567)	2.15%
Total net position	\$ 20,372,897	\$ 16,905,453	\$ (3,340,798)	\$ (1,670,725)	\$ 17,032,099	\$ 15,234,728	11.80%

Unrestricted net position indicates the portion of net position which may be used to meet the County's ongoing obligations to citizens and creditors. The recording of the County's net pension liability per the requirements of GASB Statement No. 68, coupled with the recording of the other post employment benefits liability caused the County's unrestricted net position to be negative indicating that the majority of the County's net position is invested in capital assets or otherwise restricted for use.

The most significant portion of the County's net position, \$57,292,582, or 336%, of total net position, reflects its net investment in capital assets (e.g. land, structures and improvements, infrastructure, and equipment), less any outstanding related debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Analysis of Net Position

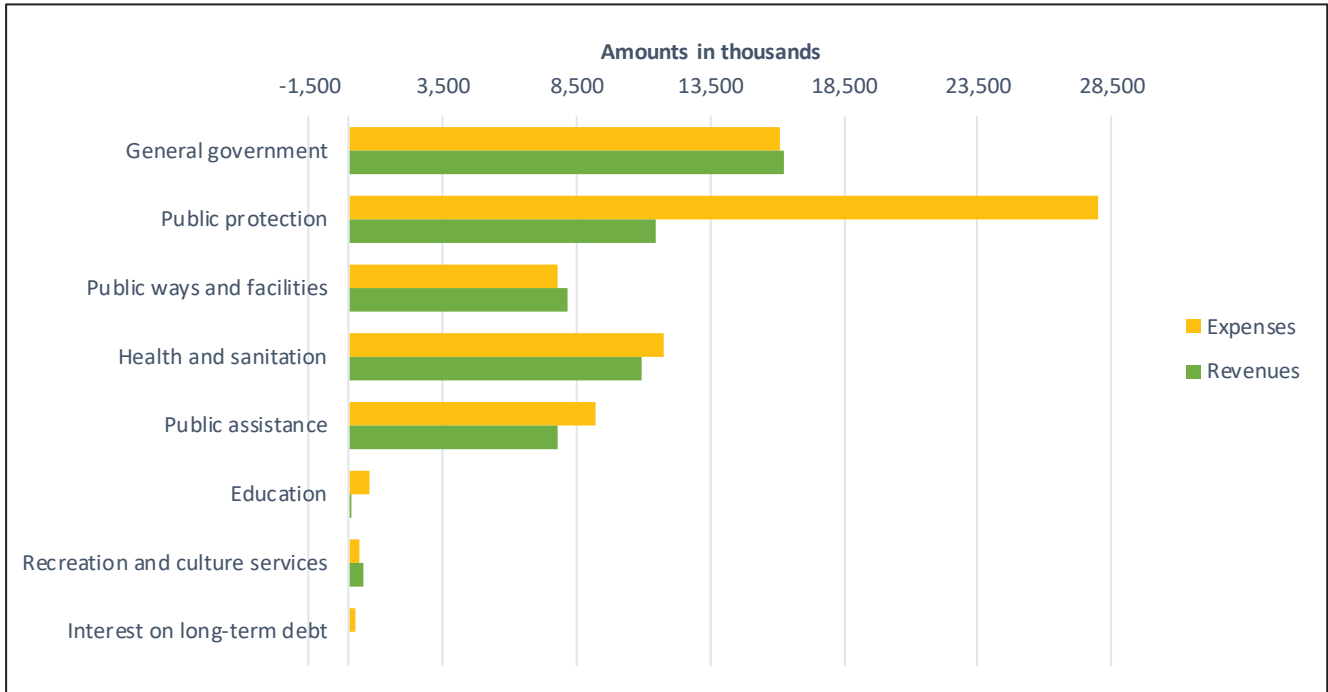
At the end of the fiscal year, the County is able to report positive balances in total net position for governmental-type, however, there is a negative balance business-type net position. The following table indicates the changes in net position for governmental and business-type activities.

Condensed Statement of Changes in Net Position							
	Governmental Activities		Business-type Activities		Total		Total % Change
	2019	2018	2019	2018	2019	2018	
Revenues:							
Program revenues:							
Charges for services	\$ 11,312,357	\$ 11,375,990	\$ 4,503,955	\$ 3,971,360	\$ 15,816,312	\$ 15,347,350	3.06%
Operating grants and contributions	41,762,914	39,029,101	82,896	556,664	41,845,810	39,585,765	5.71%
Capital grants and contributions	2,139,189	1,509,008	361,927	1,944,272	2,501,116	3,453,280	-27.57%
General revenues:							
Property taxes	13,916,984	13,011,705	--	--	13,916,984	13,011,705	6.96%
Sales and use taxes	1,617,933	1,767,474	1,620,220	1,471,191	3,238,153	3,238,665	-0.02%
Other taxes	4,208,362	3,427,960	--	--	4,208,362	3,427,960	22.77%
Interest and investment earnings	2,527,003	190,229	151,185	299,641	2,678,188	489,870	446.71%
Gain on sale of capital assets	6,977	16,378	--	--	6,977	16,378	100.00%
Other revenue	178,294	548,114	3,999	46,041	182,293	594,155	-69.32%
Total revenues	77,670,013	70,875,959	6,724,182	8,289,169	84,394,195	79,165,128	6.61%
Expenses:							
General government	16,110,531	14,773,218	--	--	16,110,531	14,773,218	9.05%
Public protection	28,000,848	27,988,559	--	--	28,000,848	27,988,559	0.04%
Public ways and facilities	7,780,867	7,190,783	--	--	7,780,867	7,190,783	8.21%
Health and sanitation	11,751,293	9,885,955	--	--	11,751,293	9,885,955	18.87%
Public assistance	9,223,171	9,488,505	--	--	9,223,171	9,488,505	-2.80%
Education	739,104	576,514	--	--	739,104	576,514	28.20%
Recreation and culture services	399,430	1,262,779	--	--	399,430	1,262,779	-68.37%
Interest on long-term debt	201,489	210,101	--	--	201,489	210,101	-4.10%
Airport	--	--	2,389,236	2,104,689	2,389,236	2,104,689	13.52%
Solid Waste	--	--	4,444,713	3,434,833	4,444,713	3,434,833	29.40%
Water System	--	--	731,974	491,114	731,974	491,114	49.04%
CSA #2	--	--	88,641	62,361	88,641	62,361	42.14%
Mosquito Abatement	--	--	735,527	689,630	735,527	689,630	6.66%
Total Expenses	74,206,733	71,376,414	8,390,091	6,782,627	82,596,824	78,159,041	5.68%
Change in net position before transfers	3,463,280	(500,455)	(1,665,909)	1,506,542	1,797,371	1,006,087	78.65%
Transfers	4,164	(200,000)	(4,164)	200,000	--	--	
Change in net position	3,467,444	(700,455)	(1,670,073)	1,706,542	1,797,371	1,006,087	78.65%
Net position, beginning	16,905,453	17,605,908	(1,670,725)	(3,377,267)	15,234,728	14,228,641	7.07%
Net position, ending	\$ 20,372,897	\$ 16,905,453	\$ (3,340,798)	\$ (1,670,725)	\$ 17,032,099	\$ 15,234,728	11.80%

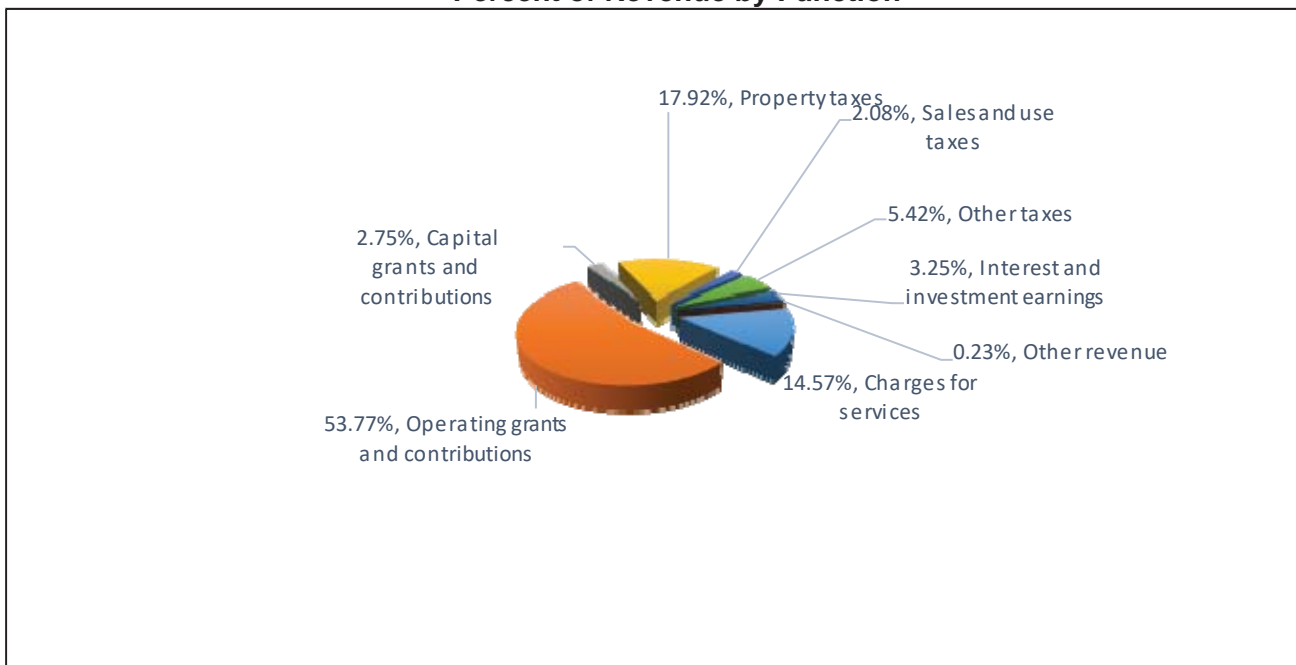
**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Governmental activities experienced an increase in change in net position of \$3,467,444 due to an increase in intergovernmental revenues in revenues of \$3.4 million and an increase in interest and investment earnings of \$2.4 million over the prior year.

**Governmental Activities
Revenue and Expenses by Function**



**Governmental Activities
Percent of Revenue by Function**



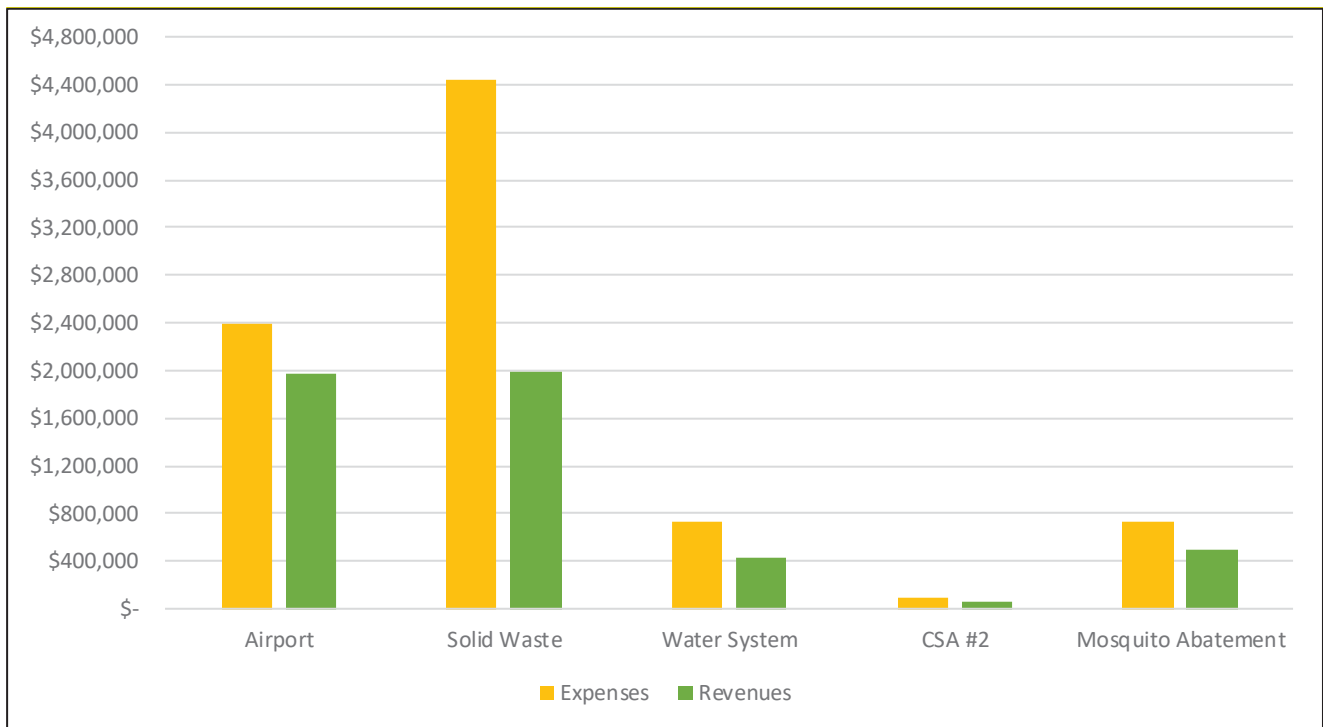
**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Some of the more relevant sections of the chart are highlighted below.

- Operating Grants and Contributions comprise the largest portion of the County's revenue, which indicates a high reliance on state and federal funding to maintain many core programs.
- Charges for services are also a fairly large component of the County's budget and can be used as indicator to see how well the County is recovering many of its program costs that are not mandated.
- Combined taxes continue to generate a large portion of the County's discretionary revenues that are used to fund critical programs.
- Governmental activities expenses totaled \$74,206,733, with public protection expenses of \$28,000,848 being one of the largest components. This is an indication of the County's operating philosophy that the safety and welfare of the County's citizens and residents is very important.

Business-type activities expenses and program revenue are shown on the following charts.

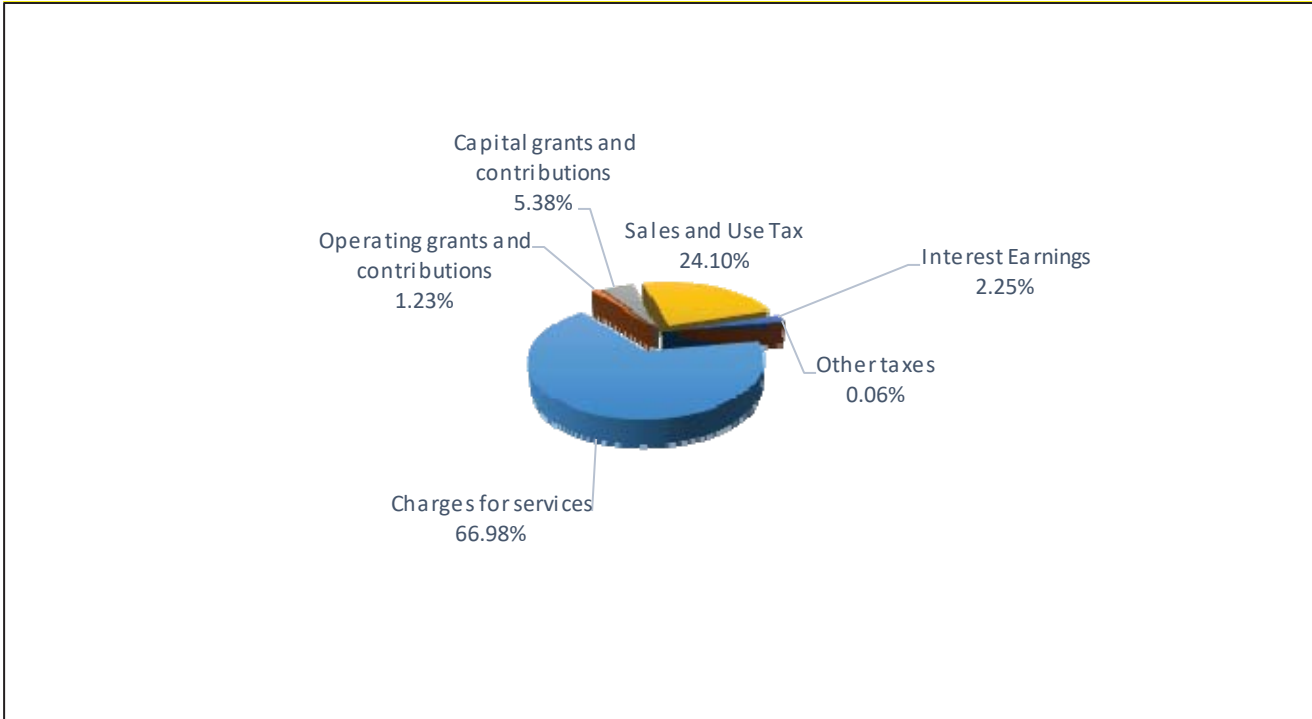
**Business-Type Activities
Revenue and Expenses by Activity**



Total program revenue for business-type activities was \$4,948,778 and charges for services accounted for \$4,503,955 of the total.

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

**Business-Type Activities
Percent of Revenue by Type**



Operating grants and contributions, other taxes and charges for services provide the largest direct revenue sources for the business-type activities. Operating grants represent state and federal funding for the airports and transit projects. Other taxes reflect the ½% Transaction Use Tax (approved by the voters in October of 1988) that is used to fund the solid waste program.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The Governmental Funds are accounted for in the General Fund, Road Fund, Grant Programs and Other Governmental funds. The functional areas encompassed by these funds are identified in page 19 of the report. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- **Fund Balance:** At June 30, 2019, the County's governmental funds reported combined ending fund balances of \$76,170,594. Fund balance by definition is simply the difference between the assets and liabilities of a governmental fund. Because governmental funds report only *financial* assets and certain *near-term* liabilities, it may be tempting to view total fund balance as a measure of expendable available financial resources. However, not all of the financial resources of the fund may be available to liquidate liabilities of the current period. A long-term receivable, for instance, cannot be used to liquidate a liability that is currently due and payable. Consequently, fund balance in total is not a good measure of expendable available financial resources in a governmental fund.

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Proprietary funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. All proprietary funds, except Solid Waste, had positive net position balances on June 30, 2019. The Statement of Revenues, Expenses and Changes in Fund Net Position for Proprietary Funds can be found on page 22 of this report.

BUDGETARY HIGHLIGHTS FOR GENERAL FUND

Differences between the original budget and the final amended budget can be attributed to prior year encumbrances being added into the working budget as well as budget amendments to complete additional projects that have come up throughout the year.

CAPITAL ASSETS

Capital Assets: The County's investment in capital assets for its governmental and business type activities as of June 30, 2019, amount to \$59,309,357 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, park facilities, roads, highways, and bridges. Additional information on the County's capital assets can be found in Note 4 on pages 43-45 of this report.

LONG-TERM LIABILITIES

The following table depicts the County's long-term obligations for the governmental activities and business-type activities for the past two years. Additional information on long-term liabilities can be found in Notes 6-8 on pages 45-49 and Notes 10-12 on pages 51-62.

	Long term Liabilities					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Capital leases payable	\$ 740,066	\$ 961,246	\$ 383,506	\$ 514,665	\$ 1,123,572	\$ 1,475,911
Compensated absences	1,523,006	1,480,978	57,581	64,301	1,580,587	1,545,279
Claims liability	285,000	285,000	--	--	285,000	285,000
Closure-post closure liability	--	--	16,371,019	15,771,565	16,371,019	15,771,565
Loans payable	4,253,797	4,525,674	74,406	--	4,328,203	4,525,674
Other post employment benefits	52,063,599	46,154,857	3,382,192	1,772,360	55,445,791	47,927,217
Net pension liability	64,499,635	67,009,598	2,420,018	2,531,518	66,919,653	69,541,116
Total	\$ 123,365,103	\$ 120,417,353	\$ 22,688,722	\$ 20,654,409	\$ 146,053,825	\$ 141,071,762

**COUNTY OF INYO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

Economic Factors and Next Year's Budget

- The County is committed to providing services to the citizens of Inyo County with integrity, collaboration, professionalism, and accountability and these values are reflected in the Fiscal Year 2019-2020 budget. Although, this budget benefited from an uptick in general fund revenue growth of 7.85%, almost double from the previous year, growth projections are still a representation of a conservative approach taken by County leadership to ensure the ability to maintain fiscal health and be prepared to respond to changes in the State and Federal policy that are not under the County's control.
- The fiscal year 2019-2020 budget overall provided a significant amount of one-time funding for major projects, like the \$7.8 million for a down-payment to start the lease for the Consolidated Office Building in Bishop, a purchase of a building in Lone Pine for shared use by Health and Humans Services and Probation, \$868,000 in deferred maintenance projects, and \$610,000 upgrades to technology.
- Similar to prior years, the number one concern in future budget forecasting is personnel cost. The most significant cost driving personnel increases are unfunded liability cost for pension and pay-as-go health care cost for retirees. Not only will this affect budgets in the immediate future, but it will also affect how the County strategically plans for the long term future since these are long-term liabilities.
- The County is continuing to make contributions to the OPEB trust and does not plan on budgeting any withdrawals in the near future in an effort to fund the retiree health benefits and reduce the County's liability.
- The County will continue to keep a close eye on any changes to federal programs that will require scaling back of expenditures.

Of course, as economic factors continue to change, the County will remain vigilant and conservative.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Inyo County Auditor-Controller, at P.O. Drawer R, Independence, CA 93526 or the Inyo County Administrator, at P.O. Drawer N, Independence, CA 93526.

BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**COUNTY OF INYO
STATEMENT OF NET POSITION
JUNE 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	First 5 Inyo
ASSETS				
Cash and Investments	\$ 74,303,580	\$ 6,546,345	\$ 80,849,925	\$ 841,513
Imprest Cash	2,525	1,215	3,740	-
Cash with Fiscal Agent	61,226	-	61,226	-
Internal Balances	530,597	(530,597)	-	-
Accounts Receivable	3,351,227	496,136	3,847,363	-
Interest Receivable	441,085	28,416	469,501	4,791
Prepaid Expenses	63,914	-	63,914	-
Deposits with Others	41,700	-	41,700	-
Notes Receivable	780,000	-	780,000	-
Inventories	861,628	63,439	925,067	-
Due from Other Governmental Agencies	3,750,260	48,471	3,798,731	7,628
Capital Assets:				
Nondepreciable	10,366,647	1,851,399	12,218,046	-
Depreciable, Net	36,555,290	10,536,021	47,091,311	-
Total Assets	<u>131,109,679</u>	<u>19,040,845</u>	<u>150,150,524</u>	<u>853,932</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows - OPEB	4,315,925	279,998	4,595,923	-
Deferred Outflows - Pensions	14,407,904	495,578	14,903,482	-
	<u>18,723,829</u>	<u>775,576</u>	<u>19,499,405</u>	<u>-</u>
LIABILITIES				
Accounts Payable	1,566,333	306,478	1,872,811	32,429
Accrued Salaries and Benefits	1,637,082	73,873	1,710,955	7,667
Unearned Revenue	134,121	3,370	137,491	-
Interest Payable	8,054	1,279	9,333	-
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Compensated Absences	1,523,006	57,581	1,580,587	1,940
Claims Liability	100,000	-	100,000	-
Loan Payable	292,885	14,686	307,571	-
Capital Leases	363,051	383,506	746,557	-
Portion Due or Payable After One Year:				
Compensated Absences	-	-	-	1,940
Claims Liability	185,000	-	185,000	-
Loan Payable	3,960,912	59,720	4,020,632	-
Capital Leases	377,015	-	377,015	-
Closure/Post Closure Liability	-	16,371,019	16,371,019	-
Other Postemployment Benefit Liability	52,063,599	3,382,192	55,445,791	-
Net Pension Liability	64,499,635	2,420,018	66,919,653	-
Total Liabilities	<u>126,710,693</u>	<u>23,073,722</u>	<u>149,784,415</u>	<u>43,976</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - OPEB	45,803	2,600	48,403	-
Deferred Inflows - Pensions	2,704,115	80,897	2,785,012	-
Total Deferred Inflows of Resources	<u>2,749,918</u>	<u>83,497</u>	<u>2,833,415</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	45,363,074	11,929,508	57,292,582	-
Restricted for County Programs	47,095,443	-	47,095,443	-
Restricted for Other Purposes	-	-	-	653,800
Unrestricted	(72,085,620)	(15,270,306)	(87,355,926)	156,156
Total Net Position	<u>\$ 20,372,897</u>	<u>\$ (3,340,798)</u>	<u>\$ 17,032,099</u>	<u>\$ 809,956</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF INYO
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 16,110,531	\$ 7,391,321	\$ 8,861,177	\$ -
Public Protection	28,000,848	1,942,401	9,545,421	-
Public Ways and Facilities	7,780,867	347,854	5,644,051	2,139,189
Health and Sanitation	11,751,293	1,142,703	9,793,733	-
Public Assistance	9,223,171	119,604	7,646,561	-
Education	739,104	7,373	71,238	-
Recreation and Culture	399,430	361,101	200,733	-
Interest on Long-Term Debt	201,489	-	-	-
Total Governmental Activities	<u>74,206,733</u>	<u>11,312,357</u>	<u>41,762,914</u>	<u>2,139,189</u>
Business-Type Activities:				
Airport	2,389,236	1,575,543	40,000	361,927
Solid Waste	4,444,713	1,972,299	19,598	-
Water System	731,974	424,011	-	-
CSA #2	88,641	58,823	-	-
Mosquito Abatement	735,527	473,279	23,298	-
Total Business-Type Activities	<u>8,390,091</u>	<u>4,503,955</u>	<u>82,896</u>	<u>361,927</u>
Total Primary Government	<u>\$ 82,596,824</u>	<u>\$ 15,816,312</u>	<u>\$ 41,845,810</u>	<u>\$ 2,501,116</u>
Component Unit				
First Five Inyo	<u>\$ 350,944</u>	<u>\$ -</u>	<u>\$ 363,382</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property Taxes
Sales and Use Taxes
Other

Miscellaneous

Unrestricted Interest and Investment Earnings
Gain on Sale of Capital Assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of Year

Net Position - End of Year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	First Five Inyo
\$ 141,967	\$ -	\$ 141,967	\$ -
(16,513,026)	-	(16,513,026)	-
350,227	-	350,227	-
(814,857)	-	(814,857)	-
(1,457,006)	-	(1,457,006)	-
(660,493)	-	(660,493)	-
162,404	-	162,404	-
(201,489)	-	(201,489)	-
<u>(18,992,273)</u>	<u>-</u>	<u>(18,992,273)</u>	<u>-</u>
-	(411,766)	(411,766)	-
-	(2,452,816)	(2,452,816)	-
-	(307,963)	(307,963)	-
-	(29,818)	(29,818)	-
-	(238,950)	(238,950)	-
<u>-</u>	<u>(3,441,313)</u>	<u>(3,441,313)</u>	<u>-</u>
(18,992,273)	(3,441,313)	(22,433,586)	-
			12,438
13,916,984	-	13,916,984	-
1,617,933	1,620,220	3,238,153	-
4,208,362	-	4,208,362	-
178,294	3,999	182,293	-
2,527,003	151,185	2,678,188	14,005
6,977	-	6,977	-
4,164	(4,164)	-	-
<u>22,459,717</u>	<u>1,771,240</u>	<u>24,230,957</u>	<u>14,005</u>
3,467,444	(1,670,073)	1,797,371	26,443
<u>16,905,453</u>	<u>(1,670,725)</u>	<u>15,234,728</u>	<u>783,513</u>
<u>\$ 20,372,897</u>	<u>\$ (3,340,798)</u>	<u>\$ 17,032,099</u>	<u>\$ 809,956</u>

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BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

**COUNTY OF INYO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	General	Road	Grant Programs	Other Governmental	Total
ASSETS					
Cash and Investments	\$60,570,096	\$5,716,987	\$2,292,182	\$ 2,502,627	\$ 71,081,892
Restricted Assets:					
Cash with Fiscal Agent	61,226	-	-	-	61,226
Imprest Cash	2,085	100	300	40	2,525
Interest Receivable	370,450	30,539	2,786	24,953	428,728
Accounts Receivable	1,715,132	606,528	739,629	288,881	3,350,170
Due from Other Funds	4,827,029	-	-	-	4,827,029
Due from Other Governments	690,373	502,624	151,075	-	1,344,072
Loans Receivable	-	-	780,000	-	780,000
Inventory	-	858,026	-	-	858,026
Deposits with Others	41,700	-	-	-	41,700
Advances to Other Funds	125,000	-	-	-	125,000
Prepaid Expenses	61,363	-	2,551	-	63,914
Total Assets	<u>\$68,464,454</u>	<u>\$7,714,804</u>	<u>\$3,968,523</u>	<u>\$ 2,816,501</u>	<u>\$ 82,964,282</u>
LIABILITIES					
Accounts Payable	\$ 1,105,247	\$ 252,731	\$ 129,843	\$ 28,613	\$ 1,516,434
Accrued Salaries and Benefits	1,417,089	112,027	60,844	45,909	1,635,869
Unearned Revenue	126,188	-	-	-	126,188
Due to Other Funds	2,200	-	1,463,044	145,000	1,610,244
Total Liabilities	<u>2,650,724</u>	<u>364,758</u>	<u>1,653,731</u>	<u>219,522</u>	<u>4,888,735</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	490,304	435,916	689,993	288,740	1,904,953
FUND BALANCES					
Nonspendable	186,363	858,026	2,551	-	1,046,940
Restricted	35,284,986	6,056,104	1,724,863	1,271,894	44,337,847
Assigned	6,832,967	-	-	1,040,777	7,873,744
Unassigned	23,019,110	-	(102,615)	(4,432)	22,912,063
Total Fund Balances	<u>65,323,426</u>	<u>6,914,130</u>	<u>1,624,799</u>	<u>2,308,239</u>	<u>76,170,594</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$68,464,454</u>	<u>\$7,714,804</u>	<u>\$3,968,523</u>	<u>\$ 2,816,501</u>	<u>\$ 82,964,282</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF INYO
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2019

Fund Balance - Total Governmental Funds	\$ 76,170,594
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	45,284,744
Deferred outflows of resources reported in the Statement of Net Position	18,642,056
Internal service funds are used by the County to charge the cost of unemployment insurance, dental insurance, and fleet services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is:	2,808,866
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	1,897,020
Deferred inflows of resources reported in the Statement of Net Position	(2,742,376)
Certain liabilities are not due and payable in the current period, and therefore are not reported in the governmental funds.	
Interest Payable	(8,054)
Loans Payable	(4,253,797)
Other Postemployment Benefits Liability	(51,664,389)
Compensated Absences	(1,504,057)
Net Pension Liability	<u>(64,257,710)</u>
Net Position of Governmental Activities	<u>\$ 20,372,897</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	General	Road	Grant Programs	Other Governmental	Total
REVENUES					
Taxes	\$ 19,626,383	\$ -	\$ 41,199	\$ 75,697	\$ 19,743,279
Licenses and Permits	997,886	22,859	-	-	1,020,745
Fines, Forfeitures, and Penalties	1,486,124	-	-	-	1,486,124
Use of Money and Property	2,127,004	131,675	52,895	145,282	2,456,856
Intergovernmental	32,210,751	8,959,222	1,959,308	1,135,635	44,264,916
Charges for Services	8,325,696	303,735	31,405	147,309	8,808,145
Other Revenues	68,922	42,296	55,501	11,575	178,294
Total Revenues	<u>64,842,766</u>	<u>9,459,787</u>	<u>2,140,308</u>	<u>1,515,498</u>	<u>77,958,359</u>
EXPENDITURES					
Current:					
General Government	15,052,916	-	126,369	41,454	15,220,739
Public Protection	23,008,792	-	1,099,393	1,009,499	25,117,684
Public Ways and Facilities	12,389	5,434,403	-	38,575	5,485,367
Health and Sanitation	8,412,289	-	697,923	723,081	9,833,293
Public Assistance	8,083,830	-	1,054,772	-	9,138,602
Education	607,860	-	-	-	607,860
Recreation and Culture	1,142,125	-	-	-	1,142,125
Capital Outlay	177,422	370,582	54,215	-	602,219
Debt Service:					
Principal	222,898	-	-	-	222,898
Interest	201,489	-	-	-	201,489
Total Expenditures	<u>56,922,010</u>	<u>5,804,985</u>	<u>3,032,672</u>	<u>1,812,609</u>	<u>67,572,276</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,920,756	3,654,802	(892,364)	(297,111)	10,386,083
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	70	-	-	-	70
Transfers In	2,534,583	-	68,597	17,154	2,620,334
Transfers Out	(81,587)	-	(4,045)	(2,500,170)	(2,585,802)
Total Other Financing Sources (Uses)	<u>2,453,066</u>	<u>-</u>	<u>64,552</u>	<u>(2,483,016)</u>	<u>34,602</u>
NET CHANGES IN FUND BALANCES	10,373,822	3,654,802	(827,812)	(2,780,127)	10,420,685
Fund Balances, Beginning of Year	<u>54,949,604</u>	<u>3,259,328</u>	<u>2,452,611</u>	<u>5,088,366</u>	<u>65,749,909</u>
END OF YEAR	<u>\$ 65,323,426</u>	<u>\$ 6,914,130</u>	<u>\$ 1,624,799</u>	<u>\$ 2,308,239</u>	<u>\$ 76,170,594</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF INYO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

Net Change to Fund Balance - Total Governmental Funds		\$ 10,420,685
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Expenditures for General Capital Assets, Infrastructure, and Other Related Capital Assets Adjustments	617,818	
Less: Current Year Depreciation	<u>(2,740,337)</u>	(2,122,519)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
		(365,470)
<p>Long-term debt proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.</p>		
Principal Retirements		271,877
<p>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.</p>		
Change in Other Postemployment Benefits	(1,456,078)	
Change in Compensated Absences	(40,555)	
Change in Net Pension Liability	<u>(3,244,470)</u>	(4,741,103)
<p>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.</p>		
		<u>3,974</u>
Change in Net Position of Governmental Activities		<u>\$ 3,467,444</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF INYO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Investments	\$ 874,125	\$ 2,668,483	\$ 846,316	\$ 4,388,924	\$ 3,221,688
Imprest Cash	265	950	-	1,215	-
Accounts Receivable	55,244	278,309	162,583	496,136	1,057
Due from Other Governments	31,749	-	16,722	48,471	-
Interest Receivable	2,931	22,862	2,623	28,416	12,357
Inventory	63,439	-	-	63,439	3,602
Noncurrent Assets:					
Restricted Cash	-	2,157,421	-	2,157,421	-
Capital Assets:					
Nondepreciable	1,851,399	-	-	1,851,399	6,979
Depreciable, Net	8,187,176	487,534	1,861,311	10,536,021	1,630,214
Total Assets	<u>11,066,328</u>	<u>5,615,559</u>	<u>2,889,555</u>	<u>19,571,442</u>	<u>4,875,897</u>
DEFERRED OUTFLOWS					
Deferred Outflows - OPEB	35,848	163,615	80,535	279,998	33,091
Deferred Outflows - Pensions	78,323	290,691	126,564	495,578	48,682
	<u>114,171</u>	<u>454,306</u>	<u>207,099</u>	<u>775,576</u>	<u>81,773</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	65,804	150,451	44,776	261,031	49,899
Accrued Salaries and Benefits	10,682	35,564	27,627	73,873	1,213
Due to Other Funds	352,375	-	178,222	530,597	280,000
Compensated Absences	15,253	35,257	7,071	57,581	18,949
Interest Payable	-	1,279	-	1,279	-
Unearned Revenue	3,370	-	-	3,370	-
Due to Other Governments	2,200	-	43,247	45,447	-
Liability for Self-Insurance	-	-	-	-	100,000
Capital Leases Payable	-	383,506	-	383,506	363,051
Loans Payable	-	-	14,686	14,686	-
Noncurrent Liabilities:					
Advances from Other Funds	-	-	-	-	125,000
Liability for Self-Insurance	-	-	-	-	185,000
Capital Leases Payable	-	-	-	-	377,015
Loans Payable	-	-	59,720	59,720	-
Estimated Liability for Landfill					
Closure/Post closure Costs	-	16,371,019	-	16,371,019	-
Other Postemployment Benefits	432,477	1,973,870	975,845	3,382,192	399,210
Net Pension Liability	405,023	1,383,339	631,656	2,420,018	241,925
Total Liabilities	<u>1,287,184</u>	<u>20,334,285</u>	<u>1,982,850</u>	<u>23,604,319</u>	<u>2,141,262</u>
DEFERRED INFLOWS					
Deferred Inflows - OPEB	378	1,723	499	2,600	349
Deferred Inflows - Pensions	13,617	47,809	19,471	80,897	7,193
Total Deferred Inflows	<u>13,995</u>	<u>49,532</u>	<u>19,970</u>	<u>83,497</u>	<u>7,542</u>
NET POSITION					
Net Investment in Capital Assets	10,038,575	104,028	1,786,905	11,929,508	897,127
Unrestricted	(159,255)	(14,417,980)	(693,071)	(15,270,306)	1,911,739
Total Net Position	<u>\$ 9,879,320</u>	<u>\$ (14,313,952)</u>	<u>\$ 1,093,834</u>	<u>\$ (3,340,798)</u>	<u>\$ 2,808,866</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF INYO
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds				Governmental
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal
					Service Funds
OPERATING REVENUES					
Charges for Services	\$ 1,575,543	\$ 1,515,617	\$ 956,113	\$ 4,047,273	\$ 3,546,495
Fees and Permits	-	456,682	-	456,682	-
Other Revenues	3,529	470	-	3,999	3,116
Total Operating Revenues	<u>1,579,072</u>	<u>1,972,769</u>	<u>956,113</u>	<u>4,507,954</u>	<u>3,549,611</u>
OPERATING EXPENSES					
Salaries and Benefits	465,878	1,880,171	1,029,145	3,375,194	394,744
Services and Supplies	1,719,041	1,332,210	443,451	3,494,702	2,595,287
Closure/Post Closure	-	599,453	-	599,453	-
Depreciation	204,317	620,409	82,883	907,609	603,242
Total Operating Expenses	<u>2,389,236</u>	<u>4,432,243</u>	<u>1,555,479</u>	<u>8,376,958</u>	<u>3,593,273</u>
OPERATING INCOME (LOSS)	(810,164)	(2,459,474)	(599,366)	(3,869,004)	(43,662)
NONOPERATING REVENUES (EXPENSES)					
Tax Revenue	-	1,620,220	-	1,620,220	-
Intergovernmental Revenues	40,000	19,598	23,298	82,896	-
Other revenue	-	-	-	-	950
Interest Revenue	17,456	112,948	20,781	151,185	70,147
Interest Expense	-	(12,470)	(663)	(13,133)	-
Gain (Loss) on Sale of Assets	-	-	-	-	6,907
Total Nonoperating Revenues (Expenses)	<u>57,456</u>	<u>1,740,296</u>	<u>43,416</u>	<u>1,841,168</u>	<u>78,004</u>
Income (Loss) Before Capital Contributions and Transfers	(752,708)	(719,178)	(555,950)	(2,027,836)	34,342
Capital Contributions	361,927	-	-	361,927	-
Transfers Out	-	-	(4,164)	(4,164)	(30,368)
CHANGE IN NET POSITION	<u>(390,781)</u>	<u>(719,178)</u>	<u>(560,114)</u>	<u>(1,670,073)</u>	<u>3,974</u>
Net Position - Beginning of Year,	<u>10,270,101</u>	<u>(13,594,774)</u>	<u>1,653,948</u>	<u>(1,670,725)</u>	<u>2,804,892</u>
NET POSITION - END OF YEAR	<u>\$ 9,879,320</u>	<u>\$ (14,313,952)</u>	<u>\$ 1,093,834</u>	<u>\$ (3,340,798)</u>	<u>\$ 2,808,866</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF INYO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	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	\$ 1,577,904	\$ 2,056,154	\$ 849,525	\$ 4,483,583	\$ -
Interfund Services Provided	-	-	-	-	3,548,554
Cash Paid to Suppliers for Goods and Services	(1,718,581)	(1,243,389)	(434,690)	(3,396,660)	(2,675,565)
Cash Paid to Employees for Salaries and Benefits	(316,247)	(1,137,644)	(461,072)	(1,914,963)	(215,731)
Other Receipts	40,000	1,639,818	23,298	1,703,116	950
Net Cash Provided (Used) by Operating Activities	(416,924)	1,314,939	(22,939)	875,076	658,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipt of Interfund Loan	-	-	(182,228)	(182,228)	(208,637)
Payment of Interfund Loan	(47,223)	-	-	(47,223)	-
Transfers In (Out)	-	-	(4,164)	(4,164)	(30,368)
Net Cash Provided (Used) by Noncapital Financing Activities	(47,223)	-	(186,392)	(233,615)	(239,005)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Contributions	719,841	-	-	719,841	-
Principal Repayments Related to Capital Purposes	-	(131,159)	-	(131,159)	(322,750)
Interest Repayments Related to Capital Purposes	-	(12,470)	(663)	(13,133)	-
Loan Proceeds	-	-	78,000	78,000	-
Loan Repayments	-	-	(3,594)	(3,594)	-
Proceeds from Sale of Capital Assets	-	-	-	-	23,619
Payments Related to the Acquisition of Capital Assets	(129,252)	(184,293)	(88,510)	(402,055)	(325,687)
Net Cash Provided (Used) by Capital and Related Financing Activities	590,589	(327,922)	(14,767)	247,900	(624,818)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received (Paid)	16,052	101,102	19,932	137,086	65,281
Net Cash Provided (Used) by Investing Activities	16,052	101,102	19,932	137,086	65,281
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	142,494	1,088,119	(204,166)	1,026,447	(140,334)
Cash and Cash Equivalents - Beginning of Year	731,896	3,738,735	1,050,482	5,521,113	3,362,022
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 874,390</u>	<u>\$ 4,826,854</u>	<u>\$ 846,316</u>	<u>\$ 6,547,560</u>	<u>\$ 3,221,688</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF INYO
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental
					Activities
	Airport	Solid Waste	Nonmajor Enterprise Funds	Total	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Investments	\$ 874,125	\$ 2,668,483	\$ 846,316	\$ 4,388,924	\$ 3,221,688
Imprest Cash	265	950	-	1,215	-
Restricted Cash	-	2,157,421	-	2,157,421	-
	<u>\$ 874,390</u>	<u>\$ 4,826,854</u>	<u>\$ 846,316</u>	<u>\$ 6,547,560</u>	<u>\$ 3,221,688</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (810,164)	\$ (2,459,474)	\$ (599,366)	\$ (3,869,004)	\$ (43,662)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:					
Depreciation	204,317	620,409	82,883	907,609	603,242
Other Nonoperating Revenue	40,000	1,639,818	23,298	1,703,116	950
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:					
Accounts Receivable	-	83,385	(106,533)	(23,148)	(1,057)
Inventory	460	-	-	460	921
Deferred Outflows	403	(55,106)	(38,718)	(93,421)	(19,035)
Accounts Payable	-	88,820	8,706	97,526	(81,199)
Accrued Salaries	(902)	2,208	6,275	7,581	(5,248)
Liability for Compensated Absences	6,288	231	(13,239)	(6,720)	1,474
Unearned Revenues	(1,168)	-	-	(1,168)	-
Deferred Inflows of Resources	9,155	32,935	12,478	54,568	4,668
Closure/Post closure Liability	-	599,454	-	599,454	-
Net OPEB Liability	153,493	829,198	627,141	1,609,832	206,430
Net Pension Liability	(18,806)	(66,939)	(25,864)	(111,609)	(9,276)
Net Cash Provided (Used) by Operating Activities	<u>\$ (416,924)</u>	<u>\$ 1,314,939</u>	<u>\$ (22,939)</u>	<u>\$ 875,076</u>	<u>\$ 658,208</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Lease and Related Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,570</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF INYO
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

	Investment Trust	Agency Funds
ASSETS		
Cash and Investments	\$ 53,061,863	\$ 12,554,435
Interest Receivable	259,175	28,330
Due from Other Funds	-	2,200
Taxes Receivable	-	1,757,684
Total Assets	53,321,038	\$ 14,342,649
LIABILITIES		
Due to Other Funds	-	\$ 2,408,388
Agency Obligations	-	11,934,261
Total Liabilities	-	\$ 14,342,649
NET POSITION		
Net Position Held in Trust for Investment Pool Participants	53,321,038	
Total Net Position	\$ 53,321,038	

See accompanying Notes to Basic Financial Statements.

**COUNTY OF INYO
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2019**

	Investment Trust
ADDITIONS	
Contributions to Investment Pool	\$ 39,898,659
Interest and Investment Income	773,695
Total Additions	40,672,354
DEDUCTIONS	
Distributions from Investment Pool	(32,080,913)
Total Deductions	(32,080,913)
CHANGE IN NET POSITION	8,591,441
Net Position - Beginning of Year	44,729,597
NET POSITION - END OF YEAR	\$ 53,321,038

See accompanying Notes to Basic Financial Statements.

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BASIC FINANCIAL STATEMENTS

NOTES TO 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 matter 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.

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COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Inyo (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, organizations 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 Lighting District	County Service Area No. 2
County of Inyo Capital Asset Leasing Corporation	Independence Lighting District 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

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

B. Basis of Presentation

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:

- The *General Fund* is used to account 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 public protection, public ways and facilities, health and sanitation, public assistance, education and recreation services.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

- The *Road Fund* is 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.
- The *Grant Programs Fund* is 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:

- The *Airport Fund* was established to account for the operation of the Eastern Sierra Regional Airport, Lone Pine Airport, Independence Airport, and the Shoshone Airport.
- The *Solid Waste Fund* was established to account for operations of the solid waste handling activity.

The County reports the following additional fund types:

- The *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 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.
- The *Investment Trust Fund* accounts for the assets of legally separate entities that deposit cash with the County Treasurer. These entities include school districts, other special districts governed by local boards, regional boards and authorities and pass through funds for tax collections for cities. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand.
- The *Agency Funds* account for assets held by the County as an agent for various local governments.

C. Basis of Accounting and Measurement Focus

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

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

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 expenses 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 by 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.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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.

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.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

K. Property 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.

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

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	15 to 50 Years
Structures and Improvements	50 Years
Equipment	3 to 20 Years

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

M. Unearned Revenue

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

N. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

has deferred inflows of resources related to unavailable revenues reported under the modified accrual basis of accounting in the governmental funds balance sheet and related to pensions and OPEB in its proprietary and government-wide statements. The governmental funds report unavailable revenues for receivables that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Encumbrances

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

P. Fund Equity

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 fund balance – 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 fund balance – 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 legislation.
- Committed fund balance – 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 (the 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 fund balance – 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 fund balance – the residual classification for the General Fund that includes amounts not contained in the preceding classifications. 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.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

The Board of Supervisors establishes, modifies or rescinds fund balance commitments and assignments 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 business-wide activities fund financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

R. 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.

S. Other Postemployment Benefits

For purposes of measuring the other postemployment benefits 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.

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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 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' shares of the total pool are 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 daily 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 are considered involuntary participants in the investment pool and comprise 19% of the total treasury investment pool which includes County operational funds. Special districts and various trust funds approximate 19% of the investment pool and the extent of involuntary participation cannot be determined at this time. County operational funds and agency funds comprise the remaining 62% of the investment pool.

At June 30, 2019, total County cash and investments were as follows:

Cash on Hand	\$ 4,786
Deposits	3,057,324
Cash with Fiscal Agent	61,226
Less: Outstanding Checks	(2,934,647)
Investments	147,184,013
Total Cash and Investments	<u>\$ 147,372,702</u>

Total cash and investments at June 30, 2019 were presented on the County's financial statements as follows:

Primary Government	\$ 80,914,891
Investment Trust Fund	53,061,863
Agency Funds	12,554,435
Discretely Presented Component Unit	841,513
Total Cash and Investments	<u>\$ 147,372,702</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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 will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that of the County's total bank balance, \$250,000 per account is insured by the Federal Depository Insurance Corporation. The remaining \$2,504,895 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 collateral.

At June 30, 2019, the carrying amount of the Pool's deposits was \$3,004,895 and the corresponding bank balance was \$6,701,527. The difference of \$3,696,632 was principally due to unreceipted deposits and paid warrants not recorded by the County.

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	None	None
U.S. Treasury Bills	5 years	None	None
State of California Obligations	5 years	None	None
Local Agency Bonds and Obligations	5 years	None	None
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%	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund	N/A	None	None
California Asset Management Program	N/A	None	None

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

At June 30, 2019, the County had the following investments:

	Interest Rates	Maturities	Fair Value	Weighted Avg Maturity (Years)
Pooled Investments:				
Federal Agency Obligations	.0275%-2.50%	7/01/19 - 6/15/24	\$ 84,749,714	2.22
U.S. Treasury Notes	2.11%-2.30%	7/15/19-7/15/20	6,897,695	0.33
Commercial Paper	N/A	7/26/19 - 2/21/20	11,768,648	-
Local Agency Investment Fund	Variable	On Demand	24,750,000	-
Negotiable Certificates of Deposit	.50%-3.4%	8/07/19 - 01/09/24	13,853,000	1.50
Corporate Obligations	2.16%-2.174	7/21/20 - 2/19/21	2,031,247	1.34
Local Agency Debt			633,709	-
AIM Money Market	Variable	On Demand	2,500,000	-
Total Pooled Investments			<u>\$ 147,184,013</u>	-
Non-Pooled Investments				
Cash with Fiscal Agent	Variable	On Demand	\$ 61,226	
Total Investments			<u>\$ 147,245,239</u>	

Interest Rate Risk

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

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 Investment Policy also limit 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, 2019, the County had the following investments in any one issuer that represent 5% or more of the total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded because they are not a concentration of credit risk.

Issuer	Investment Type	Amount Reported	% of Total Investments
Federal Farm Credit Bank	Federal Agency Obligations	\$ 31,770,490	21.58%
Federal Home Loan Bank	Federal Agency Obligations	15,977,324	10.85%
Federal Home Loan Mortgage	Federal Agency Obligations	23,018,000	15.63%
Federal National Mortgage Assn.	Federal Agency Obligations	13,983,900	9.50%
Natixis NY	Commercial Paper	7,845,453	5.33%

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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, 2019.

	S&P	Moody's	Portfolio
Federal Agency Obligations	AAA	AAA	57.60%
US Treasury Notes	N/A	N/A	4.70%
Local Agency Investment Fund	Unrated	Unrated	16.80%
Local Agency Debt	Unrated	Unrated	0.40%
Commercial Paper	N/A	N/A	8.00%
Negotiable CDs	N/A	N/A	9.40%
Corporate Obligations	N/A	N/A	1.40%
Money Market Funds	N/A	N/A	1.70%
Total			100.00%

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 (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by state statute.

At June 30, 2019, the County's investment position in the State of California Local Agency Investment Fund (LAIF) was \$24,750,000, which approximates fair value and is the same as value of the pool shares. The total amount invested by all public agencies in LAIF on that day was \$105.7 billion. Of that amount, 1.77% was invested in structured notes and asset-backed securities with the remaining 99.23% invested in other non-derivative financial products.

**COUNTY OF INYO
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

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, 2019:

Statement of Net Position

Assets:	
Investments	\$ 147,184,013
Other Deposits	188,689
Total Assets	<u>\$ 147,372,702</u>
Net Position:	
Equity of Internal Pool Participants	\$ 94,310,839
Equity of External Pool Participants	53,061,863
Total Net Position	<u>\$ 147,372,702</u>

Statement of Changes in Net Position

Net Position at July 1, 2018	\$ 129,090,176
Net contributions from pool participants	18,282,526
Net position at June 30, 2019	<u>\$ 147,372,702</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.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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 instrumentality's, 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' rating 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.

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.

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

The County's pooled investments by fair value level as of June 30, 2019, include the following:

	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Debt Securities:				
Federal Agency Obligations	\$ 84,749,714	\$ -	\$ 84,749,714	\$ -
U.S. Treasury Notes	6,897,695		6,897,695	
Negotiable Certificates of Deposit	13,853,000	-	13,853,000	-
Commercial Paper	11,768,648	-	11,768,648	-
Corporate Obligations	2,031,247	-	2,031,247	-
Total Investments Measured at Fair Value	\$ 119,300,304	\$ -	\$ 119,300,304	\$ -
Investments Measured at Net Asset Value (NAV):				
Local Agency Investment Fund	24,750,000			
Local Agency Debt	633,709			
UBS Money Market	2,500,000			
Total Pooled and Directed Investments	\$ 147,184,013			

NOTE 3 INTERFUND TRANSACTIONS

Interfund Receivables/Payables

The composition of interfund balances as of June 30, 2019 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Grant Programs	1,463,044	Cash flow reimbursement grants
	Road Fund	-	Provide short term cash flow
	Airport	352,375	Provide short term cash flow
	Nonmajor Enterprise Funds	178,222	Provide short term cash flow
	Nonmajor Governmental Funds	145,000	Provide short term cash flow
	Internal Service Funds	280,000	Provide short term cash flow
	Agency Fund	2,408,388	Provide short term cash flow
		<u>4,827,029</u>	
Agency Fund	General Fund	2,200	Provide short term cash flow
		<u>\$ 4,829,229</u>	

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Funds	\$ 125,000
		<u>125,000</u>

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.

Transfers

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

Between Governmental and Business-Type Activities:

Transfer From	Transfers To	Amount	Purpose
Nonmajor Enterprise	Grant Programs	\$ 4,164	To augment ongoing operations
		<u>4,164</u>	

Between Funds Within the Governmental or Business-Type Activities:

Transfer From	Transfers To	Amount	Purpose
General Fund	Grant Programs	\$ 64,433	To augment ongoing operations
	Nonmajor Governmental Funds	17,154	To augment ongoing operations
Nonmajor Governmental	General Fund	2,500,170	To augment ongoing operations
Internal Service Funds	General Fund	30,368	To augment ongoing operations
Grant Programs	General Fund	\$ 4,045	To augment ongoing operations
		<u>2,616,170</u>	

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019, was as follows:

Governmental Activities

	Balance July 1, 2018	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2019
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 8,899,171	\$ -	\$ -	\$ -	\$ 8,899,171
Construction in Progress	1,161,518	320,208	-	(14,250)	1,467,476
Total Capital Assets, Not Being Depreciated	10,060,689	320,208	-	(14,250)	10,366,647
Capital Assets, Being Depreciated:					
Infrastructure	207,721,159		-		207,721,159
Land Improvements	5,651,410	-	-	-	5,651,410
Structures and Improvements	20,383,465	47,484	(22,165)	-	20,408,784
Equipment	19,559,280	691,633	(753,181)		19,497,732
Total Capital Assets, Being Depreciated	253,315,314	739,117	(775,346)	-	253,279,085
Less Accumulated Depreciation for:					
Infrastructure	(188,087,536)	(1,390,053)	-	-	(189,477,589)
Land Improvements	(2,179,758)	(252,052)	-	-	(2,431,810)
Structures and Improvements	(8,005,870)	(605,172)	22,165	-	(8,588,877)
Equipment	(15,865,686)	(1,096,305)	736,472	-	(16,225,519)
Total Accumulated Depreciation	(214,138,850)	(3,343,582)	758,637	-	(216,723,795)
Total Capital Assets, Being Depreciated, Net	39,176,464	(2,604,465)	(16,709)	-	36,555,290
Governmental Activities, Capital Assets, Net	<u>\$ 49,237,153</u>	<u>\$ (2,284,257)</u>	<u>\$ (16,709)</u>	<u>\$ (14,250)</u>	<u>\$ 46,921,937</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Business-Type Activities

	Balance July 1, 2018	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2019
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,851,399	\$ -	\$ -	\$ -	\$ 1,851,399
Construction in Progress	79,114		-	(79,114)	-
Total Capital Assets, Not Being Depreciated	1,930,513	-	-	(79,114)	1,851,399
Capital Assets, Being Depreciated:					
Infrastructure	22,313,858	82,811	-	79,114	22,475,783
Land Improvements	2,715,664		-	-	2,715,664
Structures and Improvements	6,040,173	5,624	(311,119)	-	5,734,678
Equipment	4,686,999	214,573	-	-	4,901,572
Total Capital Assets, Being Depreciated	35,756,694	303,008	(311,119)	79,114	35,827,697
Less Accumulated Depreciation for:					
Infrastructure	(16,751,483)	(167,441)	-	-	(16,918,924)
Land Improvements	(2,238,019)	(43,170)	-	-	(2,281,189)
Structures and Improvements	(2,717,361)	(387,520)	-	-	(3,104,881)
Equipment	(2,988,323)	(309,478)	311,119	-	(2,986,682)
Total Accumulated Depreciation	(24,695,186)	(907,609)	311,119	-	(25,291,676)
Total Capital Assets, Being Depreciated, Net	11,061,508	(604,601)	-	79,114	10,536,021
Business-Type Activities, Capital Assets, Net	<u>\$ 12,992,021</u>	<u>\$ (604,601)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,387,420</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	272,368
Public Protection	351,331
Public Ways	1,904,530
Health and Sanitation	104,715
Public Assistance	15,602
Education	91,794
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>603,242</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,343,582</u>

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

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

Airport	\$	204,317
Solid Waste Fund		620,409
Nonmajor Enterprise Funds		<u>82,883</u>
Total Depreciation Expense - Business-Type Activities		<u><u>\$ 907,609</u></u>

NOTE 5 LOANS RECEIVABLE

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

NOTE 6 LONG-TERM LIABILITIES

A summary of changes in long-term liabilities for the year ended June 30, 2019 for governmental activities is as follows:

Type of Indebtedness	Balance July 1, 2018	Additions/ Adjustments	Retirements/ Adjustments	Balance June 30, 2019	Amounts Due Within One Year
Governmental Activities					
Compensated Absences	\$ 1,480,978	\$ 1,296,182	\$ 1,254,154	\$ 1,523,006	1,523,006
Claims Liability	285,000	1,002	1,002	285,000	100,000
Direct borrowing:					
Capital Leases	961,246	101,570	322,750	740,066	363,051
Loans Payable	<u>4,525,674</u>	<u>-</u>	<u>271,877</u>	<u>4,253,797</u>	<u>292,885</u>
Total Governmental Activities	<u><u>\$ 7,252,898</u></u>	<u><u>\$ 1,398,754</u></u>	<u><u>\$ 1,849,783</u></u>	<u><u>\$ 6,801,869</u></u>	<u><u>\$ 2,278,942</u></u>

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

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

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Capital Leases (Direct Borrowing)

The County entered into direct borrowing lease agreements as the lessee for financing the acquisition of vehicles used in the County's Motor Pool Internal Service Fund.

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

Equipment	\$ 1,776,368
Less: Accumulated Amortization	(996,570)
	<u>\$ 779,798</u>

As of June 30, 2019, future minimum lease payments under capital leases was as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 375,990
2021	249,231
2022	82,398
2023	39,626
2024	16,353
Total Future Minimum Lease Payments	763,598
Less: Interest	(23,532)
Present Value of Minimum Lease Payments	<u>\$ 740,066</u>

Loans Payable (Direct Borrowing)

The County's 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. Outstanding principal at June 30, 2019 is \$3,435,000.

The County entered into a direct borrowing agreement with the California Energy Commission for finance the installation of photovoltaic electric system on County-owned facilities. Payments are made semiannually and the final payment is due in December 2028. Outstanding principal at June 30, 2019 is \$669,920.

The County entered into a direct borrowing agreement to finance new property tax management system in December 2012. Outstanding principal at June 30, 2019 is \$148,877.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

Loans payable for governmental activities at June 30, 2019 consisted of the following

	Date of Issue	Date of Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2019
<u>Governmental activities</u>						
CalPERS Side Fund Refunding (to refund unfunded accrued liability for the County's retirement plan)	03/14	05/11 - 05/25	5.50%	\$90,000 - \$479,000	\$ 4,045,000	\$ 3,435,000
CEC Solar Loan (to finance a photovoltaic solar project)	10/13	12/14 - 12/28	1.00%	\$26,287 - \$36,865	\$ 992,054	\$ 669,920
Loan Payable (to finance new property tax management software)	12/12	01/13 - 05/25	5.00%	\$45,992 - \$49,901	\$ 616,258	\$ 148,877

The following is a schedule of debt service requirements to maturity as of June 30, 2019 for the loans payable from direct borrowings for governmental activities.

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Loans from Direct Borrowings</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 292,885	\$ 199,287
2021	315,888	186,034
2022	340,831	193,441
2023	316,622	155,550
2024	343,310	140,741
2025-2029	2,165,261	424,306
2030	479,000	16,486
Total	<u>\$ 4,253,797</u>	<u>\$ 1,315,845</u>

A summary of changes in long-term liabilities for the year ended June 30, 2019 for business-type activities is as follows:

Type of Indebtedness	Balance	Additions/	Retirements/	Balance	Amounts
	July 1, 2018	Adjustments	Adjustments	June 30, 2019	Due Within One Year
Business-Type Activities					
Direct borrowing:					
Capital Lease Obligations	\$ 514,665	\$ -	\$ 131,159	\$ 383,506	\$ 146,571
Loans Payable	-	78,000	3,594	74,406	14,686
Compensated Absences	64,301	29,952	36,672	57,581	57,581
Closure/Post closure Liability	15,771,565	599,454	-	16,371,019	-
Total Business-Type Activities	<u>\$ 16,350,531</u>	<u>\$ 707,406</u>	<u>\$ 171,425</u>	<u>\$ 16,886,512</u>	<u>\$ 218,838</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Capital Leases (Direct Borrowing)

The County entered into direct borrowing lease agreements as the lessee for financing the acquisition of equipment used in the County's Solid Waste Fund.

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

Equipment	\$ 1,060,563
Less: Accumulated Amortization	<u>(523,500)</u>
	<u>\$ 537,063</u>

As of June 30, 2019, future minimum lease payments under capital leases was as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 146,571
2021	146,571
2022	<u>102,876</u>
Total Future Minimum Lease Payments	396,018
Less: Interest	<u>(12,512)</u>
Present Value of Minimum Lease Payments	<u>\$ 383,506</u>

Loans Payable

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. Outstanding balance at June 30, 2019 was \$74,406.

The following is a schedule of debt service requirements to maturity as of June 30, 2019 for the loans payable for business-type activities.

<u>Year Ending June 30,</u>	<u>Business-type Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 14,686	\$ 2,344
2021	15,191	1,838
2022	15,715	1,315
2023	16,256	774
2024	12,558	214
Total	<u>\$ 74,406</u>	<u>\$ 6,485</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

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

The estimated liability of all County landfill sites for closure and post closure maintenance costs was \$16,371,019 as of the fiscal year end, which is based on the estimated percentage usage (filled), ranging from 36.56% to 69.53%, of each landfill site. It is estimated that an additional \$18,681,915 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 \$35,052,934 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, 2019, a total of \$2,157,421 was deposited into these accounts for the purpose of funding landfill closure costs. This amount is reported as restricted cash in the Solid Waste Fund. A Pledge of Revenue agreement with the California Integrated Waste Management Board has been established as a funding mechanism for the County's landfill post closure costs.

The following is the information for each landfill as of June 30, 2019:

	Percent Filled	Total Closure/ Post closure Cost Estimates	Liability June 30, 2019
Bishop Sunland	36.56%	\$ 18,340,799	\$ 6,705,329
Independence	69.53%	5,307,981	3,690,749
Lone Pine	43.90%	6,568,538	2,883,702
Shoshone	64.00%	2,259,920	1,446,299
Tecopa	63.86%	2,575,696	1,644,940
		<u>\$ 35,052,934</u>	<u>\$ 16,371,019</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 8 NET POSITION/FUND BALANCES

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, 2019, were distributed as follows:

	General	Roads	Grants	Other Governmental Funds	Total
Nonspendable:					
Advances	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000
Inventory and Prepaids	61,363	858,026	2,551		921,940
Subtotal	186,363	858,026	2,551	-	1,046,940
Restricted for:					
General Government	909,633		1,160	-	910,793
Public Protection	12,480,520		1,652,686	294,280	14,427,486
Public Ways and Facilities	27,153	6,056,104	1,670	977,614	7,062,541
Health and Sanitation	20,689,207		62,859	-	20,752,066
Public Assistance	1,171,936		-	-	1,171,936
Recreation	6,537		6,488	-	13,025
Subtotal	35,284,986	6,056,104	1,724,863	1,271,894	44,337,847
Assigned to:					
General Government	1,835,937	-		-	1,835,937
Public Protection	2,179,637	-		-	2,179,637
Health and Sanitation	615,274	-		-	615,274
Public Assistance	798,483	-		-	798,483
Education	685,035	-		-	685,035
Recreation	677,578	-		-	677,578
Reserves	41,023	-		-	41,023
Capital Projects	-	-		1,040,777	1,040,777
Subtotal	6,832,967	-	-	1,040,777	7,873,744
Unassigned	23,019,110	-	(102,615)	(4,432)	22,912,063
Total	\$ 65,323,426	\$ 6,914,130	\$ 1,624,799	\$ 2,308,239	76,170,594

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

NOTE 9 DEFINED BENEFIT PENSION PLANS

A. General Information about the Pension Plans

All qualified permanent and probationary employees are eligible to participate in the County's Safety (sheriff and certain district attorney members) or Miscellaneous (all others) Plans. The County's Safety Plan is a cost-sharing multiple-employer defined benefit plan while the Miscellaneous Plan is an agent multiple-employer defined benefit pension plan. The County's Safety and Miscellaneous Plans are part of the California Public Employees Retirement System (PERS), a public employee retirement system which acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and other requirements are established by state statute and County resolution. The County's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and their beneficiaries. The County selects optional benefit provisions by contract with CalPERS and adopts those benefits through County ordinance. CalPERS issues a separate comprehensive annual financial report. All qualified permanent and probationary employees are eligible to participate in the County's Safety (sheriff and certain district attorney members) or Miscellaneous (all others) Plans.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit Formula	2% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50-63	52-67
Monthly Benefits, as a Percent of Eligible Compensation	1.426%-2.404%	1.00%-2.50%
Required Employee Contribution Rates	7.000%	6.500%
Required Employer Contribution Rates	18.161%	18.161%
Status	Open	Open

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

	Safety	
	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Hire Date	3 @ 50	2.7 @ 57
Benefit Formula	5 years of service	5 years of service
Benefit Vesting Schedule	monthly for life	monthly for life
Benefit Payments	50-55	50-57
Retirement Age	3.000%	2.00%-2.70%
Monthly Benefits, as a Percent of Eligible Compensation	9.000%	11.500%
Required Employee Contribution Rates	19.536%	12.082%
Required Employer Contribution Rates	Open	Open
Status		

Employees Covered

At June 30, 2019, the following employees were covered by the benefit terms for the Miscellaneous Plan. The corresponding data is not available for employees included in the Safety Plan as the plan is a cost-sharing multiple employer plan:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	642
Inactive Employees Entitled to but not yet Receiving Benefits	227
Active Employees	344
Total	<u>1,213</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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. Contributions to the Miscellaneous and Safety Plans totaled \$8,565,446 and \$659,856, respectively. These amounts included \$5,662,531 in payments toward the unfunded actuarial liability (UAL) for the Miscellaneous Plan.

B. Net Pension Liability

The County's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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 BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	Varies by Entry Age and Service	
Investment Rate of Return	7.50% ⁽¹⁾	7.50% ⁽¹⁾
Mortality	Derived using CalPERS' Membership	

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. 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% for each Plan. 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.

Long-term Expected Rate of Return – 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 pension fund cash flows. Using historical returns of all of 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 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

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Current Target Allocation</u>	<u>Real Return Years 1-10 ⁽¹⁾</u>	<u>Real Return Years 11-60 ⁽²⁾</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	0.92%

⁽¹⁾ An expected inflation rate of 2.0% used for this period

⁽²⁾ An expected inflation rate of 2.92% used for this period

C. Changes in the Net Pension Liability

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

<u>Miscellaneous Plan</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
Balance - June 30, 2017	\$ 176,243,652	\$ 121,570,024	\$ 54,673,628
Change in the Year:			
Service Cost	3,418,074	-	3,418,074
Interest on Total Pension Liability	12,296,772	-	12,296,772
Changes of Assumptions	(768,044)	-	(768,044)
Differences Between Expected and Actual Experience	(1,504,896)	-	(1,504,896)
Plan to Plan Resource Movement		(300)	300
Contributions - Employer		5,202,590	(5,202,590)
Contributions - Employee		1,418,227	(1,418,227)
Net Investment Income		10,339,367	(10,339,367)
Benefit Payments, Including Refunds of Employee Contributions	(9,911,943)	(9,911,943)	-
Administrative expenses	-	(190,793)	190,793
Change of allocation	1,259,061	506,159	752,902
Net Changes	<u>4,789,024</u>	<u>7,363,307</u>	<u>(2,574,283)</u>
Balance - June 30, 2018	<u>\$ 181,032,676</u>	<u>\$ 128,933,331</u>	<u>\$ 52,099,345</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

The County's net pension liability for the Safety Plan 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 plan participants, actuarially determined. The County's net pension liability and related Plan proportion for the Safety Plan is as follows:

	Plan's Proportion to Total Pool at June 30, 2018	Plan's Proportion to Total Pool at June 30, 2019	Proportionate Share of Net Pension Liability
Safety	0.24882%	0.25258%	\$ 14,820,308

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the County for each Plan, calculated using the discount rate for each 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 points lower or 1-percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.15%	7.15%	8.15%
Miscellaneous Plan	\$ 74,789,240	\$ 52,099,345	\$ 33,233,204
Safety Plan	\$ 22,614,278	\$ 14,820,308	\$ 8,434,545

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

Miscellaneous Plan

For the year ended June 30, 2019, the County recognized pension expense of \$7,357,189 for the miscellaneous pension plan. In addition, the County recognized pension expense of \$2,274,065 for its safety pension plan, for a total of \$9,631,254 for the County, as a whole. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to its miscellaneous pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	\$ 3,167,265	\$ 512,029
Differences Between Expected and Actual Experience	-	1,314,163
Net Difference Between Projected and Actual Earnings on Plan Investments	324,814	-
County Contributions Subsequent to the Measurement Date	8,565,446	-
Total	\$ 12,057,525	\$ 1,826,192

\$8,565,446 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2020	\$ 3,690,697
2021	(400,840)
2022	(1,276,010)
2023	(347,960)

Safety Plan

For the year ended June 30, 2019, the County recognized pension expense of \$2,274,065 for its safety pension plan. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to its safety pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	\$ 1,454,131	\$ 196,188
Differences Between Expected and Actual Experience	318,438	1,208
Change in Proportion	313,192	639,444
Change in the Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	121,980
Net Difference Between Projected and Actual Earnings on Plan Investments	100,340	-
County Contributions Subsequent to the Measurement Date	659,856	-
Total	\$ 2,845,957	\$ 958,820

\$659,856 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2020	\$ 1,195,895
2021	621,715
2022	(487,676)
2023	(102,653)

NOTE 10 RISK MANAGEMENT

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

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

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

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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.

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, 2019 and 2018 were as follows:

	2019	2018
Unpaid Claims - Beginning of Year	\$ 285,000	\$ 268,000
Plus Estimated Claims Incurred	1,002	75,851
Less Claims Payments	(1,002)	(58,851)
Unpaid Claims - End of Year	<u>\$ 285,000</u>	<u>\$ 285,000</u>

NOTE 11 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

Benefits provided - The County uses the "Unequal Contribution Method" under which the County's contribution for retirees increases each year by 5% of its contribution for active employees. Effective January 1, 2008, the County's contribution for retirees must be at least as great as its contribution for active employees (which varies as described

**COUNTY OF INYO
 NOTES TO BASIC FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2019**

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 percentages are 95% for 2015 and 100% for 2016 and thereafter. Because of a law that limits the increase in employer contribution to \$100/month from one year to the next, some retirees are still contributing a portion of their premium even at the 100% level in 2018. The cap for Non-DSA and non-LEAA members is based on the non-Medicare PERS Choice Southern California premium. The cap for Non-DSA and non-LEAA members is based on the non-Medicare PORAC premium. The single cap for 2018 and 2019 for non-DSA and non-LEAA members is \$698.96 and \$721.11, respectively. The dual cap for 2018 and 2019 for non-DSA and non-LEAA members is \$1,397.92 and \$1,442.22, respectively. The family cap for 2018 and 2019 for non-DSA and non-LEAA members is \$1,660.55 and \$1,760.55, respectively. The single cap for 2018 and 2019 for DSA and LEAA members is \$734 and \$774, respectively. The dual cap for 2018 and 2019 for DSA and LEAA members is \$1,424.80 and \$1,524.80, respectively. The family cap for 2018 and 2019 for DSA and LEAA members is \$1,605.70 and \$1,705.70, respectively.

The County pays a 0.23%-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.

B. Funding Policy

Contributions - The County has established an OPEB trust with PARS. For 2018/19, the County contributed \$201,677, in addition to pay-go-costs, which were paid outside the trust.

C. Plan Membership

Plan membership at June 30, 2019 consisted of the following:

Inactives currently receiving benefits	306
Active employees	300
Total	<u>606</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

D. Actuarial Methods and Assumptions

The County's Net OPEB Liability was measured as of June 30, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of July 1, 2018. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

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

Salary increases	3.00 percent
Inflation rate	3.00 percent
Investment rate of return	6.00 percent, net of OPEB plan investment expense
Healthcare cost trend rate	6.00 percent for 2018; 5.50 percent for 2019; 5.25 percent for 2020; and 5.00 percent for 2021 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2018 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2018.

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

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	50%	4.4%
U.S. Fixed	50%	1.5%

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

At June 30, 2019, the County reported deferred inflows 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	\$ -	\$ -
Changes in assumptions	4,595,923	-
Differences between projected and actual return on investments	-	48,403
Total	<u>4,595,923</u>	<u>48,403</u>

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

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2020	\$ 1,482,556	\$ (12,677)
2021	1,482,556	(12,677)
2022	1,482,556	(12,677)
2023	148,255	(10,372)
	<u>\$ 4,595,923</u>	<u>\$ (48,403)</u>

F. Changes in the Net OPEB Liability

Total OPEB Liability

Service cost	\$ 1,760,212
Interest	3,193,471
Changes in assumptions	6,078,479
Benefit payments, including refunds*	<u>(2,852,000)</u>
Net change in total OPEB liability	8,180,162
Total OPEB liability - beginning (a)	<u>54,629,744</u>
Total OPEB liability - ending (b)	<u>\$ 62,809,906</u>

Plan fiduciary net position

Contributions - employer ¹	\$ 3,053,677
Net investment income	479,554
Benefit payments ¹	(2,852,000)
Administrative expense	<u>(19,643)</u>
Net change in plan fiduciary net position	661,588
Plan fiduciary net position - beginning (c)	<u>6,702,527</u>
Plan fiduciary net position - ending (d)	7,364,115

Net OPEB liability - beginning (a) - (c)	47,927,217
Net OPEB liability - ending (b) - (d)	<u>\$ 55,445,791</u>

**COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

The following presents the Net OPEB Liability of the County, calculated using the discount rate of 6.00 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 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Total OPEB Liability	\$ 63,767,102	\$ 55,445,791	\$ 48,614,790

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

	1% Decrease (5.00% decreasing to 4.00%)	Current Discount Rate	1% Decrease (7.00% decreasing to 6.00%)
Total OPEB Liability	\$ 47,788,747	\$ 55,445,791	\$ 64,818,930

NOTE 12 DEFICIT FUND BALANCE/NET POSITION

The following funds had deficit fund balances/net position at June 30, 2019, as follows:

Fund	Deficit
Solid Waste Enterprise Fund	\$ (14,313,952)
Mosquito Abatement Enterprise Fund	(522,457)
Alcohol Special Revenue Fund	(4,432)

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.

COUNTY OF INYO
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

NOTE 13 CONTINGENCIES

A. Government Programs

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental entities. Expenditures financed by grants 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, 2019, 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

There are several pending lawsuits in which the County is involved. County Counsel believes the potential uninsured claims against the County resulting from such litigation at June 30, 2019, would not materially affect the financial statements of the County.

NOTE 14 SUBSEQUENT EVENT

Coronavirus Disease (COVID-19)

Subsequent to year end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities.

Specific to the County of Inyo, COVID-19 may reduce the receipt of taxes such as transient occupancy and sales and use taxes due to reduced tourism business in the region and potential business closures. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year end and are still developing.

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REQUIRED SUPPLEMENTARY INFORMATION

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Miscellaneous Plan – Agent Multiple-Employer Defined Benefit Plan

Last 10 Fiscal Years*

	Reporting Fiscal Year (Measurement Year)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Total Pension Liability					
Service Cost	\$ 3,418,074	\$ 3,600,938	\$ 3,077,612	\$ 3,277,007	\$ 3,208,960
Interest on Total Pension Liability	12,296,772	11,938,183	11,569,079	11,062,655	10,187,707
Differences between Expected and Actual Experience	(1,504,896)	(926,084)	550,920	5,204,566	-
Changes in Assumption	(768,044)	9,434,400	-	(2,581,231)	-
Benefit Payments, Including Refunds of Employee Contributions	(9,911,943)	(8,925,231)	(8,322,394)	(7,772,393)	(6,788,054)
Change in Proportion	1,259,061	944,983	(123,599)	-	-
Net Change in Total Pension Liability	4,789,024	16,067,189	6,751,618	9,190,604	6,608,613
Total Pension Liability - Beginning	176,243,652	160,176,463	153,424,845	144,234,241	137,625,628
Total Pension Liability - Ending (a)	181,032,676	176,243,652	160,176,463	153,424,845	144,234,241
Plan Fiduciary Net Position					
Plan to Plan Resource Movement	(300)	-	-	40,862	-
Differences between Expected and Actual Experience			-	2,508,226	-
Contributions - Employer	5,202,590	3,730,889	3,565,443	3,167,006	3,085,417
Contributions - Employee	1,418,227	1,406,869	1,490,440	1,394,721	1,477,303
Net Investment Income	10,339,367	12,525,916	596,621	2,612,955	17,039,603
Benefit Payments, Including Refunds of Employee Contributions	(9,911,943)	(8,925,231)	(8,322,394)	(7,772,393)	(6,788,054)
Administrative Expense	(190,793)	(166,834)	(70,133)	(130,610)	-
Change in Proportion	506,159	662,740	(92,779)	-	-
Net Change in Plan Fiduciary Net Position	7,363,307	9,234,349	(2,832,802)	1,820,767	14,814,269
Plan Fiduciary Net Position - Beginning	121,570,027	112,335,675	115,168,477	113,347,710	98,533,441
Plan Fiduciary Net Position - Ending (b)	128,933,334	121,570,024	112,335,675	115,168,477	113,347,710
Net Pension Liability - Ending (a) - (b)	\$ 52,099,342	\$ 54,673,628	\$ 47,840,788	\$ 38,256,368	\$ 30,886,531
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.22%	68.98%	70.13%	75.07%	78.59%
County's Covered Payroll	\$ 22,925,440	\$ 21,616,400	\$ 23,849,570	\$ 23,169,925	\$ 20,277,786
Net Pension Liability as a Percentage of Covered Payroll	227.26%	252.93%	200.59%	165.11%	152.32%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

SCHEDULE OF COUNTY'S CONTRIBUTION – MISCELLANEOUS PLAN

Last 10 Fiscal Years*

Miscellaneous Plan	Reporting Fiscal Year				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	\$ 2,902,915	\$ 3,731,033	\$ 4,721,169	\$ 4,438,259	\$ 3,167,006
Contributions in Relation to the Actuarially Determined Contribution	\$ (8,565,446)	\$ (3,731,033)	(4,721,169)	(4,438,259)	(3,167,006)
Contribution Deficiency (Excess)	\$ (5,662,531)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 21,589,489	\$ 22,925,440	\$ 21,616,400	\$ 23,849,570	\$ 23,169,925
Contributions as a Percentage of Covered Payroll	13.45%	16.27%	21.84%	18.61%	13.67%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY / (ASSET) AND RELATED RATIOS AS OF THE MEASUREMENT DATE

Safety Plan – Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

Last 10 Fiscal Years*

	Reporting Fiscal Year				
	(Measurement Year)				
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Safety Plan					
County's proportion of the net pension liability	0.25300%	0.02488%	0.24997%	0.04703%	0.13092%
County's proportionate share of the net pension liability	\$ 14,820,308	\$ 14,867,488	\$ 12,946,511	\$ 9,818,587	\$ 8,650,393
County's covered payroll	\$ 4,182,851	\$ 4,061,020	\$ 3,942,738	\$ 3,305,621	\$ 3,279,232
County's proportionate share of the net pension liability as a percentage of its covered payroll	354.31%	366.10%	328.36%	297.03%	263.79%
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.39%	71.74%	75.20%	80.58%	82.53%

Schedule of Pension Plan Contributions

Safety Plans

Multiple-Employer Defined Benefit Pension Plan

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 659,856	\$ 901,350	\$ 1,405,347	\$ 1,350,624	\$ 1,067,175
Contributions in relation to the actuarially determined contributions	(659,856)	(901,350)	(1,405,347)	(1,350,624)	(1,067,175)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,830,470	\$ 4,182,851	\$ 4,061,020	\$ 3,942,738	\$ 3,305,621
Contributions as a percentage of covered payroll	23.31%	21.55%	34.61%	34.26%	32.28%

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Healthcare Plan

	2018-19 (MD June 30, 2019)	2017-18 (MD June 30, 2018)
Total OPEB Liability		
Service cost	\$ 1,760,212	\$ 1,708,944
Interest	3,193,471	3,081,369
Differences between actual and expected experience	-	-
Changes in assumptions	6,078,479	-
Changes in benefit terms	-	-
Benefit payments, including refunds	(2,582,000)	(2,989,912)
Net change in total OPEB liability	8,450,162	1,800,401
Total OPEB liability - beginning	54,629,744	52,829,343
Total OPEB liability - ending	<u>\$ 63,079,906</u>	<u>\$ 54,629,744</u>
Plan fiduciary net position		
Contributions - employer ¹	\$ 3,053,677	\$ 3,162,561
Net investment income	479,554	404,495
Benefit payments ¹	(2,582,000)	(2,989,912)
Trustee fees	-	-
Administrative expense	(19,643)	(19,216)
Net change in plan fiduciary net position	931,588	557,928
Plan fiduciary net position - beginning (c)	6,702,527	6,144,599
Plan fiduciary net position - ending (d)	7,634,115	6,702,527
Net OPEB liability - beginning (a) - (c)	47,927,217	46,684,744
Net OPEB liability - ending (b) - (d)	<u>\$ 55,445,791</u>	<u>\$ 47,927,217</u>
Plan fiduciary net position as a percentage of the total OPEB liability	12%	12%
Covered payroll	\$ 25,786,167	\$ 24,620,499
Net OPEB liability as a percentage of covered payroll	215%	195%

¹ Amount includes implicit subsidy associated with benefits paid

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2019**

Schedule of Contributions – Retiree Healthcare Plan (OPEB)

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	4,250,416	4,134,592
Contribution in relation to the actuarially determined contributions	<u>3,053,677</u>	<u>3,162,561</u>
Contribution deficiency (excess)	<u><u>1,196,739</u></u>	<u><u>972,031</u></u>

*Amounts presented above were determined as of June 30. Additional years will be presented as they become available.

COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	16,256,447	16,856,447	\$ 19,626,383	\$ 2,769,936
Licenses and Permits	690,195	694,886	997,886	303,000
Fines, Forfeitures, and Penalties	1,218,227	1,218,227	1,068,431	(149,796)
Use of Money and Property	400,822	400,822	1,677,141	1,276,319
Intergovernmental	27,173,162	26,583,619	22,884,941	(3,698,678)
Charges for Services	9,303,013	9,058,780	7,668,359	(1,390,421)
Other Revenues	46,700	55,491	24,664	(30,827)
Total Revenues	<u>55,088,566</u>	<u>54,868,272</u>	<u>53,947,805</u>	<u>(920,467)</u>
EXPENDITURES				
Current:				
General Government	15,895,563	16,872,941	14,515,311	2,357,630
Public Protection	22,637,321	22,805,160	20,785,030	2,020,130
Public Ways and Facilities	-	-	(0)	0
Health and Sanitation	10,083,718	10,149,800	8,401,635	1,748,165
Public Assistance	9,000,409	9,012,796	7,604,145	1,408,651
Education	673,274	673,274	607,860	65,414
Recreation and Culture	1,263,230	1,317,415	1,142,125	175,290
Capital Outlay	71,500	83,600	18,715	64,885
Debt Service:				
Principal	66,899	66,899	66,898	1
Interest	7,202	7,202	42,782	(35,580)
Total Expenditures	<u>59,699,116</u>	<u>60,989,087</u>	<u>53,184,501</u>	<u>7,804,586</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,610,550)	(6,120,815)	763,304	6,884,119
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	70	70
Transfers In	2,543,530	3,143,815	2,534,583	(609,232)
Transfers Out	(466,259)	(1,478,050)	(81,587)	1,396,463
Total Other Financing Sources (Uses)	<u>2,077,271</u>	<u>1,665,765</u>	<u>2,453,066</u>	<u>787,301</u>
NET CHANGE IN FUND BALANCES	(2,533,279)	(4,455,050)	3,216,370	7,671,420
Fund Balances - Beginning of Year	<u>11,765,487</u>	<u>11,765,487</u>	<u>11,765,487</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 9,232,208</u>	<u>\$ 7,310,437</u>	<u>\$ 14,981,857</u>	<u>\$ 7,671,420</u>

See accompanying Note to Required Supplementary Information – Budgetary Basis of Accounting.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2019**

Explanation of differences between statement of revenues, expenditures and changes in fund balance:

Revenues:

Actual amounts from the budgetary comparison schedule	\$ 53,947,805
Revenues for funds no longer meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>10,894,961</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 21)	<u><u>\$ 64,842,766</u></u>

Expenditures:

Actual amounts from the budgetary comparison schedule	\$ 53,184,501
Expenditures by funds no longer meeting the special revenue fund definition which are presented with the General Fund for financial reporting purposes	<u>3,737,509</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (page 21)	<u><u>\$ 56,922,010</u></u>

See accompanying Note to Required Supplementary Information – Budgetary Basis of Accounting.

**COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
ROAD FUND
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and Permits	\$ 20,000	\$ 20,000	\$ 22,859	\$ 2,859
Use of Money and Property	30,000	30,000	131,675	101,675
Intergovernmental	10,185,384	10,197,384	8,959,222	(1,238,162)
Charges for Services	47,896	47,896	303,735	255,839
Other Revenues	32,000	32,000	42,296	10,296
Total Revenues	<u>10,315,280</u>	<u>10,327,280</u>	<u>9,459,787</u>	<u>(867,493)</u>
EXPENDITURES				
Current:				
Public Ways and Facilities	6,914,522	7,001,777	5,434,403	1,567,374
Capital Outlay	<u>2,358,500</u>	<u>2,433,652</u>	<u>370,582</u>	<u>2,063,070</u>
Total Expenditures	<u>9,273,022</u>	<u>9,435,429</u>	<u>5,804,985</u>	<u>3,630,444</u>
NET CHANGE IN FUND BALANCE	1,042,258	891,851	3,654,802	2,762,951
Fund Balances - Beginning of Year	<u>3,259,328</u>	<u>3,259,328</u>	<u>3,259,328</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u><u>\$ 4,301,586</u></u>	<u><u>\$ 4,151,179</u></u>	<u><u>\$ 6,914,130</u></u>	<u><u>\$ 2,762,951</u></u>

See accompanying Note to Required Supplementary Information – Budgetary Basis of Accounting.

COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GRANT PROGRAMS FUND
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes	\$ 41,199	\$ 41,199	\$ 41,199	\$ -
Use of money and property	6,401	6,400	52,895	46,495
Intergovernmental	4,284,156	3,916,896	1,959,308	(1,957,588)
Charges for Services	45,000	45,000	31,405	(13,595)
Other Revenues	5,000	5,000	55,501	50,501
Total Revenues	<u>4,381,756</u>	<u>4,014,495</u>	<u>2,140,308</u>	<u>(1,874,187)</u>
EXPENDITURES				
Current:				
General Government	125,000	126,370	126,369	1
Public Protection	2,211,655	2,517,881	1,099,393	1,418,488
Health and Sanitation	1,033,059	1,154,487	697,923	456,564
Public Assistance	1,058,610	1,134,120	1,054,772	79,348
Education	-	-	-	-
Recreation and Culture	-	-	-	-
Capital Outlay	320,000	318,500	54,215	264,285
Total Expenditures	<u>4,748,324</u>	<u>5,251,358</u>	<u>3,032,672</u>	<u>2,218,686</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(366,568)	(1,236,863)	(892,364)	344,499
OTHER FINANCING SOURCES (USES)				
Transfers In	55,500	181,093	68,597	(112,496)
Transfers Out	(170)	(170)	(4,045)	(3,875)
Total Other Financing Sources (Uses)	<u>55,330</u>	<u>180,923</u>	<u>64,552</u>	<u>(116,371)</u>
NET CHANGE IN FUND BALANCE	(311,238)	(1,055,940)	(827,812)	228,128
Fund Balances - Beginning of Year	<u>2,452,611</u>	<u>2,452,611</u>	<u>2,452,611</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,141,373</u>	<u>\$ 1,396,671</u>	<u>\$ 1,624,799</u>	<u>\$ 228,128</u>

See accompanying Note to Required Supplementary Information – Budgetary Basis of Accounting.

COUNTY OF INYO
REQUIRED SUPPLEMENTARY INFORMATION
NOTE TO BUDGETARY COMPARISON SCHEDULES
YEAR ENDED JUNE 30, 2019

BUDGETARY BASIS OF ACCOUNTING

In accordance with the provisions of Sections 29000 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 a 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 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.

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**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, 2019**

	Capital Projects	Special Revenue				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
ASSETS						
Cash and Investments	\$ 1,032,546	\$ 156,303	\$ 170,395	\$ 167,982	\$ 975,401	\$ 2,502,627
Imprest Cash	-	-	-	40	-	40
Accounts Receivable	-	141	288,740	-	-	288,881
Interest Receivable	17,940	794	-	1,227	4,992	24,953
Total Assets	<u>\$ 1,050,486</u>	<u>\$ 157,238</u>	<u>\$ 459,135</u>	<u>\$ 169,249</u>	<u>\$ 980,393</u>	<u>\$ 2,816,501</u>
LIABILITIES						
Accounts Payable	\$ 9,709	\$ 98	\$ 12,594	\$ 3,559	\$ 2,653	\$ 28,613
Accrued Salaries and Benefits	-	140	17,233	28,410	126	45,909
Due to Other Funds	-	-	145,000	-	-	145,000
Total Liabilities	<u>9,709</u>	<u>238</u>	<u>174,827</u>	<u>31,969</u>	<u>2,779</u>	<u>219,522</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	-	-	288,740	-	-	288,740
FUND BALANCES						
Restricted	-	157,000	-	137,280	977,614	1,271,894
Assigned	1,040,777	-	-	-	-	1,040,777
Unassigned	-	-	(4,432)	-	-	(4,432)
Total Fund Balances	<u>1,040,777</u>	<u>157,000</u>	<u>(4,432)</u>	<u>137,280</u>	<u>977,614</u>	<u>2,308,239</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,050,486</u>	<u>\$ 157,238</u>	<u>\$ 459,135</u>	<u>\$ 169,249</u>	<u>\$ 980,393</u>	<u>\$ 2,816,501</u>

COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	Capital Projects	Special Revenue				Total
	Accumulative Capital Outlay	Recorder's Micro- graphics	Alcohol	Child Support Services	Special Districts Under the Board	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 75,697	\$ 75,697
Intergovernmental	-	1,546	149,603	984,140	346	1,135,635
Use of Money and Property	99,294	4,338	9,196	5,360	27,094	145,282
Other Revenues	-	-	-	-	11,575	11,575
Charges for Services	51,351	28,325	67,633	-	-	147,309
Total Revenues	150,645	34,209	226,432	989,500	114,712	1,515,498
EXPENDITURES						
General Government	41,454	-	-	-	-	41,454
Public Protection	-	24,319	-	985,180	-	1,009,499
Public Ways and Facilities	-	-	-	-	38,575	38,575
Health and sanitation	-	-	723,081	-	-	723,081
Total Expenditures	41,454	24,319	723,081	985,180	38,575	1,812,609
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	109,191	9,890	(496,649)	4,320	76,137	(297,111)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	17,154	-	-	17,154
Transfers out	(2,500,000)	-	(170)	-	-	(2,500,170)
Total Other Financing Sources (Uses)	(2,500,000)	-	16,984	-	-	(2,483,016)
NET CHANGE IN FUND BALANCE	(2,390,809)	9,890	(479,665)	4,320	76,137	(2,780,127)
Fund Balances - Beginning of Year	3,431,586	147,110	475,233	132,960	901,477	5,088,366
FUND BALANCES - END OF YEAR	\$ 1,040,777	\$ 157,000	\$ (4,432)	\$ 137,280	\$ 977,614	\$ 2,308,239

**COUNTY OF INYO
COMBINING BALANCE SHEET
SPECIAL DISTRICTS UNDER THE BOARD
JUNE 30, 2019**

	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	Total
ASSETS				
Cash and Investments	\$ 353,159	\$ 397,507	\$ 224,735	\$ 975,401
Interest Receivable	1,802	2,042	1,148	4,992
Total Assets	<u>\$ 354,961</u>	<u>\$ 399,549</u>	<u>\$ 225,883</u>	<u>\$ 980,393</u>
LIABILITIES				
Accounts Payable	\$ 381	\$ 334	\$ 1,938	\$ 2,653
Accrued Salaries and Benefits	42	42	42	126
Total Liabilities	<u>423</u>	<u>376</u>	<u>1,980</u>	<u>2,779</u>
FUND BALANCES				
Restricted	354,538	399,173	223,903	977,614
Unrestricted	-	-	-	-
Total Fund Balances	<u>354,538</u>	<u>399,173</u>	<u>223,903</u>	<u>977,614</u>
Total Liabilities and Fund Balances	<u>\$ 354,961</u>	<u>\$ 399,549</u>	<u>\$ 225,883</u>	<u>\$ 980,393</u>

COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
SPECIAL DISTRICTS UNDER THE BOARD
YEAR ENDED JUNE 30, 2019

	Big Pine Lighting	Independence Lighting	Lone Pine Lighting	Totals
REVENUES				
Taxes	\$ 25,534	\$ 26,623	\$ 23,540	\$ 75,697
Intergovernmental	117	122	107	346
Use of Money and Property	9,634	11,297	6,163	27,094
Other Revenues	--	11,575	--	11,575
Total Revenues	<u>35,285</u>	<u>49,617</u>	<u>29,810</u>	<u>114,712</u>
EXPENDITURES				
Public Ways and Facilities	9,398	12,699	16,478	38,575
Total Expenditures	<u>9,398</u>	<u>12,699</u>	<u>16,478</u>	<u>38,575</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	25,887	36,918	13,332	76,137
Fund Balances - Beginning of Year	<u>328,651</u>	<u>362,255</u>	<u>210,571</u>	<u>901,477</u>
FUND BALANCES - END OF YEAR	<u>\$ 354,538</u>	<u>\$ 399,173</u>	<u>\$ 223,903</u>	<u>\$ 977,614</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, 2019

	CSA #2	Mosquito Abatement	Water System	Total
ASSETS				
Current Assets:				
Cash and Investments	\$ 343,390	\$ 399,289	\$ 103,637	\$ 846,316
Accounts Receivable	-	39,151	123,432	162,583
Due From Other Governments	-	16,722	-	16,722
Interest Receivable	1,728	1,194	(299)	2,623
Total Current Assets	<u>345,118</u>	<u>456,356</u>	<u>226,770</u>	<u>1,028,244</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable, Net	261,450	31,957	1,567,904	1,861,311
Total Assets	<u>606,568</u>	<u>488,313</u>	<u>1,794,674</u>	<u>2,889,555</u>
DEFERRED OUTFLOWS OF RESOURCES				
OPEB	-	46,419	34,116	80,535
Pensions	1,579	76,758	48,227	126,564
	<u>1,579</u>	<u>123,177</u>	<u>82,343</u>	<u>207,099</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	14,440	3,871	26,465	44,776
Due to other Governments	-	-	43,247	43,247
Accrued Salaries and Benefits	124	18,597	8,906	27,627
Due to Other Funds	-	160,000	18,222	178,222
Compensated Absences	-	7,071	-	7,071
Loan - Due Within One Year	-	-	14,686	14,686
Noncurrent Liabilities:				
Net OPEB Liability	-	560,002	415,843	975,845
Loan Payable	-	-	59,720	59,720
Net Pension Liability	7,978	371,785	251,893	631,656
Total Liabilities	<u>22,542</u>	<u>1,121,326</u>	<u>838,982</u>	<u>1,982,850</u>
DEFERRED INFLOWS OF RESOURCES				
OPEB	-	489	10	499
Pensions	91	12,132	7,248	19,471
	<u>91</u>	<u>12,621</u>	<u>7,258</u>	<u>19,970</u>
NET POSITION				
Net Investment in Capital Assets	261,450	31,957	1,493,498	1,786,905
Unrestricted	324,064	(554,414)	(462,721)	(693,071)
Total Net Position	<u>\$ 585,514</u>	<u>\$ (522,457)</u>	<u>\$ 1,030,777</u>	<u>\$ 1,093,834</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019**

	CSA #2	Mosquito Abatement	Water System	Total
OPERATING REVENUES				
Charges for Services	\$ 58,823	\$ 473,279	\$ 424,011	\$ 956,113
Total Operating Revenues	58,823	473,279	424,011	956,113
OPERATING EXPENSES				
Salaries and Benefits	2,840	587,284	439,021	1,029,145
Services and Supplies	73,047	134,713	235,691	443,451
Depreciation	12,754	13,530	56,599	82,883
Total Operating Expenses	88,641	735,527	731,311	1,555,479
Operating Income (Loss)	(29,818)	(262,248)	(307,300)	(599,366)
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental Revenues	-	23,298	-	23,298
Interest Income	9,381	8,614	2,786	20,781
Interest expense	-	-	(663)	(663)
Total Nonoperating Revenues (Expenses)	9,381	31,912	2,123	43,416
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	(4,164)	-	(4,164)
Total other financing sources (uses)	-	(4,164)	-	(4,164)
CHANGE IN NET POSITION	(20,437)	(234,500)	(305,177)	(560,114)
Net Position - Beginning of Year	605,951	(287,957)	1,335,954	1,653,948
NET POSITION - END OF YEAR	<u>\$ 585,514</u>	<u>\$ (522,457)</u>	<u>\$ 1,030,777</u>	<u>\$ 1,093,834</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2019**

	CSA #2	Mosquito Abatement	Water System	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Customers	\$ 76,819	\$ 467,873	\$ 304,833	\$ 849,525
Cash Paid to Suppliers for Goods and Services	(67,258)	(132,700)	(234,732)	(434,690)
Cash Paid to Employees for Salaries and Benefits	(2,941)	(306,856)	(151,275)	(461,072)
Other Receipts	-	23,298	-	23,298
Net Cash Provided (Used) by Operating Activities	6,620	51,615	(81,174)	(22,939)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund loans (repayments)	-	(130,000)	(52,228)	(182,228)
Transfers	-	(4,164)	-	(4,164)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(134,164)	(52,228)	(186,392)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest payments on capital debt	-	-	(663)	(663)
Loan proceeds	-	-	78,000	78,000
Loan repayments	-	-	(3,594)	(3,594)
Payments Related to the Acquisition of Capital Assets	-	(9,863)	(78,647)	(88,510)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(9,863)	(4,904)	(14,767)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received (Charged)	8,678	8,159	3,095	19,932
Net Cash Provided (Used) by Investing Activities	8,678	8,159	3,095	19,932
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,298	(84,253)	(135,211)	(204,166)
Cash and Cash Equivalents - Beginning of Year	328,092	483,542	238,848	1,050,482
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 343,390</u>	<u>\$ 399,289</u>	<u>\$ 103,637</u>	<u>\$ 846,316</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (29,818)	\$ (262,248)	\$ (307,300)	\$ (599,366)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:				
Depreciation	12,754	13,530	56,599	82,883
Other Non-operating Revenue	-	23,298	-	23,298
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:				
Accounts Receivable	17,996	(5,351)	(119,178)	(106,533)
Deferred Outflows	-	(20,236)	(18,482)	(38,718)
Accounts Payable	5,789	1,958	(571)	7,176
Due to Other Governments	-	-	1,530	1,530
Accrued Salaries	108	2,352	3,815	6,275
Liability for Compensated Absences	-	(1,339)	(11,900)	(13,239)
Deferred Inflows of Resources	-	8,187	4,291	12,478
Net OPEB Liability	-	307,962	319,179	627,141
Net Pension Liability	(209)	(16,498)	(9,157)	(25,864)
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,620</u>	<u>\$ 51,615</u>	<u>\$ (81,174)</u>	<u>\$ (22,939)</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.

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COUNTY OF INYO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2019

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 146,465	\$ 1,670,046	\$ 477,595	\$ 891,602	\$ 35,980	\$ 3,221,688
Accounts receivable	1,057	-	-	-	-	1,057
Interest Receivable	-	7,770	356	4,081	150	12,357
Inventory	3,602	-	-	-	-	3,602
Total Current Assets	151,124	1,677,816	477,951	895,683	36,130	3,238,704
Noncurrent Assets:						
Nondepreciable	-	6,979	-	-	-	6,979
Depreciable, Net	-	1,630,214	-	-	-	1,630,214
Total Noncurrent Assets	-	1,637,193	-	-	-	1,637,193
Total Assets	151,124	3,315,009	477,951	895,683	36,130	4,875,897
DEFERRED OUTFLOWS - OPEB	-	33,091	-	-	-	33,091
DEFERRED OUTFLOWS - PENSIONS	-	48,682	-	-	-	48,682
Total Deferred Outflows	-	81,773	-	-	-	81,773
LIABILITIES						
Current Liabilities:						
Accounts Payable	7,049	34,084	500	8,266	-	49,899
Accrued Salaries and Benefits	-	1,213	-	-	-	1,213
Due to Other Funds	-	-	280,000	-	-	280,000
Liability for Compensated Absences	-	18,949	-	-	-	18,949
Capital Leases Payable	-	360,051	-	-	-	360,051
Liability for Self-Insurance Funds	-	-	-	100,000	-	100,000
Total Current Liabilities	7,049	414,297	280,500	108,266	-	810,112
Noncurrent Liabilities:						
Liability for Self-Insurance Funds	-	-	-	185,000	-	185,000
Capital Leases Payable	-	380,015	-	-	-	380,015
Advances from Other Funds	125,000	-	-	-	-	125,000
Other Postemployment Benefits	-	399,210	-	-	-	399,210
Net Pension Liability	-	241,925	-	-	-	241,925
Total Noncurrent Liabilities	125,000	1,021,150	-	185,000	-	1,331,150
Total Liabilities	132,049	1,435,447	280,500	293,266	-	2,141,262
DEFERRED INFLOWS - OPEB	-	349	-	-	-	349
DEFERRED INFLOWS - PENSIONS	-	7,193	-	-	-	7,193
Total Deferred Inflows	-	7,542	-	-	-	7,542
NET POSITION						
Net Investment in Capital Assets	-	897,127	-	-	-	897,127
Unrestricted	19,075	1,056,666	197,451	602,417	36,130	1,911,739
Total Net Position	\$ 19,075	\$ 1,953,793	\$ 197,451	\$ 602,417	\$ 36,130	\$ 2,808,866

**COUNTY OF INYO
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
OPERATING REVENUES						
Charges for Services	\$ 137,933	\$ 1,541,758	\$ 907,529	\$ 867,560	\$ 91,715	\$ 3,546,495
Other Revenues	3,116	-	-	-	-	3,116
Total Operating Revenues	<u>141,049</u>	<u>1,541,758</u>	<u>907,529</u>	<u>867,560</u>	<u>91,715</u>	<u>3,549,611</u>
OPERATING EXPENSES						
Salaries and Benefits	-	394,744	-	-	-	394,744
Services and Supplies	138,089	834,531	972,225	572,953	77,489	2,595,287
Depreciation	-	603,242	-	-	-	603,242
Total Operating Expenses	<u>138,089</u>	<u>1,832,517</u>	<u>972,225</u>	<u>572,953</u>	<u>77,489</u>	<u>3,593,273</u>
OPERATING INCOME (LOSS)	2,960	(290,759)	(64,696)	294,607	14,226	(43,662)
NONOPERATING REVENUES						
Interest Revenue	1,767	46,339	5,080	16,347	614	70,147
Other revenue	-	-	950	-	-	950
Gain on Sale of Assets	-	6,907	-	-	-	6,907
Total Nonoperating Revenues	<u>1,767</u>	<u>53,246</u>	<u>6,030</u>	<u>16,347</u>	<u>614</u>	<u>78,004</u>
Income (Loss) Before Transfers	4,727	(237,513)	(58,666)	310,954	14,840	34,342
Transfers out	-	-	-	(30,368)	-	(30,368)
Change in Net position	4,727	(237,513)	(58,666)	280,586	14,840	3,974
Net Position - Beginning of Year	<u>14,348</u>	<u>2,191,306</u>	<u>256,117</u>	<u>321,831</u>	<u>21,290</u>	<u>2,804,892</u>
NET POSITION - END OF YEAR	<u>\$ 19,075</u>	<u>\$ 1,953,793</u>	<u>\$ 197,451</u>	<u>\$ 602,417</u>	<u>\$ 36,130</u>	<u>\$ 2,808,866</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Internal Services Provided	\$ 139,992	\$ 1,541,758	\$ 907,529	\$ 867,560	\$ 91,715	\$ 3,548,554
Paid to Suppliers for Goods and Services	(141,310)	(896,193)	(972,325)	(588,248)	(77,489)	(2,675,565)
Paid to Employees for Salaries and Benefits	-	(215,731)	-	-	-	(215,731)
Other Receipts	-	-	950	-	-	950
Net Cash Provided (Used) by Operating Activities	(1,318)	429,834	(63,846)	279,312	14,226	658,208
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers Out	-	-	-	(30,368)	-	(30,368)
Receipt of Interfund Loan	-	-	(208,637)	-	-	(208,637)
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	(208,637)	(30,368)	-	(239,005)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal Repayments Related to Capital Purposes	-	(322,750)	-	-	-	(322,750)
Proceeds From Sale of Capital Assets	-	23,619	-	-	-	23,619
Payments Related to the Acquisition of Capital Assets	-	(325,687)	-	-	-	(325,687)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	(624,818)	-	-	-	(624,818)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received or Paid	1,767	43,795	5,186	14,000	533	65,281
Net Cash Provided (Used) by Investing Activities	1,767	43,795	5,186	14,000	533	65,281
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	449	(151,189)	(267,297)	262,944	14,759	(140,334)
Cash and Cash Equivalents - Beginning of Year	146,016	1,821,235	744,892	628,658	21,221	3,362,022
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 146,465</u>	<u>\$ 1,670,046</u>	<u>\$ 477,595</u>	<u>\$ 891,602</u>	<u>\$ 35,980</u>	<u>\$ 3,221,688</u>

**COUNTY OF INYO
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2019**

	Purchasing Revolving	Motor Pool	Workers' Compensation	County Liability	Medical Malpractice	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 2,960	\$ (290,759)	\$ (64,696)	\$ 294,607	\$ 14,226	\$ (43,662)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided (Used) by Operating Activities:						
Depreciation	-	603,242	-	-	-	603,242
Other Non-operating Revenue			950			950
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:						
Accounts Receivable	(1,057)	-	-	-	-	(1,057)
Inventory	921	-	-	-	-	921
Deferred Outflows of Resources		(19,035)				(19,035)
Accounts Payable	(4,142)	(61,662)	(100)	(15,295)	-	(81,199)
Accrued Salaries	-	(5,248)	-	-	-	(5,248)
Liability for Compensated Absences	-	1,474	-	-	-	1,474
Deferred Inflows of Resources		4,668				4,668
Net OPEB Liability		206,430				206,430
Net Pension Liability	-	(9,276)	-	-	-	(9,276)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,318)</u>	<u>\$ 429,834</u>	<u>\$ (63,846)</u>	<u>\$ 279,312</u>	<u>\$ 14,226</u>	<u>\$ 658,208</u>
SCHEDULE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Lease and Related Capital Assets	<u>\$ -</u>	<u>\$ 101,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,570</u>

FIDUCIARY FUNDS

Investment trust funds are used to account for the assets of legally separate entities that deposit cash with the County Treasurer in an investment pool. These include school districts and other special districts governed by local boards.

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**COUNTY OF INYO
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 INVESTMENT TRUST FUND
 JUNE 30, 2019**

	Special Districts Governed by Local Boards	School Districts	Total
ASSETS			
Cash and Investments	\$ 30,877,739	\$ 22,184,124	\$ 53,061,863
Interest Receivable	135,610	123,565	259,175
Total Assets	31,013,349	22,307,689	53,321,038
NET POSITION			
Net Position Held in Trust for Investment Pool Participants	31,013,349	22,307,689	53,321,038
Total Net Position	\$ 31,013,349	\$ 22,307,689	\$ 53,321,038

**COUNTY OF INYO
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 INVESTMENT TRUST FUND
 YEAR ENDED JUNE 30, 2019**

	Special Districts Governed by Local Boards	School Districts	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS			
Contributions	\$ 13,014,356	\$ 26,884,303	\$ 39,898,659
Interest and Investment Income	414,364	359,331	773,695
Total Additions	<u>13,428,720</u>	<u>27,243,634</u>	<u>40,672,354</u>
DEDUCTIONS			
Distributions from Pooled Investment	<u>(6,152,504)</u>	<u>(25,928,409)</u>	<u>(32,080,913)</u>
CHANGE IN NET POSITION	7,276,216	1,315,225	8,591,441
Beginning Net Position Held in Trust for Pool Participants	<u>23,737,133</u>	<u>20,992,464</u>	<u>44,729,597</u>
ENDING NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	<u><u>\$ 31,013,349</u></u>	<u><u>\$ 22,307,689</u></u>	<u><u>\$ 53,321,038</u></u>