

Town of Mammoth Lakes | California

Financial Statements

For the Year Ended June 30, 2024



PRICE PAIGE & COMPANY
Certified Public Accountants

TABLE OF CONTENTS

	PAGE
Independent Auditor’s Report	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet.....	15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.....	16
Statement of Revenues, Expenditures and Changes in Fund Balances	17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities.....	18
Proprietary Funds:	
Statement of Net Position.....	19
Statement of Revenues, Expenses and Changes in Net Position	20
Statement of Cash Flows.....	21
Custodial Funds:	
Statement of Fiduciary Net Position	23
Statement of Changes in Fiduciary Net Position.....	24
Notes to the Basic Financial Statements	26
Required Supplementary Information:	
Pension Plans:	
Cost-Sharing Multiple-Employer Plan:	
Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions.....	66
Notes to the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions.....	67

Required Supplementary Information (Continued):

Pension Plans (Continued):

Single-Employer Defined Benefit Plan:

Schedule of Changes in Net Pension Liability and Related Ratios 68

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios 69

Retiree Healthcare Plan (OPEB):

Schedule of Changes in Net OPEB Liability and Related Ratios 70

Budgetary Comparison Schedules:

General Fund 72

Tourism Business Improvement District Fund 73

Housing and Community Development Fund 74

Gas Tax Fund 75

Notes to the Budgetary Comparison Schedules 76

Supplementary Information:

Combining Fund Financial Statements:

Nonmajor Governmental Funds:

Combining Balance Sheet 80

Combining Statement of Revenues, Expenditures and Changes in Fund Balances 84

Internal Service Funds:

Combining Statement of Net Position 89

Combining Statement of Revenues, Expenses and Changes in Net Position 90

Combining Statement of Cash Flows 91

Schedule of Expenditures of Federal Awards 93

Notes to the Schedule of Expenditures of Federal Awards 94

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*..... 95

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 97

Findings and Questioned Costs:

Schedule of Findings and Questioned Costs 100

Summary Schedule of Prior Audit Findings 102

Corrective Action Plan 103



INDEPENDENT AUDITOR'S REPORT

To the Town of Mammoth Lakes Council
Town of Mammoth Lakes, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mammoth Lakes, California (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025 on our consideration of the Town'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 Town'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 Town's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
March 28, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Discussion and Analysis of the Town of Mammoth Lakes' (Town) financial performance for the fiscal year ended June 30, 2024, provides an analysis of the Town's overall financial position and municipal operations. It is intended to assist readers in evaluating the Town's finances and provides a discussion of significant changes that affected various funding sources. In addition, it describes the activities during the year related to capital assets and long-term debt. We encourage readers to consider the information presented here in conjunction with the audited financial statements.

Financial Highlights

- As of June 30, 2024, the Town reported a total fund balance of \$142,891,899 within the Governmental funds. This was a 3.03% increase from the prior year.
- At the end of the fiscal year the General Fund balance was \$27,781,062, or 115% of total expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

Discussion and analysis here is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

A frequently asked question about the Town's finances: "Is the Town as a whole better or worse off as a result of the year's activities?" The government-wide financial statements report information about the Town as a whole and about its activities in a way that answers this question. These statements include all the Town's assets and liabilities using the accrual basis of accounting; this is similar to the accounting used by most private sector companies.

The Statement of Net Position presents information on all the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as the net position. Changes to the net position is one way to measure the Town's financial health or position. Over time, increases or decreases in the Town's net position is an indication of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flow. 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).

It is important to remember this measure of financial health considers all the Town's assets, including street infrastructure, storm drainage, and streetlights. While these assets are valuable to the Town, they are not always available for immediate sale to fund other Town priorities. Furthermore, the depreciation of these assets is recorded as a non-cash expense in the Statement of Activities and can be confusing if the goal of the reader is to follow the flow of cash and expenditure. Hence, this is why the Fund Financial Statements continue to be an important part of the Town's financial overview and are presented after the Statement of Activities.

In both the Statement of Net Position and the Statement of Activities, the Town's activities are separated as follows:

Governmental Activities: Almost all the Town's services are reported in this category, including general administration (Town Manager, Town Clerk, personnel, finance, etc.), police protection, public works, tourism and recreation, community and economic development, and as of June 30, 2024, the Airport.

Transient occupancy tax, sales tax, property taxes, other taxes, interest income, grants, intergovernmental revenue and service charges provide the financing for these activities. The Statement of Net Position also includes the value of capital assets (historic cost net of depreciation, and future debt payments) and the assets and liabilities of the internal service funds. The Statement of Activities includes depreciation expense and records the activity in the internal service funds on the accrual basis of accounting. Therefore, significant differences from the Fund Financial Statements exist.

Business-Type Activities: The Town operates the Long Valley Mineral Pit as a business-type activity, charging customers for the cost of services (disposal of clean materials).

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The Fund Financial Statements provide detailed information only about the most significant funds, rather than the Town as a whole. Some funds are required to be established by state law and by bond covenants. In addition, management established several other funds to help control and manage money for purposes and to show that we are meeting legal requirements in the use of certain taxes, grants, and other resources. The Town's two types of funds are governmental and proprietary.

Governmental Funds: Most of the Town's basic services are reported in governmental funds, which focus on the flow of money in and out, and the balances left at year-end that are available for spending. These funds are reported using an accounting method called "modified accrual accounting" which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. There is a reconciliation of the significant differences between the Governmental Funds Balance Sheet and the Statement of Net Position. These differences are unavoidable because, by definition, the reports are looking at different financial activities. The two reports provide different perspectives on the Town's finances, both of which are considered beneficial to financial statement users.

At June 30, 2024, the Town's governmental funds, (including general, special revenue, and capital project) reported an increase in combined fund balances of \$6.33 million, a 9% increase over the prior year. The increase was due to greater tourism-related revenues for sales tax, transient occupancy tax, a larger amount of grant revenue, and an increased amount of interest revenue.

Proprietary (Enterprise) Fund: When the Town manages a functional area on a business basis with specific charges to customers for services and accounts for all revenue, assets, and liabilities separately, this activity is generally reported in proprietary. The Town's proprietary fund for the Long Valley Mineral Pit is reported in the Statement of Net Position and the Statement of Activities as business-type activity. Other reports, such as the Statement of Cash Flows, provide more details and additional information.

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.

Reporting the Town's Fiduciary Responsibilities

The Town is the trustee, or fiduciary, for certain funds held on behalf of developers and assessment districts. The Town's Statement of Fiduciary Assets and Liabilities reflects these fiduciary activities which are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring the assets reported in these funds are used for their intended purposes.

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Management's Discussion and Analysis

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Current and other assets	\$ 100,968,228	97,181,531	\$ 427,094	\$ 410,466	\$ 101,395,322	\$ 97,591,997
Capital assets, net of depreciation	99,813,375	91,203,481	-	-	99,813,375	91,203,481
Total Assets	<u>200,781,603</u>	<u>188,385,012</u>	<u>427,094</u>	<u>410,466</u>	<u>201,208,697</u>	<u>188,795,478</u>
Deferred outflows of resources	11,519,680	12,260,349	-	-	11,519,680	12,260,349
Current and other liabilities	13,927,485	3,502,455	50	-	13,927,535	3,502,455
Long-term liabilities	52,120,267	53,380,768	-	-	52,120,267	53,380,768
Total Liabilities	<u>66,047,752</u>	<u>56,883,223</u>	<u>50</u>	<u>-</u>	<u>66,047,802</u>	<u>56,883,223</u>
Deferred inflows of resources	3,898,477	5,070,461	-	-	3,898,477	5,070,461
Invested in capital assets	94,729,141	85,030,523	-	-	94,729,141	85,030,523
Restricted	45,253,951	54,221,166	-	-	45,253,951	54,221,166
Unrestricted	2,371,962	(560,012)	427,044	410,466	2,799,006	(149,546)
Total Net Position	<u>\$ 142,355,054</u>	<u>\$ 138,691,677</u>	<u>\$ 427,044</u>	<u>\$ 410,466</u>	<u>\$ 142,782,098</u>	<u>\$ 139,102,143</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 Town, or to other government units on a cost reimbursement basis.

Vehicle Service: The Town's Vehicle Service Fund is operated as an internal service fund. Services provided by the garage are charged to other governmental agencies that have contracted with the Town to receive garage motor pool services such as fuel and vehicle maintenance, in addition to services the garage provides to individual Town departments.

The internal service fund is also used to account for purchases of vehicles and equipment when adequate funds have been accumulated and replacement is necessary. The current net investment in capital assets within the internal service fund is approximately \$6.6 million.

Self-Insurance: The Town also uses an internal service fund to account for certain insurance and benefit programs offered to employees. Premiums are collected from the employee or the department, depending on the benefit, and paid to the internal service fund, which, in turn, processes certain medical reimbursements and premiums.

The internal service funds are included in the government-wide financial statements under governmental activities as they are for the benefit of the government rather than business-type functions.

TOWN OF MAMMOTH LAKES | JUNE 30, 2024
Management's Discussion and Analysis

The revenue and expenditures for the governmental and business-type activities are summarized in the following table:

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2023-2024	2022-2023	2023-2024	2022-2023	2023-2024	2022-2023
Revenues						
Program revenues:						
Charges for services	\$ 5,540,776	\$ 4,774,496	\$ -	\$ 198,840	\$ 5,540,776	\$ 4,973,336
Operating grants and contributions	5,051,263	4,462,576	-	-	5,051,263	4,462,576
Capital grants and contributions	3,613,868	3,008,983	-	-	3,613,868	3,008,983
General revenues:						
Property tax	6,323,788	6,125,639	-	-	6,323,788	6,125,639
Transient occupancy tax	28,065,965	30,116,305	-	-	28,065,965	30,116,305
Sales tax	6,450,021	6,503,407	-	-	6,450,021	6,503,407
Investment earnings	3,208,373	1,577,787	17,802	7,784	3,226,175	1,585,571
Other taxes	8,046,443	8,407,455	-	-	8,046,443	8,407,455
Other revenue	4,109,866	2,184,121	-	-	4,109,866	2,184,121
Total Revenues	<u>70,410,363</u>	<u>67,160,769</u>	<u>17,802</u>	<u>206,624</u>	<u>70,428,165</u>	<u>67,367,393</u>
Expenses						
General government	13,255,948	8,630,127	-	-	13,255,948	8,630,127
Public safety	6,486,749	4,669,290	-	-	6,486,749	4,669,290
Tourism, parks and recreation	12,371,429	12,200,514	-	-	12,371,429	12,200,514
Community development	12,640,013	5,401,060	-	-	12,640,013	5,401,060
Public works	4,137,577	6,657,940	-	-	4,137,577	6,657,940
Transportation and transit	1,060,971	769,374	-	-	1,060,971	769,374
Community support	1,885,857	1,804,371	-	-	1,885,857	1,804,371
Interest on long-term debt	580,033	669,898	-	-	580,033	669,898
Airport	2,847,125	3,100,829	-	-	2,847,125	3,100,829
Solid waste	-	-	1,224	8,635	1,224	8,635
Total Expenses	<u>55,265,702</u>	<u>43,903,403</u>	<u>1,224</u>	<u>8,635</u>	<u>55,266,926</u>	<u>43,912,038</u>
Excess (deficiency) before transfers	15,144,661	23,257,366	16,578	197,989	15,161,239	23,455,355
Transfers	-	9,998,768	-	(8,643,279)	-	1,355,489
Change in net position	<u>15,144,661</u>	<u>33,256,134</u>	<u>16,578</u>	<u>(8,445,290)</u>	<u>15,161,239</u>	<u>24,810,844</u>
Net position - beginning, as presented	138,691,677	103,709,713	410,466	8,855,756	139,102,143	112,565,469
Change in accounting principle (see footnote 16)	(11,481,284)	-	-	-	(11,481,284)	-
Change due to error correction	-	1,725,830	-	-	-	1,725,830
Net position - beginning, restated	<u>127,210,393</u>	<u>105,435,543</u>	<u>410,466</u>	<u>8,855,756</u>	<u>127,620,859</u>	<u>114,291,299</u>
Net position - ending	<u>\$ 142,355,054</u>	<u>\$ 138,691,677</u>	<u>\$ 427,044</u>	<u>\$ 410,466</u>	<u>\$ 142,782,098</u>	<u>\$ 139,102,143</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Town's investment in capital assets for its governmental activities as of June 30, 2024, \$73.7 million (net depreciation) and represents, by far, the largest portion of the net position. This investment in capital assets is comprised of land, buildings, infrastructure and machinery and equipment, less any outstanding related debt used to acquire them. The investment in capital assets increased over the prior year by \$19.1 million. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Long Term Debt

The Town issued Lease Revenue Bonds in the amount of \$3,550,000, replacing the existing Certificates of Participation (\$1,430,000) to construct a new public safety facility (\$2,120,000) in 2015. Construction of the new public safety facility was completed in 2017. The debt is scheduled to mature in fiscal year 2029-30 and had an outstanding balance of \$1,690,000 as of June 30, 2024.

In 2010, the Town lost their final appeal before the State Supreme Court related to litigation with a real estate developer for alleged breach of contract. The award for damages was \$30 million plus attorney's fees. The Town reached a settlement with the developer in November 2012 in the amount of \$29,500,434 payable over 24 years. In October 2018, the Town refunded the award by issuing Obligation Bonds at a reduced interest rate. The outstanding balance on June 30, 2024, was \$17,585,000.

In 2017, the Town entered into an installment sales agreement in the amount of \$5,550,000 for the initial phase of construction for a new community recreation center. The outstanding balance on June 30, 2023, was \$2,345,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town Council continues to re-invest unallocated revenue into our sustainable, recreation-based economy. The strategic priorities of the Town Council, which guide the Town's annual work plan, focus our investment in four main areas. The first priority is an investment in public safety through project identification and implementation. This includes emergency management for all hazards, projects to mitigate risks of natural disasters, and enhancement of our facilities to support emergency response. The second priority is community investment to enhance growth, development and quality of life for our citizens. This includes affordable housing development, leveraging our partnerships for greater achievement, providing opportunities for our citizens to partner with us for collective success, either in funding or volunteer work, and ensuring that our future development is aligned with community values. The third priority is to improve municipal services to support a vibrant, sustainable, and cohesive community. This includes engagement to ensure the community outreach in both English and Spanish in review of investment in core services, including public safety, and capital projects that will build capacity and benefit the community. The fourth priority is the development of recreation amenities and programs to deliver high-quality, affordable, and sustainable recreation programs and amenities. This includes working with federal and state partners to ensure our recreation experiences drive visitation, improve our wildlife management practices for the benefit of the natural environment and visitors, enhance community connectivity through wayfinding and mobility upgrades, and improve access, availability and affordability of parks and recreation, amenities, programs and services.

The Town will continue to fund these important initiatives through thoughtful budgeting practices, and is committed to keeping our organization lean, while executing on our core services. As we remain conservative with revenue expectations for our annual budget, the Town also provides quarterly budget analysis, realizing any unallocated revenues available for investment in the priorities stated above. In addition to these budget practices, the Town remains committed to established reserve policies, ensuring they are updated annually as part of the budget process. These reserves include the following: The Reserve for Economic Uncertainty (REU) at \$6,600,000, the Operating Reserve (OR) at \$1,650,000, the Debt Reserve (DR) at \$1,700,000 is fully funded for FY 24-25. All these reserve elements add security to the Town's financial position as just under \$10 million is available for continuing operation of Town services. In conclusion, the Town continues to position itself in a strong financial position through proven fiscal policy that will enable it to meet the needs of our community and deliver the core services provided by the Town.

Respectfully submitted,

Rob Patterson
Town Manager

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Statement of Net Position

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 87,146,504	\$ 414,412	\$ 87,560,916
Restricted cash and investments	2,088,278	-	2,088,278
Receivables	8,095,145	-	8,095,145
Inventory	765,458	-	765,458
Property held for resale	2,671,713	-	2,671,713
Internal balances	(12,682)	12,682	-
Other assets	31,118	-	31,118
Lease receivable	182,694	-	182,694
Capital assets not being depreciated	26,099,207	-	26,099,207
Capital assets, net of depreciation	<u>73,714,168</u>	<u>-</u>	<u>73,714,168</u>
 Total assets	 <u>200,781,603</u>	 <u>427,094</u>	 <u>201,208,697</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	10,875,870	-	10,875,870
OPEB related	<u>643,810</u>	<u>-</u>	<u>643,810</u>
 Total deferred outflows of resources	 <u>11,519,680</u>	 <u>-</u>	 <u>11,519,680</u>
LIABILITIES			
Accounts payable	10,659,248	-	10,659,248
Accrued salaries and benefits	310,658	50	310,708
Deposits	77,043	-	77,043
Unearned revenue	2,880,536	-	2,880,536
Noncurrent liabilities:			
Due within one year	2,886,256	-	2,886,256
Due in more than one year	20,922,520	-	20,922,520
Net pension liability	27,427,524	-	27,427,524
Net OPEB liability	<u>883,967</u>	<u>-</u>	<u>883,967</u>
 Total liabilities	 <u>66,047,752</u>	 <u>50</u>	 <u>66,047,802</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,953,052	-	1,953,052
OPEB related	1,766,174	-	1,766,174
Lease related	<u>179,251</u>	<u>-</u>	<u>179,251</u>
 Total deferred inflows of resources	 <u>3,898,477</u>	 <u>-</u>	 <u>3,898,477</u>
NET POSITION			
Net investment in capital assets	94,729,141	-	94,729,141
Restricted:			
Public safety	81,260	-	81,260
Community development	12,045,366	-	12,045,366
Public works	6,281,787	-	6,281,787
Community support	1,209,000	-	1,209,000
Tourism, parks and recreation	8,441,228	-	8,441,228
Transportation and transit	150,841	-	150,841
Capital projects	14,706,868	-	14,706,868
Airport	2,337,601	-	2,337,601
Unrestricted	<u>2,371,962</u>	<u>427,044</u>	<u>2,799,006</u>
 Total net position	 <u>\$ 142,355,054</u>	 <u>\$ 427,044</u>	 <u>\$ 142,782,098</u>

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Statement of Activities

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 13,255,948	\$ 3,946,635	\$ 955,741	\$ 3,222,584	\$ (5,130,988)	\$ -	\$ (5,130,988)
Public safety	6,486,749	168,630	185,640	-	(6,132,479)	-	(6,132,479)
Tourism, parks and recreation	12,371,429	258,310	-	-	(12,113,119)	-	(12,113,119)
Community development	12,640,013	134,128	1,261,175	-	(11,244,710)	-	(11,244,710)
Public works/streets	4,137,577	574,107	2,139,726	-	(1,423,744)	-	(1,423,744)
Transportation and transit	1,060,971	47,298	259,992	-	(753,681)	-	(753,681)
Community support	1,885,857	-	-	-	(1,885,857)	-	(1,885,857)
Airport	2,847,125	411,668	248,989	391,284	(1,795,184)	-	(1,795,184)
Interest on long-term debt	580,033	-	-	-	(580,033)	-	(580,033)
Total governmental activities	<u>55,265,702</u>	<u>5,540,776</u>	<u>5,051,263</u>	<u>3,613,868</u>	<u>(41,059,795)</u>	<u>-</u>	<u>(41,059,795)</u>
Business-type activities:							
Landfill management	1,224	-	-	-	-	(1,224)	(1,224)
Total business-type activities	<u>1,224</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,224)</u>	<u>(1,224)</u>
Total primary government	<u>\$ 55,266,926</u>	<u>\$ 5,540,776</u>	<u>\$ 5,051,263</u>	<u>\$ 3,613,868</u>	<u>(41,059,795)</u>	<u>(1,224)</u>	<u>(41,061,019)</u>
General revenues:							
Taxes:							
Property tax					6,323,788	-	6,323,788
Transient occupancy tax					28,065,965	-	28,065,965
Sales tax					6,450,021	-	6,450,021
Measure U tax					1,287,687	-	1,287,687
TBID tax					6,758,756	-	6,758,756
Franchise fees					1,273,237	-	1,273,237
Investment earnings					3,208,373	17,802	3,226,175
Insurance recovery					1,707,591	-	1,707,591
Other revenue					1,129,038	-	1,129,038
Total general revenues					<u>56,204,456</u>	<u>17,802</u>	<u>56,222,258</u>
Change in net position					<u>15,144,661</u>	<u>16,578</u>	<u>15,161,239</u>
Net position - beginning					138,691,677	410,466	139,102,143
Change in accounting principle (housing loans)					<u>(11,481,284)</u>	<u>-</u>	<u>(11,481,284)</u>
Net position - beginning (restated)					<u>127,210,393</u>	<u>410,466</u>	<u>127,620,859</u>
Net position - ending					<u>\$ 142,355,054</u>	<u>\$ 427,044</u>	<u>\$ 142,782,098</u>

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

FUND FINANCIAL STATEMENTS

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Governmental Funds

Balance Sheet

	Special Revenue Funds							Total Governmental Funds
	General Fund	Capital Projects Fund	Tourism Business Improvement District Fund	Housing and Community Development Fund	Gas Tax Fund	Nonmajor Governmental Funds		
ASSETS								
Cash and investments	\$ 32,617,319	\$ 13,627,924	\$ (298,122)	\$ 14,989,111	\$ 2,411,025	\$ 14,889,955	\$ 78,237,212	
Restricted cash and investments	-	-	-	-	-	2,088,278	2,088,278	
Receivables	4,866,728	1,051,875	302,780	373,816	35,276	1,208,768	7,839,243	
Inventory	-	-	-	-	-	9,320	9,320	
Property held for resale	-	-	-	2,671,713	-	-	2,671,713	
Lease receivable	-	-	-	-	-	182,694	182,694	
Due from other funds	223,345	-	-	-	-	-	223,345	
Other assets	-	27,069	-	-	-	-	27,069	
Total assets	\$ 37,707,392	\$ 14,706,868	\$ 4,658	\$ 18,034,640	\$ 2,446,301	\$ 18,379,015	\$ 91,278,874	
LIABILITIES								
Accounts payable	\$ 6,696,391	\$ -	\$ -	\$ 3,908,369	\$ 6,174	\$ 48,314	\$ 10,659,248	
Accrued salaries and benefits	268,433	-	-	-	17,288	14,597	300,318	
Deposits	77,043	-	-	-	-	-	77,043	
Unearned revenue	2,880,536	-	-	-	-	-	2,880,536	
Due to other funds	-	-	-	-	-	223,345	223,345	
Total liabilities	9,922,403	-	-	3,908,369	23,462	286,256	14,140,490	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue	3,927	-	-	-	-	-	3,927	
Lease related	-	-	-	-	-	179,251	179,251	
Total deferred inflows of resources	3,927	-	-	-	-	179,251	183,178	
FUND BALANCES								
Nonspendable	-	-	-	-	-	9,320	9,320	
Restricted:								
Public safety	-	-	-	-	-	81,260	81,260	
Community development	-	-	-	10,951,671	-	1,093,695	12,045,366	
Public works	-	-	-	-	2,422,839	3,858,948	6,281,787	
Community support	1,209,000	-	-	-	-	-	1,209,000	
Tourism, parks and recreation	-	-	4,658	-	-	8,436,570	8,441,228	
Transportation and transit	-	-	-	-	-	150,841	150,841	
Capital projects	-	14,706,868	-	-	-	-	14,706,868	
Airport	-	-	-	-	-	2,337,601	2,337,601	
Committed:								
Community development	961,367	-	-	3,174,600	-	-	4,135,967	
Tourism, parks and recreation	1,244,526	-	-	-	-	-	1,244,526	
Transportation and transit	1,865,307	-	-	-	-	-	1,865,307	
Debt service	1,100,000	-	-	-	-	-	1,100,000	
Assigned:								
Debt service	-	-	-	-	-	1,945,273	1,945,273	
Unassigned	21,400,862	-	-	-	-	-	21,400,862	
Total fund balances	27,781,062	14,706,868	4,658	14,126,271	2,422,839	17,913,508	76,955,206	
Total liabilities, deferred inflows of resources and fund balances	\$ 37,707,392	\$ 14,706,868	\$ 4,658	\$ 18,034,640	\$ 2,446,301	\$ 18,379,015	\$ 91,278,874	

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

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

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

Total fund balance – governmental funds	\$ 76,955,206
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	93,239,781
Pension and OPEB related deferrals are reported as deferred outflows and inflows of resources on the statement of net position.	7,325,999
Unavailable revenues represent amounts that are not available to fund current expenditures and, therefore, are not reported in the governmental funds.	3,927
Long-term debt and obligations are not due and payable in the current year period and therefore, are not reported in the governmental funds. Those liabilities consist of:	
Debt and obligations	(21,620,000)
Compensated absences	(1,041,259)
Lease related	(1,011,970)
Subscription related	(37,264)
Net pension liability	(25,987,288)
Net OPEB liability	(883,967)
Internal service funds are used by the management to charge the cost of the motor pool and employee benefits activities to individual funds. Those assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the Statement of Net Position governmental activities.	<u>15,411,889</u>
Net position of governmental activities	<u>\$ 142,355,054</u>

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances

	General Fund	Capital Projects Fund	Special Revenue Funds			Nonmajor Governmental Funds	Total Governmental Funds
			Tourism Business Improvement District Fund	Housing and Community Development Fund	Gas Tax Fund		
REVENUES							
Taxes and assessments	\$ 39,027,929	\$ -	\$ 6,758,756	\$ 352,608	\$ -	\$ 4,489,022	\$ 50,628,315
Licenses and permits	1,734,315	-	-	-	-	1,222,868	2,957,183
Intergovernmental	1,137,454	3,222,584	-	698,215	2,139,726	1,110,617	8,308,596
Charges for services	1,797,674	-	-	-	123,097	411,668	2,332,439
Fines and forfeitures	134,901	-	-	-	-	-	134,901
Use of money and property	1,661,264	-	30,308	650,204	115,163	751,434	3,208,373
Insurance recovery	1,707,591	-	-	-	-	-	1,707,591
Other revenue	-	80,031	-	543,989	57	499,058	1,123,135
Total revenues	47,201,128	3,302,615	6,789,064	2,245,016	2,378,043	8,484,667	70,400,533
EXPENDITURES							
Current:							
General government	5,679,882	-	-	-	-	-	5,679,882
Public safety	5,495,161	-	-	-	-	-	5,495,161
Tourism, parks and recreation	4,766,001	-	6,795,414	-	-	1,903,551	13,464,966
Community development	3,220,305	-	-	9,282,699	-	207,041	12,710,045
Public works/streets	1,940,013	-	-	-	5,508,532	366,539	7,815,084
Transportation and transit	1,093,815	-	-	-	-	-	1,093,815
Community support	1,885,857	-	-	-	-	-	1,885,857
Airport	-	-	-	-	-	2,470,330	2,470,330
Capital outlay	-	9,759,227	-	-	-	297,147	10,056,374
Debt service	-	-	-	-	-	2,808,757	2,808,757
Total expenditures	24,081,034	9,759,227	6,795,414	9,282,699	5,508,532	8,053,365	63,480,271
Excess (deficiency) of revenues over (under) expenditures	23,120,094	(6,456,612)	(6,350)	(7,037,683)	(3,130,489)	431,302	6,920,262
OTHER FINANCING SOURCES (USES)							
Transfers in	8,529,816	2,104,066	-	7,204,494	3,460,139	10,446,161	31,744,676
Transfers out	(20,755,736)	-	-	-	(331,820)	(11,246,978)	(32,334,534)
Total other financing sources (uses)	(12,225,920)	2,104,066	-	7,204,494	3,128,319	(800,817)	(589,858)
Net change in fund balances	10,894,174	(4,352,546)	(6,350)	166,811	(2,170)	(369,515)	6,330,404
Fund balances - beginning	16,886,888	19,059,414	11,008	13,959,460	2,425,009	18,283,023	70,624,802
Fund balances (deficit) - ending	\$ 27,781,062	\$ 14,706,868	\$ 4,658	\$ 14,126,271	\$ 2,422,839	\$ 17,913,508	\$ 76,955,206

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

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

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

Change in fund balances – governmental funds	\$	6,330,404
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current year.		6,183,302
Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(833,619)
Changes to OPEB liability and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		316,060
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Loans and finance purchase		1,944,000
Leases		284,724
Compensated absences		66,072
Certain revenues and expenses reported in the Statement of Activities and changes in net position do not require the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds.		3,927
The internal service funds are used by management to charge the costs of motor pool and employee benefits activities to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>849,791</u>
Change in net position of governmental activities	\$	<u>15,144,661</u>

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

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Proprietary Funds
Statement of Net Position

	Landfill Management	Total Enterprise Funds	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 414,412	\$ 414,412	\$ 8,909,292
Receivables	-	-	255,902
Inventory	-	-	756,138
Other assets	-	-	4,049
Total current assets	<u>414,412</u>	<u>414,412</u>	<u>9,925,381</u>
Noncurrent assets:			
Capital assets, net of depreciation	-	-	6,573,594
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>6,573,594</u>
 Total assets	 <u>414,412</u>	 <u>414,412</u>	 <u>16,498,975</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	-	-	602,463
Total deferred outflows	<u>-</u>	<u>-</u>	<u>602,463</u>
LIABILITIES			
Current liabilities:			
Accrued salaries and benefits	50	50	10,340
Total current liabilities	<u>50</u>	<u>50</u>	<u>10,340</u>
Noncurrent liabilities:			
Due within one year:			
Compensated absences	-	-	49,141
Due in more than one year:			
Compensated absences	-	-	49,142
Net pension liability	-	-	1,440,236
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,538,519</u>
 Total liabilities	 <u>50</u>	 <u>50</u>	 <u>1,548,859</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	-	-	128,008
Total deferred inflows	<u>-</u>	<u>-</u>	<u>128,008</u>
NET POSITION			
Net investment in capital assets	-	-	6,573,594
Unrestricted	414,362	414,362	8,850,977
 Total net position	 <u>\$ 414,362</u>	 414,362	 <u>\$ 15,424,571</u>
Adjustments to report the cumulative internal balance for the net effect of the activity between the internal services funds and the enterprise funds over time		<u>12,682</u>	
Net position of business-type activities (page 12)		<u>\$ 427,044</u>	

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

	Landfill Management	Total Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:			
Charges for services	\$ -	\$ -	\$ 2,568,558
Total operating revenues	<u>-</u>	<u>-</u>	<u>2,568,558</u>
Operating expenses:			
Personnel costs	1,224	1,224	1,179,009
Operations and maintenance	-	-	917,509
Benefit claims	-	-	223,576
Depreciation	-	-	384,381
Total operating expenses	<u>1,224</u>	<u>1,224</u>	<u>2,704,475</u>
Operating income (loss)	<u>(1,224)</u>	<u>(1,224)</u>	<u>(135,917)</u>
Nonoperating revenues (expenses):			
Investment earnings	17,802	17,802	389,947
Other nonoperating revenues	-	-	5,903
Total nonoperating revenues (expenses)	<u>17,802</u>	<u>17,802</u>	<u>395,850</u>
Income (loss) before transfers	16,578	16,578	259,933
Transfers in	-	-	661,977
Transfers out	<u>-</u>	<u>-</u>	<u>(72,119)</u>
Change in net position	16,578	16,578	849,791
Net position - beginning	<u>397,784</u>	<u>397,784</u>	<u>14,574,780</u>
Net position - ending	<u>\$ 414,362</u>		<u>\$ 15,424,571</u>
Adjustment for the net effect on the current year activity between the internal service funds and the enterprise funds		<u>-</u>	
Changes in net position of business-type activities (page 13)		<u>\$ 16,578</u>	

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Proprietary Funds

Statement of Cash Flows

	Landfill Management	Total Enterprise Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,240	\$ 2,240	\$ 2,823,555
Payments to suppliers	111	111	(893,252)
Payments paid for personnel costs	<u>(1,224)</u>	<u>(1,224)</u>	<u>(1,314,784)</u>
Net cash provided by (used for) operating activities	<u>1,127</u>	<u>1,127</u>	<u>615,519</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans (to)/from other funds	-	-	851,207
Transfers in from other funds	-	-	661,977
Transfers (out) to other funds	-	-	(72,119)
Other nonoperating revenues	<u>-</u>	<u>-</u>	<u>5,903</u>
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>1,446,968</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(2,810,973)</u>
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,810,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment received (paid)	<u>17,802</u>	<u>17,802</u>	<u>389,947</u>
Net cash provided by (used for) investing activities	<u>17,802</u>	<u>17,802</u>	<u>389,947</u>
Net increase (decrease) in cash and investments	18,929	18,929	(358,539)
Cash and investments - beginning	<u>395,483</u>	<u>395,483</u>	<u>9,267,831</u>
Cash and investments - ending	<u>\$ 414,412</u>	<u>\$ 414,412</u>	<u>\$ 8,909,292</u>

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

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Proprietary Funds
Statement of Cash Flows
(Continued)

	Landfill Management	Total Enterprise Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (1,224)	\$ (1,224)	\$ (135,917)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	-	-	384,381
(Increase) decrease in accounts receivables	2,301	2,301	254,997
(Increase) decrease in inventory	-	-	25,569
Increase (decrease) in deferred outflows of resources from pensions	-	-	(2,579)
Increase (decrease) in accrued salaries and benefits	50	50	(9,963)
Increase (decrease) in compensated absences	-	-	48,296
Increase (decrease) in deferred inflows of resources from pensions	-	-	(71,881)
Increase (decrease) in net pension liability	-	-	122,616
Net cash provided by (used for) operating activities	<u>\$ 1,127</u>	<u>\$ 1,127</u>	<u>\$ 615,519</u>

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

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Custodial Funds

Statement of Fiduciary Net Position

ASSETS

Cash and investments	\$	532,822
Cash with fiscal agent		<u>141,225</u>

Total assets		<u>674,047</u>
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LIABILITIES

-

NET POSITION

Restricted for:

Other organizations and other governments		<u>674,047</u>
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Total net position	\$	<u><u>674,047</u></u>
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The notes to the basic financial statements are an integral part of this statement.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Custodial Funds

Statement of Changes in Fiduciary Net Position

ADDITIONS

Tax assessments	\$	529,249
Interest on investments		<u>20,565</u>

Total additions		<u>549,814</u>
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DEDUCTIONS

Contractual services		7,740
Debt service		<u>510,690</u>

Total deductions		<u>518,430</u>
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Net increase (decrease) in fiduciary net position		31,384
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Net position - beginning		<u>642,663</u>
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Net position - ending	\$	<u>674,047</u>
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The notes to the basic financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Mammoth Lakes, California (the Town) conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Town are described below.

A. Reporting Entity

The Town of Mammoth Lakes was incorporated in 1985 under the laws of the State of California. The Town operates under a Council-Manager form of government. The Town provides municipal services to its citizens including police, public works, airport facilities, community development and general administrative support. These financial statements present the financial status of the Town.

The Town of Mammoth Lakes and the Mammoth Lakes Municipal Service Corporation (the Corporation) comprise the reporting entity. Although these entities are legally separate from each other, they are presented on a blended basis as part of the primary government because their governing boards consist exclusively of all five members of the Town Council. These entities meet the Governmental Accounting Standards Board (GASB) criteria for inclusion within the Town's financial reports. The Corporation does not issue separate financial statements. Financial information for the Mammoth Lakes Municipal Service Corporation is blended with the Town of Mammoth Lakes' financial statements. The Town has no discretely presented component units.

The Corporation was organized on August 1, 1989, pursuant to the Nonprofit Public Benefit Corporations Law of the State of California, solely for the purpose of providing assistance to the Town by acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The Corporation was formed at the request of the Town to assist in lease financing of certain capital improvement projects. The Corporation's financial data and transactions are included within the Debt Service Fund. Oversight responsibility is determined by such criteria as financial interdependency, selection of governing authority and designation of management, budget control, and the ability to significantly influence operations. Separate financial statements are not issued.

B. Basis of Presentation

The Town's basic financial statements consist of the following:

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

Government-Wide Financial Statements: (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. These statements distinguish between the *governmental* and *business-type activities* of the Town. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenue, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Fund Financial Statements: The fund financial statements provide information about the Town’s funds, including fiduciary funds. Separate statements for each fund category—*governmental*, *proprietary*, and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are 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.

C. Governmental Fund Types

Governmental funds are those through which most general government functions typically are financed. The Town maintains the following fund types:

General Fund – The Town’s primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Used to account for the proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Used to account for the accumulation of resources for, and the repayment of, general long-term debt obligation payments for principal, interest and related costs.

Capital Projects Funds – Used to account for financial resources to be used for the acquisition, improvements or construction of streets, infrastructure and major capital projects.

Proprietary Fund Types – Used to account for activities that are similar to those found in the private sector. The measurement focus is upon determination of net income and capital maintenance. The following are the Town’s two proprietary fund types:

Enterprise Funds – established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Town is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Long Valley Landfill is reported as an enterprise fund.

Internal Service Funds – Established to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, and to other government units on a cost reimbursement basis. The Town’s purchasing of vehicles and equipment, maintenance of transportation vehicles, and the self-insurance employee benefit program, are reported as internal service funds.

Fiduciary Funds – Used to account for assets held by the Town as a custodian for individuals and other governmental units.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The Town may also select other funds it believes should be presented as major funds.

The Town reports the following major governmental funds in the accompanying financial statements:

General Fund – The Town’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund – Used to account for the acquisition, improvements or construction of the government’s streets, infrastructure, and major capital facilities, other than those financed by proprietary funds.

Tourism Business Improvement District Fund – Used to account for restricted-use financial resources received from a voter-approved tax to help fund marketing and sales promotion efforts for Mammoth Lakes’ tourism businesses.

Housing and Community Development Fund – Used to account for restricted-use financial resources received from federal, state and county governments for the purpose of providing affordable housing within the community.

Gas Tax Fund – Used to account for the proceeds of the state-wide voter-approved tax on gasoline, which is collected by the State, and passed through the local governments for the purpose of streets and sidewalk construction and maintenance.

The Town reports the following major enterprise funds in the accompanying financial statements:

Landfill Management Fund – Used to account for proceeds generated from use of the clean material waste disposal site.

The Town reports the following fiduciary fund in the accompanying financial statements:

Custodial Fund – The Town acts as a custodian for collection of property taxes and repayment of a special assessment improvement bonds issued by an Assessment District located within the Town. The financial activities of this fund are excluded from the entity-wide financial statements but are presented in separate Fiduciary Fund financial statements.

E. Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Focus, Basis of Accounting (Continued)

Governmental Fund Financial Statements

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. The Town considers all revenues other than grant reimbursements reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Grant revenue, which is normally reimbursements of expenses under contractual agreements, is recorded as a receivable when earned rather than when susceptible to accrual. Generally, this occurs when authorized expenditures are made under the grant program or contractual agreement. Expenditures are recognized when the fund liability is incurred, if measurable, except for principal, interest and unmatured interest on long-term debt in the governmental funds, which is recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under finance leases are reported as other financing sources.

F. Budgetary Data

General Budget Policies

The Town maintains budgetary controls of which the objective is to ensure compliance with legal provisions embodied in the annual budget approval by the Town Council. Budgetary control for operations is maintained at the department level by individual funds. Budgetary control for capital improvement projects (i.e., project-length financial plans) is maintained at the individual project level by fund. The Town's budgeted expenditure authority lapses at the end of each fiscal year. However, outstanding purchase order commitments or capital improvement projects may be re-appropriated for the subsequent fiscal year upon Town Council approval.

Budgetary Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America as prescribed by the GASB and the AICPA. The Budgetary Comparison Schedule of the General Fund and special revenue major governmental funds presents comparisons of legally adopted budget amounts (both the original budget and final budget), and actual amounts, on the budgetary basis. The budgeting basis is substantially equivalent to the Town's accounting basis; thus, no reconciliation between the two is considered necessary.

G. Other Accounting Policies

Cash and Investments

Cash and investments held in the Town's investment pool are reported as cash and investments since "funds" can spend cash at any time without prior notice or penalty. All investments with fiscal agents are also considered cash equivalents if they are liquid. Investments are stated at fair value.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Town considers all highly-liquid investments either: (1) with a maturity of three months or fewer when purchased to be cash equivalents or (2) collected within sixty days of the fiscal year end. Cash and cash equivalents are reported under the captions "cash and investments" on the Statement of Net Position and Balance Sheet.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Interfund Transactions

Interfund transactions are reflected as loans, services provided or used, reimbursements or transfers. Loans 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). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the government-wide financial statements as “internal balances”.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur 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 to the government-wide presentation.

Allowance for Uncollectible Accounts

Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Inventory of Supplies, Properties Held for Resale, and Prepaid Expenses

Inventories consist of fuel, vehicle parts and expendable supplies which are valued at cost on the weighted average method, which approximates fair value. Inventories consist of expendable supplies held on a consumption basis, wherein the cost is recorded as an expense at the time an item is consumed. Inventories also consists of properties held for resale which are valued at lower of cost or market.

Capital Assets

Capital assets used in governmental fund type operations are accounted for on the Statement of Net Position. Public domain general capital assets (infrastructure) consisting of certain improvements other than buildings, such as roads, sidewalks and bridges are capitalized prospectively starting July 1, 2003. Town policy has set the capitalization threshold for reporting capital assets starting at \$20,000. Capital outlay is recorded as *expenditures* in the governmental fund financial statements, and as *capital assets* in the government-wide financial statements to the extent the Town’s capitalization threshold is met. Donated assets are recorded at estimated fair value at the date of donation.

Property, plant and equipment acquired for proprietary funds are capitalized in the respective fund to which it applies and are stated at their cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets.

Depreciation is recorded on a straight-line basis over the estimated useful lives of the capital assets which range from 4 to 20 years for equipment and vehicles, 20 to 50 years for buildings and improvements, 20 years for infrastructure, and 50 years for utility systems. Land, art and treasures are not considered exhaustible, therefore are not being depreciated.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Right-to-Use Lease Assets

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

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

Leases

Lessee: The Town is a lessee for noncancellable lease of a building. The lessee recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$25,000 or more for equipment and vehicles and \$100,000 or more for buildings.

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Leases (Continued)

Lessor: The Town is a lessor for a noncancellable lease. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

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

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

Subscription Based Information Technology Arrangements (SBITAs)

Lessee: The Town entered into noncancellable subscription-based information technology arrangements (SBITAs) for information technology services. SBITAs are accounted for in accordance with GASB Statement No. 96.

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

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

- The Town generally uses the interest rate charged by the subscription provider as the discount rate. When the interest rate charged by the provider is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate for SBITAs, which is the prime rate at the inception of the subscription.
- The subscription term includes the noncancellable period of the subscription and subscription payments that the Town is reasonably certain to make.
- The measurement of subscription liability excludes any variable payments such as payments based on the number of user seats unless they depend on an index or a rate or are fixed in substance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Subscription Based Information Technology Arrangements (SBITAs) (Continued)

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

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

Unearned Revenue

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Unavailable Revenue

In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrued basis of accounting. The Town records unavailable revenue for transactions for which revenues have been earned but are not available to meet current financial obligations.

Compensated Absences

The Town utilizes the General Fund and proprietary funds to account for a portion of its compensated absences. Resources have been set aside to cover this liability. The Town's method of calculating the liability is in accordance with GASB. Vested or accumulated compensated absences that are expected to be liquidated with current financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated compensated absences that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities of the government-wide financial statements.

Net Position and Fund Balances

The Town's net position is classified as follows on the government-wide Statement of Net Position:

Net Investment in Capital Assets – Represents the Town's total investment in capital assets less accumulated depreciation, reduced by any outstanding debt used to acquire such assets.

Restricted Net Position – Represents 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 – Represents the net position of the Town, which is not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Town's practice is to apply restricted net position first.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Net Position and Fund Balances (Continued)

Fund Balance designations are classified on the governmental funds balance sheet as follows:

Nonspendable – Amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact or (b) not in spendable form such as long-term notes receivable.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for the *specific purposes* determined by a formal action of the Town Council, to establish, modify or rescind a fund balance commitment. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the Town's *intent* to be used for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by the Town Council or its designee and may be changed at the direction of the Town Council or its designee. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

Unassigned – This classification includes amounts that have not been assigned to other funds or restricted, committed, or assigned to a specific purpose within the Town.

The Town has set aside amounts for emergency situations, revenue shortages or budgetary imbalances, commonly referred to as *revenue stabilization* or *reserve for economic uncertainty* through a resolution. Stabilization amounts may be expended only when Council determines that a qualifying event has occurred and the level of impact from the emergency warrants the use of the funds. As of June 30, 2024, the stabilization fund had a balance of approximately \$6,340,000, which is reported within Unassigned within the General Fund. The policy does not meet the GASB 54 stabilization arrangement criteria requirements.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's practice to expend *restricted* fund balances first. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, it is the Town's practice to expend *committed*, then *assigned*, then *unassigned* amounts, in that order.

Other Postemployment Benefits Plan (OPEB)

In government-wide financial statements, OPEB plans are required by GASB Statement No. 75 to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net OPEB liability, which represents the excess of the total OPEB liability over the fiduciary net position (*plan assets owned*) as reflected in the actuarial report provided by the plan actuarial analyst. The net OPEB liability is measured as of the Town's prior fiscal year-end. Changes in the net OPEB liability are recorded, in the period incurred, as OPEB expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective OPEB plan and are recorded as a component of OPEB expense beginning with the period in which they are incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Other Accounting Policies (Continued)

Pension Plan

In government-wide financial statements, as required by GASB Statement No. 68, retirement plans are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

The Town recognizes a net pension liability, which represents the Town's proportionate share of the excess of the total pension liability over the fiduciary net position (*plan assets owned*) of the pension reflected in the actuarial report provided by the California Public Employees Retirement System (CalPERS) and the excess of total pension liability over the fiduciary net position of the pension reflected in the Town's Retirement Enhancement Plan, administered through the Public Agency Retirement Services (PARS). The defined benefit plans are cost-sharing and single-employer plans, respectively. The net pension liability is measured as of the Town's prior fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

Property Tax Revenue

Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – Established by the Assessor of Mono County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies – Limited to 1% of full assessed value which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – Attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Levy Apportionments – Due to the nature of the Town-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County auditor-controller based primarily on the ratio that each agency represented of the total Town-wide levy for the three fiscal years prior to the fiscal year 1979.

Property Tax Administration Fees – The State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Pronouncements

Governmental Accounting Standards Board Statement No. 100

For the year ended June 30, 2024, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. This standard provides guidance on how to account for and report changes in accounting principles, changes in accounting estimates, and corrections of errors in previously issued financial statements. These changes were incorporated into the Town's June 30, 2024 financial statements. The impact of these changes to net position are described in Note 16.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town follows these annual procedures in establishing the budgetary data reflected in the financial statements:

- The Town Manager submits to the Town Council a proposed draft budget for the fiscal year commencing the following July 1, which includes proposed expenditures and the means of financing them.
- The Town Council reviews the proposed budget at special scheduled sessions which are open to the public.
- The Council also conducts a public hearing on the proposed budget to obtain comments from interested persons.
- Prior to July 1, the budget is adopted by resolution action of the Town Council.
- From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various Town departments.
- The Town Council may amend the budget by resolution action during the fiscal year.
- The Town Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Town's needs; however, revisions that alter the total expenditures must be approved by the Town Council. Formal budgetary integration if employed as a management control device during the year for the governmental type funds.
- All appropriations lapse at year end.

B. Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the Town's ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Dependence Upon Tourism Industry

The Town is economically dependent on tourism-generated tax dollars for providing revenue to its General Fund, the primary operating fund of the Town. Property tax revenue is also a main contributor to the General Fund. The tourism industry accounts for all the transient occupancy taxes collected and a significant portion of all sales taxes collected. Consequently, a downturn in the tourism industry for the Town would result in a substantial reduction in General Fund revenue. In the event of such a downturn, the Town may have insufficient resources in its General Fund to pay all of its obligations or provide services to its citizens at the current level.

The following table shows what percentage these three revenue sources provide to the Town’s General Fund:

	2020	2021	2022	2023	2024
Transient Occupancy tax	61%	61%	67%	67%	62%
Property tax	15%	16%	12%	12%	12%
Sales tax (excludes Measure R)	9%	9%	8%	8%	8%
	<u>85%</u>	<u>86%</u>	<u>87%</u>	<u>87%</u>	<u>82%</u>

D. Tourism Business Improvement District

Mammoth Lakes Tourism Business Improvement District (TBID) is a benefit assessment district that provides funds solely dedicated to tourism marketing and sales promotion efforts to attract visitors to the Town of Mammoth Lakes. The TBID ordinance was voted and approved by qualifying businesses and implemented on August 1, 2013 with a sunset provision date of August 31, 2023. As a separate Improvement District, all funds except those retained by the Town for cost reimbursement are passed through to the District. The Town withholds 2% of the amount collected as reimbursement for administrative costs associated with the processing, collection, and enforcement of the TBID. The District is governed by and through Mammoth Lakes Tourism (a separate non-profit organization) with their own board of directors, which governs the appropriation of TBID funds in accordance with the adopted management plan.

The TBID assessment is broken down into three tiers as follows:

Tier 1 – Represents all businesses that have annual sales in excess of \$150,000 and can show that more than 50% of their sales revenue is provided by tourists. The assessment is 1% of gross room revenue for lodging, 1.5% of gross retail/restaurant sales or equipment rentals, and 2% of ski lift ticket and ski school sales.

Tier 2 – Represents retail businesses and restaurants with gross annual revenue between \$50,000 and \$150,000, and can show that more than 50% of their sales revenue comes from local businesses or residents. The assessment is a \$500 annual fee.

Tier 3 – Represents retail businesses and restaurants with gross revenue under \$50,000, and can show that more than 50% of their sales revenue comes from local businesses or residents. The assessment is a \$50 annual fee.

The Town has subsequently passed an ordinance implemented on September 1, 2023 with a sunset provision date of August 31, 2028.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Voter-Approved Initiatives

Measure R

In 2010, the Town Council approved a ballot measure titled the “Mammoth Lakes Recreation, Trails and Parks Investment Initiative” that would seek voter approval to increase the sales and use tax rate, one-half of one percent, if two-thirds of the electors approve the measure, which was passed by the voters. The revenue from this measure is restricted for expenditures related to recreation, trails and parks funding for planning, construction, operation, maintenance, programming, and administration of all Town recreation facilities and programs, trails and parks, managed by the Town, without supplanting existing parks and recreation facility maintenance funds. There is no sunset provision of this ordinance.

Measure U

In 2010, the Town Council approved a ballot measure titled the “Mammoth Lakes Mobility, Recreation, and Arts & Culture Utility Users Tax Ordinance” that would seek voter approval to establish a utility users tax of 2.5%, if two-thirds of the electors approve the measure, which was passed by the voters. The revenue from this measure is restricted for expenditures for planning, construction, operation, maintenance, programming and administration of facilities and projects for mobility, recreation, and arts & culture. A supplanting policy adopted February 15, 2012 allows Measure U funds to be used to enhance and improve existing efforts including planning, construction, operations, maintenance, programming and administration of facilities and projects for mobility, recreation, and arts and culture. There is no sunset provision of this ordinance.

NOTE 3 – CASH AND INVESTMENTS

The Town maintains a cash and investments pool of all funds except for restricted funds required to be held by outside custodians, fiscal agents, or trustees under the provisions of bond agreements.

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 87,560,916
Restricted cash and investments	2,088,278
Statement of Fiduciary Net Position:	
Cash and investments	532,822
Restricted cash and investments	<u>141,225</u>
 Total cash and investments	 \$ <u>90,323,241</u>

Cash and investments as of June 30, 2024 consist of the following:

Demand deposits with financial institutions	\$ 3,161,328
Petty cash	2,200
Investments with County Investment Pool	6,319,435
Investments with Local Agency Investment Fund (LAIF)	35,642,851
Investments with California Asset Management Program	42,967,925
Investments by fiscal agents	<u>2,229,502</u>
 Total cash and investments	 \$ <u>90,323,241</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Deposits

At fiscal year-end, the Town’s carrying amount of demand deposits was \$3,161,328 and the bank account balances were \$3,731,296, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the Town’s name as described below.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Town’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Town deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

B. Investment Policy

The table below identifies the investment types that are authorized under provisions of the Town’s investment policy adopted for fiscal year 2023-24, and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address concentration or maximum percentages and maturity.

Permitted Investments/Deposits	Maximum Percentages	Maximum Maturity
Investment Type A:		
Securities of the US Government	Unlimited	5 years
Certificates of Deposit	Unlimited	5 years
Commercial Paper (A-1, P-1 only)	30%	180 days
Local Agency Investment Fund (LAIF)	\$75,000,000	n/a
California Asset Management Program	\$45,000,000	n/a
Mono County Investment Pool	\$6,000,000	n/a
Passbook Deposits	n/a	n/a
Investment Type B:		
Negotiable Certificates of Deposit	30%	5 years
Bankers Acceptances	40%	270 days
Repurchase Agreements	n/a	1 year
Mutual Funds	15%	5 years
Medium Term Notes	30%	5 years

- Type A investments do not require any specific approval of the Town Council.
- Type B investments require a specific resolution of the Town Council prior to the investment purchase/deposit.

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

Investment Type	Amount	Remaining Maturity Date
Local Agency Investment Fund (LAIF)	\$ 35,642,851	12 months or less
Mono County Investment Pool	6,319,435	12 months or less
Money Market (with Fiscal Agent)	2,229,502	12 months or less
California Asset Management Program	42,967,925	12 months or less
 Total	 \$ 87,159,713	

D. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Town’s investment policy, and the actual rating as of year-end for each investment type. The column marked “exempt from disclosure” identifies those investment types for which GASB 40 does not require disclosures as to credit risk.

Investment Type	Amount	Exempt from Disclosure
Local Agency Investment Fund (LAIF)	\$ 35,642,851	\$ 35,642,851
Mono County Investment Pool	6,319,435	6,319,435
Money Market (with Fiscal Agent)	2,229,502	2,229,502
California Asset Management Program	42,967,925	42,967,925
 Total	 \$ 87,159,713	 \$ 87,159,713

E. Concentration of Credit Risk

The investment policy of the Town contains no limitations on the amount that can be invested in any single issuer beyond that stipulated by the California government code. The Town’s potential losses from credit risk are increased if a significant portion of its resources are invested in a single issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from these limitations. At June 30, 2024, the Town did not have any investments in any one issuer that is not exempt that represents 5% or more of the total investments.

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Custodial Credit Risk

The credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California government code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF, Mono County investment pool, or California Asset Management Program).

G. Participation in External Investment Pools

State Pools

The Town is a voluntary participant in the California State Local Agency Investment Fund (LAIF). LAIF, established in 1977, is regulated by California Government Code Section 16429 and under the day-to-day administration of the California State Treasurer. There is a five-member Local Investment Advisory Board that is chaired by the State Treasurer. LAIF determines fair value of its investment portfolio based on market quotations for those securities where market quotations are readily available, and on amortized cost or best estimate for those securities where market value is not readily available. LAIF is part of the Pooled Money Investment Account (PMIA) and under the control of the State Treasurer's Office, which is audited by the Bureau of State Audits. As of June 30, 2024, PMIA had approximately \$178 billion in investments. Audited financial statements of PMIA may be obtained from the California State Treasurer's website at www.treasurer.ca.gov. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The Town is a voluntary participant in the California Asset Management Program (CAMP). CAMP, established in 1989 to provide California public agencies with professional investment services. The CAMP Pool is a permitted investment for all local agencies under California Government Code Section 53601(p). Investments in CAMP are governed by state statutes and overseen by a seven-member Board of Trustees. CAMP operates and report to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, are allocated based upon the participant's average daily balance. CAMP participants share proportionally in any realized gains or losses on investments. Deposits in CAMP are not insured or otherwise guaranteed by the State of California. The fair value of CAMP investment pools are approximately equal to the value of the pool shares.

County Pool

The Town is a voluntary participant in Mono County's Investment Pool (the Pool). As of June 30, 2024, the Pool had approximately \$185 million in investments. Audited financial statements may be obtained from the Mono County Treasury Oversight Committee, Post Office Box 556, Bridgeport, California 93517. The fair value of the Town's investment in this Pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by the County's finance department for the entire Investment Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Pool, which are recorded on an amortized cost basis.

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Investment Valuation

The Town categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town’s only investments, which are allocated at fair value, are in the various external investments pools and money market. The external investments pools invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, it is not an investment type that can be categorized in any particular level in the fair value hierarchy. Money market funds have a maturity of less than one year and are presented at amortized costs, which approximates fair value. Since they are presented at amortized costs, they are not an investment type that can be categorized in any particular level in the fair value hierarchy.

NOTE 4 – RECEIVABLES

A. Disaggregated Receivables

Disaggregated receivables as of June 30, 2024 consist of the following:

Governmental Funds

	General Fund	Capital Projects Fund	Tourism Business Improvement District	Housing and Community Development Fund	Gas Tax Fund	Other Governmental Funds	Total Governmental Funds
Receivables:							
Accounts receivable	\$ 2,311,503	\$ 34,770	\$ 302,780	\$ 14,000	\$ 35,276	\$ 449,495	\$ 3,147,824
Due from other governments	2,175,705	1,017,105	-	359,816	-	759,273	4,311,899
Interest receivable	379,520	-	-	-	-	-	379,520
Total receivables	<u>\$ 4,866,728</u>	<u>\$ 1,051,875</u>	<u>\$ 302,780</u>	<u>\$ 373,816</u>	<u>\$ 35,276</u>	<u>\$ 1,208,768</u>	<u>\$ 7,839,243</u>

Proprietary Funds

	Governmental Activities
	Internal Service Funds
Receivables:	
Due from other governments	<u>\$ 255,902</u>
Total receivables	<u>\$ 255,902</u>

NOTE 4 – RECEIVABLES (Continued)

B. Forgivable Loans/ Unavailable Revenue

The Town issues deferred payment loans funded by either grants or local funding. Participants are not required to make payments unless the participant is out of compliance (property is sold or transferred). Additionally, loans to developers of apartments that cater to low and moderate income occupants are not required to be paid back unless certain circumstances are met over the 55 year loan. The Town does not expect to receive payment from the developer loans. Deferred payment loans are “non-performing loans” and are not recorded as receivable or unavailable revenue. Loans are expended when made. If a loan is collected, it is recorded as revenue at that time.

NOTE 5 – LEASE RECEIVABLE

In 2021, the Town began leasing a building to a third party. The lease is for 19 years and the Town will receive monthly payments of \$1,200, increasing by between 2% and 5% annually. The Town recognized \$11,031 in lease revenue and \$5,963 in interest revenue during the current fiscal year related to this lease. As of June 30, 2024, the Town’s receivable for lease payments was \$182,694. Also, the Town has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the deferred inflow of resources was \$179,251.

NOTE 6 – ASSESSMENT DISTRICT DEBT

The Town acts as a custodian for collection of property taxes and repayment of a special assessment improvement bonds issued by an Assessment District located within the Town. Since the Town is not obligated in the event of any manner for these special assessment bonds, the debt is not recorded in these financial statements. The outstanding balance of the bond obligations at year-end was as follows:

CFD No. 2001-1 (North Village Area) 2016 Special Tax Refunding Bonds	\$3,980,946
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TOWN OF MAMMOTH LAKES | JUNE 30, 2024
Notes to the Basic Financial Statements

NOTE 7 – CAPITAL ASSETS

A. Governmental-Type Activities

Capital assets activity of the governmental activities for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Retirements/ Adjustments	Balance June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 17,585,500	\$ 744,569	\$ -	\$ 18,330,069
Construction in progress	19,034,798	6,401,618	(17,667,278)	7,769,138
Total capital assets, not being depreciated	36,620,298	7,146,187	(17,667,278)	26,099,207
Capital assets, being depreciated:				
Buildings and structures	42,529,171	16,873,965	-	59,403,136
Vehicles and equipment	16,485,381	2,810,973	-	19,296,354
Streets and roads	204,176,727	3,937,091	-	208,113,818
Storm drains	16,141,809	-	-	16,141,809
Right-to-use lease building	2,346,682	-	-	2,346,682
Right-to-use subscription	87,224	-	-	87,224
Total capital assets, being depreciated	281,766,994	23,622,029	-	305,389,023
Less accumulated depreciation:				
Buildings and structures	(27,624,067)	(1,316,729)	-	(28,940,796)
Vehicles and equipment	(11,685,546)	(540,993)	-	(12,226,539)
Streets and roads	(176,863,163)	(2,753,056)	737,487	(178,878,732)
Storm drains	(9,787,161)	(322,836)	-	(10,109,997)
Right-to-use lease building	(1,184,959)	(278,814)	-	(1,463,773)
Right-to-use subscription	(38,915)	(16,103)	-	(55,018)
Total accumulated depreciated	(227,183,811)	(5,228,531)	737,487	(231,674,855)
Total capital assets, being depreciated, net	54,583,183	18,393,498	737,487	73,714,168
Governmental activities capital assets, net	\$ 91,203,481	\$ 25,539,685	\$ (16,929,791)	\$ 99,813,375

Depreciation and amortization expense was charged to the following governmental activities functions on the Statement of Activities:

<u>Function</u>	
General government	\$ 505,946
Public safety	182,604
Tourism, parks and recreation	1,863,876
Public works/ streets	1,574,290
Transportation and transit	284,055
Airport	433,379
Capital assets held by the internal service funds are charged to the various functions based on usage of the asset	<u>384,381</u>
Total depreciation and amortization expense - governmental activities	\$ 5,228,531

NOTE 8 – LONG-TERM OBLIGATIONS

The following summarizes the change in long-term debt and obligations for the year:

	Balance			Balance		
	June 30, 2023	Additions	Reductions	June 30, 2024	Due Within One Year	
Governmental Activities:						
Net pension liability (CalPERS)	\$ 25,394,761	\$ 2,338,727	\$ (870,252)	\$ 26,863,236	\$ -	
Net pension liability (PARS)	121,456	655,103	(212,271)	564,288	-	
Net OPEB liability	1,809,275	183,882	(1,109,190)	883,967	-	
Compensated absences	1,157,318	-	(17,776)	1,139,542	569,770	
Leases	1,296,694	-	(284,724)	1,011,970	300,785	
Subscription liability	37,264	-	-	37,264	17,701	
<i>Direct borrowings and direct placements:</i>						
Lease Revenue Bonds Agreement	1,939,000	-	(249,000)	1,690,000	258,000	
Installment Sales Agreement	2,900,000	-	(555,000)	2,345,000	565,000	
Taxable Judgment Obligation Bonds	18,725,000	-	(1,140,000)	17,585,000	1,175,000	
Total Governmental Activities	\$ 53,380,768	\$ 3,177,712	\$ (4,438,213)	\$ 52,120,267	\$ 2,886,256	

A. Lease Revenue Bonds Agreement

In 2015, the Town issued \$3,550,000 in Revenue Bonds to refinance existing Certificates of Participation (\$1,430,000) and construct a new public safety facility (\$2,120,000) which was completed in 2017. Principal and interest payments are due semi-annually on June 1 and December 1. Total annual payments are approximately \$315,000, with a fixed interest rate of 3.51% per annum. The debt is scheduled to mature in fiscal year 2029-30. The agreement has a provision that, in the event of default, the purchaser may terminate its obligation to purchase the Corporation’s rights, title and interest under the agreement.

Future debt service requirements are as follows:

Fiscal Years Ending June 30	Lease Revenue Bonds		
	Principal	Interest	Total
2025	\$ 258,000	\$ 57,073	\$ 315,073
2026	267,000	47,947	314,947
2027	276,000	38,487	314,487
2028	286,000	28,715	314,715
2029	296,000	18,585	314,585
2030	307,000	8,108	315,108
Total	\$ 1,690,000	\$ 198,915	\$ 1,888,915

B. Installment Sales Agreement

In 2017, the Town entered into an Installment Sales Agreement in the amount of \$5,550,000 for phase 1 of a new multi-use facility. Semi-annual interest payments are due April 1, with combined principal and interest payments due October 1. Total annual payments are approximately \$619,000, with a fixed interest rate of 2.23% per annum. The debt is scheduled to mature in fiscal year 2027-28. The agreement has a provision that, whenever any event of default occurs, the lender can exercise any and all remedies available pursuant to law or granted pursuant to the agreement; provided, however, that there shall be no right under any circumstances to accelerate the installment payments or otherwise declare any installment payments not then in default to be immediately due and payable or to terminate the agreement.

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

B. Installment Sales Agreement

Future debt service requirements are as follows:

Fiscal Years Ending June 30	Installment Sales Agreement		
	Principal	Interest	Total
2025	\$ 565,000	\$ 45,994	\$ 610,994
2026	580,000	33,227	613,227
2027	595,000	20,126	615,126
2028	605,000	6,746	611,746
Total	<u>\$ 2,345,000</u>	<u>\$ 106,093</u>	<u>\$ 2,451,093</u>

C. Taxable Judgment Obligation Bonds

The Town was the defendant in litigation with a real estate developer for alleged breach of contract. In 2008, a jury awarded the developer \$30 million in damages. In March 2011, the Town lost its appeal of this judgment before the State Supreme Court. In July 2012, the Town filed for a voluntary petition for relief under Chapter 9 of the United States Bankruptcy Code. In November 2012, the Bankruptcy Court dismissed the Town’s Chapter 9 petition after both parties to the litigation reached a settlement and negotiated a \$29,500,434 award to be payable over 24 years with interest at 5% per annum, along with other agreements previously entered into. In October 2017, the Town refunded the award by issuing Obligation Bonds at a reduced interest rate which is expected to save the Town in excess of \$100,000 per annum. The agreement has a provision that, in the event of default, any owner may take such actions, by mandamus, suit, action or proceeding, as may be necessary and appropriate to cause the Town to comply with its obligations under the bond agreement.

Future debt service requirements are as follows:

Fiscal Years Ending June 30	Taxable Judgment Obligation Bonds		
	Principal	Interest	Total
2025	\$ 1,175,000	\$ 694,919	\$ 1,869,919
2026	1,215,000	655,322	1,870,322
2027	1,255,000	612,856	1,867,856
2028	1,300,000	567,331	1,867,331
2029	1,355,000	514,975	1,869,975
2030-2034	7,705,000	1,639,253	9,344,253
2035-2037	3,580,000	158,375	3,738,375
Total	<u>\$ 17,585,000</u>	<u>\$ 4,843,031</u>	<u>\$ 22,428,031</u>

NOTE 8 – LONG-TERM OBLIGATIONS (Continued)

D. Leases

During 2001, the Town entered into a lease agreement as lessee for a building. The lease term has been extended multiple times. The current lease term is from April 1, 2019 to September 30, 2025 with an option to extend until September 30, 2027. An initial lease liability was recorded in the amount of \$2,346,682 for the year the lease was entered. As of June 30, 2024, the value of the lease liability was \$1,011,970. The Town is required to make monthly principal and interest payments that range from \$26,325 to \$31,646. The lease carries an interest rate of 5.5%. The value of the right-to-use asset as of the end of the current fiscal year was \$2,346,682 and had accumulated amortization of \$1,463,773.

The future principal and interest lease payments as of June 30, 2024, are as follows:

Fiscal Years Ending June 30	Minaret Village		
	Principal	Interest	Total
2025	\$ 300,785	\$ 48,151	\$ 348,936
2026	317,751	31,185	348,936
2027	335,675	13,261	348,936
2028	57,759	397	58,156
Total	<u>\$ 1,011,970</u>	<u>\$ 92,994</u>	<u>\$ 1,104,964</u>

E. SBITAs as Lessee

In fiscal year 2021, the Town General Fund entered into a five and a half year SBITA arrangement as the lessee to acquire the eScribe software. An initial SBITA liability in the amount of \$87,224 was recorded. As of June 30, 2024, the SBITA liability's carrying amount had decreased to \$37,264. The Town is obligated to make annual payments for both principal and interest, that range from \$16,900 to \$20,542. The SBITA carries an interest rate of 5%. The software subscription, corresponding to the SBITA, has a duration of five and a half years. As of the end of the current fiscal year, the right-to-use software was valued at \$87,224, with accumulated amortization amounting to \$55,018.

The future principal and interest lease payments as of June 30, 2024, are as follows:

Fiscal Years Ending June 30	SBITA		
	Principal	Interest	Total
2025	\$ 17,701	\$ 1,863	\$ 19,564
2026	19,563	978	20,541
Total	<u>\$ 37,264</u>	<u>\$ 2,841</u>	<u>\$ 40,105</u>

NOTE 9 – INTERFUND BALANCES

A. Advance To/From

The Town had an outstanding loan from the Internal Service Vehicle Fund to the General Fund, with repayment terms of \$340,000 per year amortized over 12 years, zero interest rate. The loan was fully repaid during fiscal year 2024.

B. Current Interfund Receivables/Payables

Current interfund balances represent short-term borrowings resulting from a fund's temporary need for additional cash. Primarily, these amounts have been recorded when timing differences between when the services are provided and when they are paid for/reimbursed causes the funds to temporarily overdraw their share of pooled cash. These balances are generally expected to be repaid within the next few months and not longer than a 12- month fiscal operating cycle.

The Town's interfund receivable and payables consists of the following:

- LTC Planning Transportation and Transit Fund nonmajor special revenue fund has a payable to the General Fund in the amount of \$69,018.
- Nonmajor Debt Service Fund has a payable to the General Fund in the amount of \$154,237.

NOTE 10 – INTERFUND TRANSFERS

The Town reports interfund transfers between many of its funds. Transfers are used to (1) move revenue from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from funds collecting the receipts, to the debt service fund as debt service payments become due, (3) use unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (4) transfers to assessment district maintenance are for street related expenditures. The Town accounts for its capital improvement and construction projects generally through its gas tax and capital project funds. Such expenditures are primarily funded from General Fund revenue, tax revenue, grants and developer impact fees. These transfers are reported in the fiscal period in which the transactions are approved and recorded. The following table reports operating transfers by fund type:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
Major Funds:		
General Fund	\$ 8,529,816	\$ 20,755,736
Capital Projects Fund	2,104,066	-
Housing and Community Development Fund	7,204,494	-
Gas Tax Fund	3,460,139	331,820
Nonmajor Funds:		
DIF Admin Overhead	29,266	-
DIF General Facilities	-	4,323
DIF Law Enforcement	-	166,619
DIF Storm Drains	-	3,538
DIF Parks and Recreation	-	2,995
DIF MCOE Library	-	1,365
DIF Circulation (Streets)	-	1,892
DIF MCOE Childcare	-	1,071
DIF Fire Facility, Veh. And Eq.	-	5,127
DIF Transit and Trails	-	7,337
Measure R Trails	550,000	-
Measure R Sales Tax	50,000	1,750,482
Measure U UUT	-	715,000
Assessment District Maintenance	567,498	-
LTC Planning Transportation and Transit	-	40,000
Airport	1,533,007	-
Debt Service Fund	7,716,390	8,547,229
Internal Service Funds	<u>661,977</u>	<u>72,119</u>
Total	<u>\$ 32,406,653</u>	<u>\$ 32,406,653</u>

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS PLAN (OPEB)

A. Plan Description

The Town provides retiree medical benefits to employees who retire from the Town at age 50 or later with at least 5 years of service and are eligible for a California Public Employees’ Retirement System (CalPERS) pension (the Plan). Eligible retirees are entitled to the minimum CalPERS medical benefit (\$151 per month for 2023 and \$157 per month for 2024). The retiree pays the balance of the premium for the option and tier of coverage, which the retiree elects. The Plan does not include a special disability benefit prior to the employee becoming eligible for the regular retirement benefit. Benefit and vesting service is credited from date of hire. The Plan does not include a death benefit or withdrawal benefit. This benefit expires when the employee/retiree qualifies for Medicare.

B. Employees Covered

As of the June 30, 2023 actuarial valuation, the following current former employees were covered by the benefit terms:

Active employees	87
Inactive employees entitled to but not yet receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	30
 Total	 151

C. Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023
Reporting Date	June 30, 2024
Contribution Policy	Town contributes on an ad-hoc basis
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal Level Percentage of Pay
Amortization Method	Straight-line amortization over a closed 5-year period
Discount Rate	5.50% ¹
Municipal Bond Rate	3.65%
Long-Term Expected Rate of Return on Assets	5.50%
General Inflation	2.50%
Salary Increases	2.75% wage inflation based on CalPERS 2000-2019 Experience Study
Healthcare Participation for Future Retirees	50% of active employees
Medical Trend	
Non-Medicare	7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Medicare (Non-Kaiser)	6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
Medicare (Kaiser)	5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA Minimum Increases	3.50% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2021

¹ Expected Town contributions projected to keep sufficient plan assets to pay all benefits from trust

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

C. Net OPEB Liability (Continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	50.00%	4.56%
Fixed Income	45.00%	0.78%
Cash	5.00%	-50.00%
Assumed Long-Term Rate of Inflation		2.50%
Expected Long-Term Net Rate of Return, Rounded		5.50%
 Total	100.00%	

D. Discount Rate

The discount rate used to measure the total OPEB liability is 5.50%. This is the expected long-term rate of return on Town assets using investment Strategy 1 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the Town contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

E. Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	OPEB Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023 (Measurement Date June 30, 2022)	\$ 2,238,511	\$ 429,236	\$ 1,809,275
Changes recognized for the measurement period:			
Service cost	115,975	-	115,975
Interest on total the OPEB liability	107,689	-	107,689
Changes in benefit terms	-	-	-
Differences between expected and actual experience	238,217	-	238,217
Changes of assumptions	(419,909)	-	(419,909)
Contributions:			
Contributions - employer	-	927,498	(927,498)
Contributions - employees	-	-	-
Net investment income (loss)	-	44,414	(44,414)
Benefit payments	(126,467)	(126,467)	-
Implicit Rate Subsidy Fulfilled	-	-	-
Administrative expenses	-	(4,631)	4,631
Net changes	(84,495)	840,814	(925,309)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 2,154,016	\$ 1,270,050	\$ 883,966

Historically, the OPEB liability for governmental activities has generally been liquidated by the General Fund.

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

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

The following presents the net OPEB liability of the Town if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

Discount Rate -1%	Current Rate	Discount Rate +1%
4.5%	5.5%	6.5%
\$ 1,169,653	\$ 883,967	\$ 646,981

G. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Town if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

Healthcare Cost		
1% Decrease	Trend Rates	1% Increase
\$ 611,656	\$ 883,967	\$ 1,222,978

H. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Town recognized an OPEB income of \$174,094. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 140,936	\$ -
Differences between actual and expected experience	210,836	663,911
Change of assumptions	257,891	1,102,263
Net difference between projected and actual earnings	34,147	-
Total	\$ 643,810	\$ 1,766,174

The \$140,936 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	OPEB Expense
2025	\$ (336,967)
2026	(305,726)
2027	(240,034)
2028	(64,975)
2029	(86,766)
Thereafter	(228,832)
Total	\$ (1,263,300)

NOTE 12 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

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

	Miscellaneous 1st Tier	Miscellaneous PEPRA
Hire date	Prior to	On or after
Benefit formula	January 1, 2013	January 1, 2013
Benefit vesting schedule	2.7% @ 55	2% @ 62
Benefit payments	5 years service	5 years service
Retirement age	monthly for life	monthly for life
Monthly benefits, as a % of annual salary	50 to 60	52 to 67
Required employee contribution rates	2.0% to 3.0%	1.0% to 2.5%
Required employer contribution rates	8.000% 15.170%	7.750% 7.680%
	Safety 1st Tier	Safety PEPRA Fire and Police
Hire Date	Prior to	On or after
Benefit formula	January 1, 2013	January 1, 2013
Benefit vesting schedule	3% @ 50	2.7% @ 57
Benefit payments	5 years service	5 years service
Retirement age	monthly for life	monthly for life
Monthly benefits, as a % of annual salary	50-60	52-67
Required employee contribution rates	2.0% to 3.0%	1.0% to 2.5%
Required employer contribution rates	9.000% 25.650%	13.750% 13.540%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The Town’s required contribution for the unfunded liability was \$2,104,937 for the fiscal year ended.

NOTE 12 – PENSION PLAN (Continued)

A. General Information about the Pension Plan (Continued)

Contributions

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

The Town’s contributions to the plan recognized as a part of pension expense for the year ended June 30, 2024 were \$3,001,098.

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

As of June 30, 2024, the Town reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$26,863,236.

The Town’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The Town’s proportion of the net pension liability was based on a projection of the Town’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Town’s proportionate share of the net pension liability for the Plan as of the measurement dates ended June 30, 2022 and 2023 was as follows:

Proportion - June 30, 2022	0.5427%
Proportion - June 30, 2023	0.5372%
Change - Increase (Decrease)	-0.0055%

For the year ended June 30, 2024, the Town recognized pension expense of \$3,433,214. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 3,088,284	\$ -
Change of assumptions	1,602,046	-
Differences between projected and actual experience	1,592,059	196,751
Difference between projected and actual investment earnings	4,102,838	-
Change in employer's proportion	-	1,529,662
Differences between the employer's actual contributions and the employer's proportionate share of contributions	<u>471,830</u>	<u>226,639</u>
Total	<u>\$ 10,857,057</u>	<u>\$ 1,953,052</u>

NOTE 12 – PENSION PLAN (Continued)

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

\$3,088,284 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,		
2025	\$	1,427,053
2026		1,025,101
2027		3,246,887
2028		116,680
2029		-
Therafter		-
Total	\$	<u>5,815,721</u>

Historically, the pension liability for governmental activities has generally been liquidated by the General Fund.

C. Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry- Age Normal Cost Method
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% ⁽¹⁾
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds ⁽²⁾

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

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

NOTE 12 – PENSION PLAN (Continued)

C. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

Asset Class ^(a)	New Strategic Allocation	Real Return ^(a,b)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

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

^(b) Figures are based on the 2021-22 Asset Liability Management study.

NOTE 12 – PENSION PLAN (Continued)

C. Discount Rate (Continued)

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

Discount Rate -1%	Current Rate	Discount Rate +1%
5.90%	6.90%	7.90%
\$ 38,608,113	\$ 26,863,236	\$ 17,219,808

E. Pension Plan Fiduciary Net Position

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

F. Payable to the Pension Plan

The Town did not have any outstanding contributions payable to the pension plan as of June 30, 2024.

NOTE 13 – SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN

A. Overview of the Plan

All eligible full-time public safety employees are eligible to participate in the Town’s Retirement Enhancement Plan (the Plan), administered through the Public Agency Retirement Services (PARS), which provides additional retirement benefits to public safety employees above that provided from the cost-sharing multiple-employer defined benefit pension plan. Eligibility requirements are based upon years of employment, date of hire, and date of birth which meets the requirements of a pension trust under California Government Code. Additional information concerning this single-employer defined benefit pension plan can be obtained from the Town’s Finance Director.

B. Benefits Provided

PARS provides service retirement benefits equal to the “3.5% at 55” plan factor less the CalPERS “3.0% at 50” plan factor for all years of Town Safety service as of July 1, 2012. Benefits are frozen effective as of July 1, 2012. Benefits in payment status will increase by 2% per annum on the anniversary of the participant’s date of retirement. The plan does not provide a withdrawal benefit, death benefit, or a disability benefit.

C. Contribution Description

The Town makes contributions required as the employer. Employee members are not required to make contributions. The contribution requirements of the plan are established and may be amended by PARS. California Public Employees’ Retirement Law Section 20814(c) requires that 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 the Plan are determined annually on an actuarial basis as of June 30 by PARS. 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. Employer contributions to the plan are made in accordance with the contribution requirements determined by the actuarial valuation of the plan.

NOTE 13 – SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

D. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The following actuarial methods and assumptions were used in the funding valuation:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024
Reporting Date	June 30, 2024
Actuarial Assumptions:	
Actuarial Cost Method	Entry-Age Normal, Level of Percentage of Salary
Amortization Method	Straight-line amortization over a closed 5-year period
Discount Rate	5.01%
General Inflation	2.30%
Expected Return on Assets	5.75%
Mortality	CalPERS 2000-2019 Experience Study
Mortality Improvement	Mortality project fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.80% annually Merit - CalPERS 2000-2019 Experience Study

E. Funded Status

Total Pension Liability	\$ 2,651,358
Plan Fiduciary Net Position (plan assets owned)	<u>2,087,070</u>
Net Pension Liability	<u>\$ 564,288</u>
Pension plan expense for the year	<u>\$ 535,405</u>

F. Covered Employees

Inactive employees or beneficiaries currently receiving benefits	14
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>1</u>
Total	<u>15</u>

G. Discount Rate

The discount rate used to measure the total pension liability was 5.01%, which is the long-term expected rate of return on pension plan investments. The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary’s investment consulting practice as of June 30, 2024.

GASB 68 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total pension liability is 5.01%.

NOTE 13 – SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

G. Discount Rate (Continued)

Asset Class	Target Allocation	Expected Real Rate of Return
Asset Class Component		
Global Equity	60.00%	4.56%
Fixed Income	35.00%	0.78%
Cash	5%	-0.50%
	100.00%	

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of Town’s Retirement Enhancement Plan, calculated using the discount rate as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

Discount Rate -1% 4.01%	Current Rate 5.01%	Discount Rate +1% 6.01%
\$ 890,777	\$ 564,288	\$ 292,520

I. Deferred Outflows/Inflows of Resources Related to Pensions

The Town reported deferred outflows of resources and deferred inflows of resources related to this pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ -	\$ -
Difference between economic/demographic gains or losses and assumption changes or inputs	-	-
Differences between projected and actual earnings	18,813	-
Total	\$ 18,813	\$ -

NOTE 13 – SINGLE EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

J. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Recognition of deferred outflows and inflows of resources in future pension expense is as follows:

Year Ending June 30		
2024	\$	(4,695)
2025		62,471
2026		(22,092)
2027		(16,871)
2028		-

Total	\$	<u>18,813</u>

K. Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued PARS financial reports.

L. Payable to the Pension Plan

The Town did not have any outstanding contributions payable to the pension plan as of June 30, 2024.

NOTE 14 – RISK MANAGEMENT

A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Town is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool’s total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 14 – RISK MANAGEMENT (Continued)

C. Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023-24 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

D. Purchased Insurance

Pollution Legal Liability Insurance

The Town of Mammoth Lakes participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the Town of Mammoth Lakes. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The Town of Mammoth Lakes participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. Town of Mammoth Lakes property is currently insured according to a schedule of covered property submitted by the Town of Mammoth Lakes to the Authority. Town of Mammoth Lakes property currently has all-risk property insurance protection in the amount of \$77,164,104. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The Town of Mammoth Lakes purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. Town of Mammoth Lakes property currently has earthquake protection in the amount of \$27,547,465. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

NOTE 14 – RISK MANAGEMENT (Continued)

E. Purchased Insurance (Continued)

Crime Insurance

The Town of Mammoth Lakes purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Special Event Tenant User Liability Insurance

The Town of Mammoth Lakes further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the Town of Mammoth Lakes according to a schedule. The Town of Mammoth Lakes then pays for the insurance. The insurance is facilitated by the Authority.

F. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

In the normal course of municipal operations, there are various legal claims and legal actions pending against the Town for which no provision has been made in the financial statements because the amount of liability, if any, is unknown. In the opinion of the Town attorney, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

The Town participates in various state and federal grant programs for specific purposes that are subject to review and audit by the grantor agencies. Accordingly, the government’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 16 – RESTATEMENT OF NET POSITION

During the current fiscal year, the Town changed the accounting principle related to housing loans to improve the understandability and relevance of the financial statements. The housing loans are not expected to be repaid unless the awardee is out of compliance. The beginning net position of the fund identified below has been restated to reflect the change in accounting principle:

Description	Governmental Activities
Net position, June 30, 2023, as previously reported	\$ 138,691,677
Change in accounting principle:	
Housing loans	<u>(11,481,284)</u>
Net position, July 1, 2023, as restated	<u>\$ 127,210,393</u>

NOTE 17 – SUBSEQUENT FOOTNOTE

Subsequent to the current fiscal year, the Town obtained a bond for approximately \$29,670,000 to construct and equip a new town hall facility.

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLANS

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Pension Plans – Cost-Sharing Multiple-Employer Plan

Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions

Last Ten Fiscal Years*

Schedule of the Town's Proportionate Share of the Plan's Net Pension Liability	Measurement Date - Fiscal Year Ending June 30								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.5372%	0.5427%	0.8122%	0.5470%	0.5477%	0.5530%	0.5393%	0.5481%	0.2314%
Town's proportionate share of the net pension liability	\$ 26,863,236	\$ 25,394,761	\$ 15,421,438	\$ 23,071,697	\$ 21,932,805	\$ 20,842,273	\$ 21,259,879	\$ 19,039,905	\$ 15,881,436
Total covered payroll**	\$ 7,048,168	\$ 6,495,446	\$ 6,701,933	\$ 5,862,517	\$ 5,620,984	\$ 5,296,220	\$ 4,927,404	\$ 4,617,105	\$ 4,845,793
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	381.14%	390.96%	230.10%	393.55%	390.20%	393.53%	431.46%	412.38%	327.74%
Plan fiduciary net pension as a percentage of the total pension liability	68.91%	68.93%	79.59%	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%

Schedule of the Town's Contributions	Report Date - Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer obligation	\$ 3,088,284	\$ 3,001,098	\$ 2,736,606	\$ 2,698,794	\$ 2,294,971	\$ 2,125,168	\$ 1,886,543	\$ 1,773,473	\$ 1,595,253	\$ 1,132,342
Contributions in relation to the contractually required employer contribution	<u>3,088,284</u>	<u>3,001,098</u>	<u>2,736,606</u>	<u>2,698,794</u>	<u>2,294,971</u>	<u>2,125,168</u>	<u>1,886,543</u>	<u>1,773,473</u>	<u>1,595,253</u>	<u>1,132,342</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total covered payroll***	\$ 7,711,359	\$ 7,048,168	\$ 6,495,446	\$ 6,701,933	\$ 5,862,517	\$ 5,620,984	\$ 5,296,220	\$ 4,927,404	\$ 4,617,105	\$ 4,845,793
Plan fiduciary net pension as a percentage of the total pension liability	40.05%	42.58%	42.13%	40.27%	39.15%	37.81%	35.62%	35.99%	34.55%	0.233675273

NOTES TO THE SCHEDULE

Changes in Benefit Terms - In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact from this change is deemed to be immaterial and is included in Differences Between Expected and Actual Experience

Changes of Assumptions - None

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

*Fiscal year 2015 was the first year of implementation, therefore only nine years are shown

**For the measurement date fiscal year

***For the fiscal year ended on the date shown

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Pension Plans – Cost-Sharing Multiple-Employer Plan

Notes to the Proportionate Share of Net Pension Liability and Schedule of Contributions

NOTE 1 – SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

The proportion (percentage) of the collective net pension liability represents the Town’s share of both cost-sharing plan assets (the miscellaneous and safety plans) offset against the actuarial determined collective pension liability.

The proportionate share (dollar amount) of the collective net pension liability represents the Town’s share of both cost-sharing plan assets offset against the actuarial determined collective pension liability.

The employer’s covered-employee payroll represents the payroll of employees that are provided with pensions through the applicable miscellaneous or safety pension plan.

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

The employer’s contributions to the plans are actuarially determined or based on statutory or contractual requirements which comprise the following: (1) the agent employer’s actuarially determined contribution to the pension plan (its statutorily/contractually required contribution), (2) the employer’s actual contributions, the difference between the actual and actuarially determined contributions (its statutorily/contractually required contributions), and (3) a ratio of the actual contributions divided by covered-employee payroll.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

**Pension Plans – Single-Employer Defined Benefit Pension Plan
Schedule of Changes in Net Pension Liability and Related Ratios**

*Last Ten Fiscal Years

Schedule of Changes in the Net Pension Liability and Related Ratios	Report Date - Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	
Total Pension Liability										
Service cost	\$ 203	\$ 163	\$ 163	\$ 2,462	\$ 2,462	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on total pension liability	135,921	134,856	134,819	134,652	134,166	137,832	134,711	132,879	124,394	
Differences - expected/actual experience	-	18,297	-	26,940	-	(97,782)	61,461	54,634	-	
Change of assumptions	518,979	(118,730)	-	65,932	-	25,909	118,450	38,254	-	
Changes in benefit terms	-	-	-	-	-	-	-	-	-	
Benefit payments	(138,424)	(135,710)	(133,049)	(130,440)	(127,882)	(121,755)	(113,479)	(100,131)	(92,141)	
Net change in total pension liability	516,679	(101,124)	1,933	99,546	8,746	(55,796)	201,143	125,636	32,253	
Total pension liability - beginning	2,134,679	2,235,803	2,233,870	2,134,324	2,125,578	2,181,374	1,980,231	1,854,595	1,822,342	
Total pension liability - ending (a)	\$ 2,651,358	\$ 2,134,679	\$ 2,235,803	\$ 2,233,870	\$ 2,134,324	\$ 2,125,578	\$ 2,181,374	\$ 1,980,231	\$ 1,854,595	
Plan Fiduciary New Position (plan assets)										
Contributions - employer	\$ -	\$ 22,240	\$ 39,928	\$ 43,006	\$ 38,821	\$ 35,084	\$ 42,826	\$ 26,458	\$ 54,775	
Other additions	-	-	-	-	-	33,398	-	-	-	
Net investment income	212,271	146,055	(278,597)	462,928	64,573	119,296	186,638	18,860	41,942	
Benefit payments	(138,424)	(135,710)	(133,049)	(130,440)	(127,882)	(121,755)	(113,280)	(99,751)	(100,071)	
Administration expenses	-	(8,713)	(8,660)	(8,478)	(8,169)	(8,088)	(8,060)	(8,056)	-	
Net change in plan fiduciary net position	73,847	23,872	(380,378)	367,016	(32,657)	57,935	108,124	(62,489)	(3,354)	
Plan fiduciary net position - beginning	2,013,223	1,989,351	2,369,729	2,002,713	2,035,370	1,977,435	1,869,311	1,931,800	1,935,154	
Plan fiduciary net position - ending (b)	\$ 2,087,070	\$ 2,013,223	\$ 1,989,351	\$ 2,369,729	\$ 2,002,713	\$ 2,035,370	\$ 1,977,435	\$ 1,869,311	\$ 1,931,800	
Net pension liability (asset) - ending (a) - (b)	\$ 564,288	\$ 121,456	\$ 246,452	\$ (135,859)	\$ 131,611	\$ 90,208	\$ 203,939	\$ 110,920	\$ (77,205)	
Plan fiduciary net position as a percentage of the total pension liability	78.72%	94.31%	88.98%	106.08%	93.83%	95.76%	90.65%	94.40%	104.16%	
Covered employee payroll	\$ 138,030	\$ 102,885	\$ 146,487	\$ 250,623	\$ 274,724	\$ 297,013	\$ 808,659	\$ 785,106	\$ 1,239,392	
Net pension liability (asset) as percentage of covered employee payroll	408.82%	118.05%	168.24%	-54.21%	47.91%	30.37%	25.22%	14.13%	-6.23%	
Schedule of Town Contributions										
Actuarially determined employer contributions	\$ 37,631	\$ -	\$ 27,840	\$ 27,840	\$ 50,645	\$ 50,645	\$ 3,010	\$ 6,555	\$ 10,369	
Actual employer contributions	-	22,240	39,928	43,006	38,821	35,084	42,826	26,458	54,775	
Contribution excess (deficiency)	\$ (37,631)	\$ 22,240	\$ 12,088	\$ 15,166	\$ (11,824)	\$ (15,561)	\$ 39,816	\$ 19,903	\$ 44,406	
Town's covered-employee payroll	\$ 138,030	\$ 102,885	\$ 146,487	\$ 250,623	\$ 274,724	\$ 297,013	\$ 808,659	\$ 785,106	\$ 1,239,392	
Contributions as a percentage of covered-employee payroll	0.00%	21.62%	27.26%	17.16%	14.13%	11.81%	5.30%	3.37%	4.42%	

*The most recent pension plan report was completed with fiscal year data 6/30/2024 valuation data.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Pension Plans – Single-Employer Defined Benefit Pension Plan

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios

NOTE 1 – SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

The beginning and ending balances of the total pension liability, the plan fiduciary net position available for pension benefits, and the net pension liability, as well as the change in those amounts during the year are presented on the following page.

Total pension liability, plan fiduciary net position, net pension liability, a ratio of plan net position divided by the total pension liability, payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll are also presented.

NOTE 2 – SCHEDULE OF CONTRIBUTIONS

When an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll are required to be presented.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Pension Plans – Retiree Healthcare Plan (OPEB)

Schedule of Changes in Net OPEB Liability and Related Ratios

Last 6 Fiscal Years*

For Reporting at Fiscal Year Ended June 30: Measurement Date -- Fiscal Year Ended June 30:	2024 2023	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017
Total OPEB Liability							
Service cost	\$ 115,975	\$ 210,883	\$ 128,263	\$ 107,427	\$ 151,476	\$ 148,580	\$ 167,398
Interest on the total OPEB liability	107,689	70,612	89,497	96,291	163,159	157,363	137,748
Change of benefit terms	-	-	-	-	-	-	-
Differences - expected/actual experience	238,217	(11,999)	(89,635)	(1,360)	(1,669,385)	-	-
Change of assumptions	(419,909)	(763,999)	252,355	205,888	(277,785)	(25,531)	(358,937)
Contribution from the employer	-	-	-	-	(190,668)	(182,831)	-
Benefit payments	(126,467)	(121,075)	(138,244)	(133,047)	-	-	(178,946)
Net change in total OPEB liability	(84,495)	(615,578)	242,236	275,199	(1,823,203)	97,581	(232,737)
Total OPEB liability - beginning	2,238,511	2,854,089	2,611,853	2,336,654	4,159,857	4,062,276	4,295,013
Total OPEB liability - ending (a)	\$ 2,154,016	\$ 2,238,511	\$ 2,854,089	\$ 2,611,853	\$ 2,336,654	\$ 4,159,857	\$ 4,062,276
Plan Fiduciary New Position							
Contributions - employer	\$ 927,498	\$ 121,075	\$ 138,244	\$ 133,047	\$ 190,668	\$ 182,831	\$ 178,946
Net investment income	44,414	(54,140)	80,563	18,762	25,184	21,380	30,084
Benefit payments	(126,467)	(121,075)	(138,244)	(133,047)	(190,668)	(182,831)	(178,946)
Administration expenses	(4,631)	(5,261)	(5,116)	(4,939)	(4,712)	(4,859)	(4,865)
Net change in plan fiduciary net position	840,814	(59,401)	75,447	13,823	20,472	16,521	25,219
Plan fiduciary net position - beginning	429,236	488,637	413,190	399,367	378,895	362,374	337,155
Plan fiduciary net position - ending (b)	\$ 1,270,050	\$ 429,236	\$ 488,637	\$ 413,190	\$ 399,367	\$ 378,895	\$ 362,374
Net OPEB liability (asset) - ending (a) - (b)	\$ 883,966	\$ 1,809,275	\$ 2,365,452	\$ 2,198,663	\$ 1,937,287	\$ 3,780,962	\$ 3,699,902
Plan fiduciary net position as a percentage of the total OPEB liability	58.96%	19.18%	17.12%	15.82%	17.09%	9.11%	8.92%
Covered employee payroll	\$ 8,823,254	\$ 6,353,650	\$ 6,116,700	\$ 6,710,147	\$ 6,818,242	\$ 5,679,402	\$ 4,742,733
Net OPEB liability as percentage of covered employee payroll	10.02%	28.48%	38.67%	32.77%	28.41%	66.57%	78.01%
Schedule of Town Contributions							
Actuarially determined employer contributions	\$ -	\$ -	\$ -	\$ 27,840	\$ 50,645	\$ 50,645	\$ 3,010
Actual employer contributions	-	-	-	43,006	38,821	35,084	42,826
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ 70,846	\$ 89,466	\$ 85,729	\$ 45,836
Town's covered-employee payroll	\$ 8,823,254	\$ 6,353,650	\$ 6,116,700	\$ 6,710,147	\$ 6,818,242	\$ 5,679,402	\$ 4,742,733
Contributions as a percentage of covered-employee payroll	0%	0%	0%	33%	28%	67%	78%

NOTES TO THE SCHEDULE

Changes in Benefit Terms - None

Changes of Assumptions

- Long-term expected rate of return on assets was updated
- Discount rate was updated based on municipal bond rate as of the measurement date and crossover test
- Updated medical trend rates and PEMHCA minimum increase
- Mortality improvement scale was updated to Scale MP-2021
- Municipal bond index was updated to Bond Buyer 20-Bond Index

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

BUDGETARY COMPARISON SCHEDULES

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Budgetary Comparison Schedule

General Fund

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and assessments	\$ 27,454,000	\$ 38,473,400	\$ 39,027,929	\$ 554,529
Licenses and permits	823,800	1,619,600	1,734,315	114,715
Intergovernmental	239,800	235,200	1,137,454	902,254
Charges for services	1,351,365	1,881,665	1,797,674	(83,991)
Fines and forfeitures	112,200	124,600	134,901	10,301
Use of money and property	120,000	1,452,000	1,661,264	209,264
Insurance recovery	-	471,100	1,707,591	1,236,491
Other revenue	409,024	377,124	-	(377,124)
Total revenues	<u>30,510,189</u>	<u>44,634,689</u>	<u>47,201,128</u>	<u>2,566,439</u>
EXPENDITURES				
Current:				
General government	5,811,941	5,832,091	5,679,882	152,209
Public safety	5,716,289	5,408,545	5,495,161	(86,616)
Tourism, parks and recreation	4,680,304	5,052,624	4,766,001	286,623
Community development	2,877,556	3,224,516	3,220,305	4,211
Public works/streets	1,804,008	1,991,408	1,940,013	51,395
Transportation and transit	1,080,020	1,080,020	1,093,815	(13,795)
Community support	-	247,690	1,885,857	(1,638,167)
Total expenditures	<u>21,970,118</u>	<u>22,836,894</u>	<u>24,081,034</u>	<u>(1,244,140)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,540,071</u>	<u>21,797,795</u>	<u>23,120,094</u>	<u>1,322,299</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	440,000	576,000	8,529,816	7,953,816
Transfers out	<u>(8,583,681)</u>	<u>(21,813,147)</u>	<u>(20,755,736)</u>	<u>1,057,411</u>
Total other financing sources (uses)	<u>(8,143,681)</u>	<u>(21,237,147)</u>	<u>(12,225,920)</u>	<u>9,011,227</u>
Net change in fund balances	<u>\$ 396,390</u>	<u>\$ 560,648</u>	10,894,174	<u>\$ 10,333,526</u>
Fund balances - beginning			<u>16,886,888</u>	
Fund balances - ending			<u>\$ 27,781,062</u>	

The notes to the budgetary comparison schedule are an integral part of this schedule.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Budgetary Comparison Schedule

Tourism Business Improvement District Fund

	Budget Amounts		Actual	Variance with
	Original	Final		Final Budget
REVENUES				
Taxes and assessments	\$ 6,668,250	\$ 6,668,250	\$ 6,758,756	\$ 90,506
Use of money and property	-	-	30,308	30,308
Total revenues	<u>6,668,250</u>	<u>6,668,250</u>	<u>6,789,064</u>	<u>120,814</u>
EXPENDITURES				
Current:				
Tourism, parks and recreation	<u>6,668,250</u>	<u>6,668,250</u>	<u>6,795,414</u>	<u>(127,164)</u>
Total expenditures	<u>6,668,250</u>	<u>6,668,250</u>	<u>6,795,414</u>	<u>(127,164)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(6,350)</u>	<u>(6,350)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(6,350)</u>	<u>\$ (6,350)</u>
Fund balances - beginning			<u>11,008</u>	
Fund balances - ending			<u>\$ 4,658</u>	

The notes to the budgetary comparison schedule are an integral part of this schedule.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Budgetary Comparison Schedule

Housing and Community Development Fund

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and assessments	\$ 203,000	\$ 203,000	\$ 352,608	\$ 149,608
Intergovernmental	15,000	15,000	698,215	683,215
Use of money and property	8,000	8,000	650,204	642,204
Other revenue	150,000	150,000	543,989	393,989
Total revenues	<u>376,000</u>	<u>376,000</u>	<u>2,245,016</u>	<u>1,869,016</u>
EXPENDITURES				
Current:				
Community development	<u>5,335,000</u>	<u>5,685,000</u>	<u>9,282,699</u>	<u>(3,597,699)</u>
Total expenditures	<u>5,335,000</u>	<u>5,685,000</u>	<u>9,282,699</u>	<u>(3,597,699)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,959,000)</u>	<u>(5,309,000)</u>	<u>(7,037,683)</u>	<u>(1,728,683)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,454,494</u>	<u>7,204,494</u>	<u>7,204,494</u>	<u>-</u>
Total other financing sources (uses)	<u>1,454,494</u>	<u>7,204,494</u>	<u>7,204,494</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,504,506)</u>	<u>\$ 1,895,494</u>	166,811	<u>\$ (1,728,683)</u>
Fund balances - beginning			<u>13,959,460</u>	
Fund balances - ending			<u>\$ 14,126,271</u>	

The notes to the budgetary comparison schedule are an integral part of this schedule.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Budgetary Comparison Schedule

Gas Tax Fund

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,818,033	\$ 2,815,233	\$ 2,139,726	\$ (675,507)
Charges for services	10,000	69,800	123,097	53,297
Use of money and property	-	115,200	115,163	(37)
Other	13,000	100	57	(43)
Total revenues	<u>2,841,033</u>	<u>3,000,333</u>	<u>2,378,043</u>	<u>(622,290)</u>
EXPENDITURES				
Current:				
Public works/streets	<u>5,150,862</u>	<u>6,085,662</u>	<u>5,508,532</u>	<u>577,130</u>
Total expenditures	<u>5,150,862</u>	<u>6,085,662</u>	<u>5,508,532</u>	<u>577,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,309,829)</u>	<u>(3,085,329)</u>	<u>(3,130,489)</u>	<u>(45,160)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,672,520	3,448,020	3,460,139	12,119
Transfers out	<u>(466,999)</u>	<u>(466,999)</u>	<u>(331,820)</u>	<u>135,179</u>
Total other financing sources (uses)	<u>2,205,521</u>	<u>2,981,021</u>	<u>3,128,319</u>	<u>147,298</u>
Net change in fund balances	<u>\$ (104,308)</u>	<u>\$ (104,308)</u>	(2,170)	<u>\$ 102,138</u>
Fund balances - beginning			<u>2,425,009</u>	
Fund balances - ending			<u>\$ 2,422,839</u>	

The notes to the budgetary comparison schedule are an integral part of this schedule.

NOTE 1 – BUDGETARY DATA

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to the close of each fiscal year, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed revenue and expenditures.
- Public hearings are conducted at Town Council meetings to obtain taxpayer comments prior to adoption of the budget in June.
- Prior to July 1, the budget is legally adopted for all governmental fund types through a Council-approved budget.
- The Town Manager is authorized to transfer budget amounts within and between funds as deemed desirable and necessary in order to meet the Town’s needs; however, revisions that alter the total expenditures must be approved by the Town Council. Formal budgetary integration is employed as a management control device during the year for the governmental type funds.
- Budgets for the governmental type funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts presented are as originally adopted and as further amended by the Town Council.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2024, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund:	
Public safety	\$ 86,616
Transportation and transit	13,795
Community support	1,638,167
Tourism Business Improvement District Fund:	
Tourism, parks and recreation	127,164
Housing and Community Development Fund	
Community development	3,597,699

SUPPLEMENTARY INFORMATION

COMBINING FUND FINANCIAL STATEMENTS

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.

Debt Service Funds are used to account for the accumulation of resources for, and the repayment of, general long-term debt obligation payments for principal, interest and related costs.

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Nonmajor Governmental Funds

Combining Balance Sheet

	Capital Projects Funds					
	DIF Admin Overhead	DIF General Facilities	DIF Law Enforcement	DIF Storm Drains	DIF Parks and Recreation	DIF Circulation (Streets)
ASSETS						
Cash and investments	\$ 169,351	\$ 393,517	\$ 10,010	\$ 342,432	\$ 293,878	\$ 150,841
Restricted cash and investments	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
Total assets	<u>\$ 169,351</u>	<u>\$ 393,517</u>	<u>\$ 10,010</u>	<u>\$ 342,432</u>	<u>\$ 293,878</u>	<u>\$ 150,841</u>
LIABILITIES						
Payables	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
DEFERRED INFLOWS OF RESOURCES						
Lease related	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted:						
Public safety	-	-	10,010	-	-	-
Community development	-	-	-	-	-	-
Public works	169,351	393,517	-	342,432	-	-
Tourism, parks and recreation	-	-	-	-	293,878	-
Transportation and transit	-	-	-	-	-	150,841
Airport	-	-	-	-	-	-
Assigned:						
Debt service	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>169,351</u>	<u>393,517</u>	<u>10,010</u>	<u>342,432</u>	<u>293,878</u>	<u>150,841</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,351</u>	<u>\$ 393,517</u>	<u>\$ 10,010</u>	<u>\$ 342,432</u>	<u>\$ 293,878</u>	<u>\$ 150,841</u>

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Nonmajor Governmental Funds

Combining Balance Sheet

(Continued)

	Capital Projects Funds			
	DIF Airport Improvement	Public Arts Program	DIF Transit and Trails	Total Capital Project Funds
ASSETS				
Cash and investments	\$ 15,710	\$ 70,745	\$ 733,286	\$ 2,179,770
Restricted cash and investments	-	-	-	-
Receivables	-	-	-	-
Inventory	-	-	-	-
Lease receivable	-	-	-	-
Total assets	<u>\$ 15,710</u>	<u>\$ 70,745</u>	<u>\$ 733,286</u>	<u>\$ 2,179,770</u>
LIABILITIES				
Payables	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Lease related	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted:				
Public safety	-	-	-	10,010
Community development	-	-	-	-
Public works	-	70,745	-	976,045
Tourism, parks and recreation	-	-	733,286	1,027,164
Transportation and transit	-	-	-	150,841
Airport	15,710	-	-	15,710
Assigned:				
Debt service	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>15,710</u>	<u>70,745</u>	<u>733,286</u>	<u>2,179,770</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,710</u>	<u>\$ 70,745</u>	<u>\$ 733,286</u>	<u>\$ 2,179,770</u>

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Nonmajor Governmental Funds

Combining Balance Sheet

(Continued)

	Special Revenue Funds				
	Solid Waste Fund	Measure R Trails	Measure R Sales Tax	Measure U UUT	Assessment District Maintenance
ASSETS					
Cash and investments	\$ 1,056,863	\$ 847,536	\$ 2,587,753	\$ 3,310,517	\$ 2,429,425
Restricted cash and investments	-	-	-	-	-
Receivables	33,511	174	585,241	125,423	5,483
Inventory	-	-	-	-	-
Lease receivable	182,694	-	-	-	-
Total assets	\$ 1,273,068	\$ 847,710	\$ 3,172,994	\$ 3,435,940	\$ 2,434,908
LIABILITIES					
Payables	\$ -	\$ -	\$ -	\$ 42,500	\$ 1,832
Accrued salaries and benefits	122	4,738	-	-	4,279
Due to other funds	-	-	-	-	-
Total liabilities	122	4,738	-	42,500	6,111
DEFERRED INFLOWS OF RESOURCES					
Lease related	179,251	-	-	-	-
Total deferred inflows of resources	179,251	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted:					
Public safety	-	-	-	-	-
Community development	1,093,695	-	-	-	-
Public works	-	-	-	-	2,428,797
Tourism, parks and recreation	-	842,972	3,172,994	3,393,440	-
Transportation and transit	-	-	-	-	-
Airport	-	-	-	-	-
Assigned:					
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	1,093,695	842,972	3,172,994	3,393,440	2,428,797
Total liabilities, deferred inflows of resources and fund balances	\$ 1,273,068	\$ 847,710	\$ 3,172,994	\$ 3,435,940	\$ 2,434,908

TOWN OF MAMMOTH LAKES | JUNE 30, 2024
Nonmajor Governmental Funds
Combining Balance Sheet
(Continued)

	Special Revenue Funds					Total Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	LTC Planning Transportation and Transit	Airport	DIF MCOE Library	DIF MCOE Childcare	DIF Fire Facility, Veh. and Eq.				
ASSETS									
Cash and investments	\$ -	\$ 2,089,336	\$ 308,359	\$ 9,146	\$ 71,250	\$ 12,710,185	\$ 2,179,770	\$ -	\$ 14,889,955
Restricted cash and investments	-	-	-	-	-	-	-	2,088,278	2,088,278
Receivables	205,713	241,901	-	-	-	1,197,446	-	11,322	1,208,768
Inventory	-	9,320	-	-	-	9,320	-	-	9,320
Lease receivable	-	-	-	-	-	182,694	-	-	182,694
Total assets	\$ 205,713	\$ 2,340,557	\$ 308,359	\$ 9,146	\$ 71,250	\$ 14,099,645	\$ 2,179,770	\$ 2,099,600	\$ 18,379,015
LIABILITIES									
Payables	\$ -	\$ 3,982	\$ -	\$ -	\$ -	\$ 48,314	\$ -	\$ -	\$ 48,314
Accrued salaries and benefits	94	5,364	-	-	-	14,597	-	-	14,597
Due to other funds	69,018	-	-	-	-	69,018	-	154,327	223,345
Total liabilities	69,112	9,346	-	-	-	131,929	-	154,327	286,256
DEFERRED INFLOWS OF RESOURCES									
Lease related	-	-	-	-	-	179,251	-	-	179,251
Total deferred inflows of resources	-	-	-	-	-	179,251	-	-	179,251
FUND BALANCES									
Nonspendable	-	9,320	-	-	-	9,320	-	-	9,320
Restricted:									
Public safety	-	-	-	-	71,250	71,250	10,010	-	81,260
Community development	-	-	-	-	-	1,093,695	-	-	1,093,695
Public works	136,601	-	308,359	9,146	-	2,882,903	976,045	-	3,858,948
Tourism, parks and recreation	-	-	-	-	-	7,409,406	1,027,164	-	8,436,570
Transportation and transit	-	-	-	-	-	-	150,841	-	150,841
Airport	-	2,321,891	-	-	-	2,321,891	15,710	-	2,337,601
Assigned:									
Debt service	-	-	-	-	-	-	-	1,945,273	1,945,273
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances (deficit)	136,601	2,331,211	308,359	9,146	71,250	13,788,465	2,179,770	1,945,273	17,913,508
Total liabilities, deferred inflows of resources and fund balances	\$ 205,713	\$ 2,340,557	\$ 308,359	\$ 9,146	\$ 71,250	\$ 14,099,645	\$ 2,179,770	\$ 2,099,600	\$ 18,379,015

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Capital Projects Funds					
	DIF Admin Overhead	DIF General Facilities	DIF Law Enforcement	DIF Storm Drains	DIF Parks and Recreation	DIF Circulation (Streets)
REVENUES						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	108,072	40,466	88,441	74,879	47,298
Intergovernmental	-	-	-	-	-	-
Charge for services	-	-	-	-	-	-
Use of money and property	5,910	14,116	6,990	12,380	10,571	5,424
Other revenue	-	-	-	-	-	-
Total revenues	5,910	122,188	47,456	100,821	85,450	52,722
EXPENDITURES						
Current:						
Tourism, parks and recreation	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works/streets	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>5,910</u>	<u>122,188</u>	<u>47,456</u>	<u>100,821</u>	<u>85,450</u>	<u>52,722</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	29,266	-	-	-	-	-
Transfers out	-	(4,323)	(166,619)	(3,538)	(2,995)	(1,892)
Total other financing sources (uses)	<u>29,266</u>	<u>(4,323)</u>	<u>(166,619)</u>	<u>(3,538)</u>	<u>(2,995)</u>	<u>(1,892)</u>
Net change in fund balances	35,176	117,865	(119,163)	97,283	82,455	50,830
Fund balances (deficit) - beginning	<u>134,175</u>	<u>275,652</u>	<u>129,173</u>	<u>245,149</u>	<u>211,423</u>	<u>100,011</u>
Fund balances (deficit) - ending	<u>\$ 169,351</u>	<u>\$ 393,517</u>	<u>\$ 10,010</u>	<u>\$ 342,432</u>	<u>\$ 293,878</u>	<u>\$ 150,841</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 (Continued)

	Capital Projects Funds			
	DIF Airport Improvement	Public Arts Program	DIF Transit and Trails	Total Capital Projects Funds
REVENUES				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	183,431	542,587
Intergovernmental	-	-	-	-
Charge for services	-	-	-	-
Use of money and property	674	3,037	27,575	86,677
Other revenue	-	-	-	-
Total revenues	<u>674</u>	<u>3,037</u>	<u>211,006</u>	<u>629,264</u>
EXPENDITURES				
Current:				
Tourism, parks and recreation	-	-	-	-
Community development	-	-	-	-
Public works/streets	-	-	-	-
Airport	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>674</u>	<u>3,037</u>	<u>211,006</u>	<u>629,264</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	29,266
Transfers out	-	-	(7,337)	(186,704)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,337)</u>	<u>(157,438)</u>
Net change in fund balances	674	3,037	203,669	471,826
Fund balances (deficit) - beginning	<u>15,036</u>	<u>67,708</u>	<u>529,617</u>	<u>1,707,944</u>
Fund balances (deficit) - ending	<u>\$ 15,710</u>	<u>\$ 70,745</u>	<u>\$ 733,286</u>	<u>\$ 2,179,770</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Special Revenue Funds				
	Solid Waste Fund	Measure R Trails	Measure R Sales Tax	Measure U UUT	Assessment District Maintenance
REVENUES					
Taxes and assessments	\$ 134,128	\$ -	\$ 2,189,571	\$ 1,287,687	\$ 877,636
Licenses and permits	-	-	-	-	362,569
Intergovernmental	210,352	-	-	-	-
Charge for services	-	-	-	-	-
Use of money and property	42,929	39,831	155,545	221,683	68,136
Other revenue	11,031	-	349,747	13,074	110,475
Total revenues	398,440	39,831	2,694,863	1,522,444	1,418,816
EXPENDITURES					
Current:					
Tourism, parks and recreation	-	273,615	384,065	433,688	812,183
Community development	207,041	-	-	-	-
Public works/streets	-	-	-	-	309,089
Airport	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Total expenditures	207,041	273,615	384,065	433,688	1,121,272
Excess (deficiency) of revenues over (under) expenditures	191,399	(233,784)	2,310,798	1,088,756	297,544
OTHER FINANCING SOURCES (USES)					
Transfers in	-	550,000	50,000	-	567,498
Transfers out	-	-	(1,750,482)	(715,000)	-
Total other financing sources (uses)	-	550,000	(1,700,482)	(715,000)	567,498
Net change in fund balances	191,399	316,216	610,316	373,756	865,042
Fund balances (deficit) - beginning	902,296	526,756	2,562,678	3,019,684	1,563,755
Fund balances (deficit) - ending	\$ 1,093,695	\$ 842,972	\$ 3,172,994	\$ 3,393,440	\$ 2,428,797

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

(Continued)

	Special Revenue Funds					Total Special Revenue Funds	Total Capital Projects Funds	Debt Service Fund	Total Nonmajor Governmental Funds
	LTC Planning Transportation and Transit	Airport	DIF MCOE Library	DIF MCOE Childcare	DIF Fire Facility, Veh. and Eq.				
REVENUES									
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,489,022	\$ -	\$ -	\$ 4,489,022
Licenses and permits	-	-	34,132	26,765	128,164	551,630	542,587	128,651	1,222,868
Intergovernmental	259,992	640,273	-	-	-	1,110,617	-	-	1,110,617
Charge for services	-	411,668	-	-	-	411,668	-	-	411,668
Use of money and property	-	104,823	12,637	6,463	2,052	654,099	86,677	10,658	751,434
Other revenue	-	14,731	-	-	-	499,058	-	-	499,058
Total revenues	259,992	1,171,495	46,769	33,228	130,216	7,716,094	629,264	139,309	8,484,667
EXPENDITURES									
Current:									
Tourism, parks and recreation	-	-	-	-	-	1,903,551	-	-	1,903,551
Community development	-	-	-	-	-	207,041	-	-	207,041
Public works/streets	57,450	-	-	-	-	366,539	-	-	366,539
Airport	-	2,470,330	-	-	-	2,470,330	-	-	2,470,330
Capital outlay	-	-	-	199,434	97,713	297,147	-	-	297,147
Debt service	-	-	-	-	-	-	-	2,808,757	2,808,757
Total expenditures	57,450	2,470,330	-	199,434	97,713	5,244,608	-	2,808,757	8,053,365
Excess (deficiency) of revenues over (under) expenditures	202,542	(1,298,835)	46,769	(166,206)	32,503	2,471,486	629,264	(2,669,448)	431,302
OTHER FINANCING SOURCES (USES)									
Transfers in	-	1,533,007	-	-	-	2,700,505	29,266	7,716,390	10,446,161
Transfers out	(40,000)	-	(1,365)	(1,071)	(5,127)	(2,513,045)	(186,704)	(8,547,229)	(11,246,978)
Total other financing sources (uses)	(40,000)	1,533,007	(1,365)	(1,071)	(5,127)	187,460	(157,438)	(830,839)	(800,817)
Net change in fund balances	162,542	234,172	45,404	(167,277)	27,376	2,658,946	471,826	(3,500,287)	(369,515)
Fund balances (deficit) - beginning	(25,941)	2,097,039	262,955	176,423	43,874	11,129,519	1,707,944	5,445,560	18,283,023
Fund balances (deficit) - ending	\$ 136,601	\$ 2,331,211	\$ 308,359	\$ 9,146	\$ 71,250	\$ 13,788,465	\$ 2,179,770	\$ 1,945,273	\$ 17,913,508

INTERNAL SERVICE FUNDS

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

Vehicle Service – This fund is used to account for the rental of motor vehicles to other departments and related costs.

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

TOWN OF MAMMOTH LAKES | JUNE 30, 2024

Internal Service Funds

Combining Statement of Net Position

	Vehicle Service	Self- Insurance	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	\$ 8,330,943	\$ 578,349	\$ 8,909,292
Receivables	255,902	-	255,902
Inventory	756,138	-	756,138
Other assets	34	4,015	4,049
Total current assets	<u>9,343,017</u>	<u>582,364</u>	<u>9,925,381</u>
Noncurrent assets:			
Capital assets, net of depreciation	<u>6,573,594</u>	-	<u>6,573,594</u>
Total noncurrent assets	<u>6,573,594</u>	<u>-</u>	<u>6,573,594</u>
Total assets	<u>15,916,611</u>	<u>582,364</u>	<u>16,498,975</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	<u>602,463</u>	-	<u>602,463</u>
Total deferred outflows of resources	<u>602,463</u>	<u>-</u>	<u>602,463</u>
LIABILITIES			
Current liabilities:			
Accrued salaries and benefits	<u>11,652</u>	<u>(1,312)</u>	<u>10,340</u>
Total current liabilities	<u>11,652</u>	<u>(1,312)</u>	<u>10,340</u>
Noncurrent liabilities:			
Due within one year:			
Compensated absences	49,141	-	49,141
Due in more than one year:			
Compensated absences	49,142	-	49,142
Net pension liability	<u>1,440,236</u>	-	<u>1,440,236</u>
Total noncurrent liabilities	<u>1,538,519</u>	<u>-</u>	<u>1,538,519</u>
Total liabilities	<u>1,550,171</u>	<u>(1,312)</u>	<u>1,548,859</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	<u>128,008</u>	-	<u>128,008</u>
Total deferred inflows of resources	<u>128,008</u>	<u>-</u>	<u>128,008</u>
NET POSITION			
Net investment in capital assets	6,573,594	-	6,573,594
Unrestricted	<u>8,267,301</u>	<u>583,676</u>	<u>8,850,977</u>
Total net position	<u>\$ 14,840,895</u>	<u>\$ 583,676</u>	<u>\$ 15,424,571</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	Vehicle Service	Self- Insurance	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 2,182,100	\$ 386,458	\$ 2,568,558
Total operating revenues	<u>2,182,100</u>	<u>386,458</u>	<u>2,568,558</u>
Operating expenses:			
Personnel costs	1,179,009	-	1,179,009
Operations and maintenance	917,509	-	917,509
Benefit claims	-	223,576	223,576
Depreciation	384,381	-	384,381
Total operating expenses	<u>2,480,899</u>	<u>223,576</u>	<u>2,704,475</u>
Operating income (loss)	<u>(298,799)</u>	<u>162,882</u>	<u>(135,917)</u>
Nonoperating revenues (expenses):			
Investment earnings	389,947	-	389,947
Other nonoperating revenues	5,903	-	5,903
Total nonoperating revenues (expenses)	<u>395,850</u>	<u>-</u>	<u>395,850</u>
Income (loss) before transfers	97,051	162,882	259,933
Transfers in	661,977	-	661,977
Transfers out	<u>(72,119)</u>	<u>-</u>	<u>(72,119)</u>
Change in net position	686,909	162,882	849,791
Net position - beginning	<u>14,153,986</u>	<u>420,794</u>	<u>14,574,780</u>
Net position - ending	<u>\$ 14,840,895</u>	<u>\$ 583,676</u>	<u>\$ 15,424,571</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Internal Service Funds

Combining Statement of Cash Flows

	Governmental Activities Internal Service Funds		
	Vehicle Service	Self- Insurance	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,435,785	\$ 387,770	\$ 2,823,555
Payments to suppliers	(891,940)	(1,312)	(893,252)
Payments paid for personnel costs	(1,091,208)	(223,576)	(1,314,784)
Net cash provided by (used for) operating activities	<u>452,637</u>	<u>162,882</u>	<u>615,519</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Loans (to)/from other funds	851,207	-	851,207
Transfers in from other funds	661,977	-	661,977
Transfers (out) to other funds	(72,119)	-	(72,119)
Other nonoperating revenues	<u>5,903</u>	<u>-</u>	<u>5,903</u>
Net cash provided by (used for) noncapital financing activities	<u>1,446,968</u>	<u>-</u>	<u>1,446,968</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	<u>(2,810,973)</u>	<u>-</u>	<u>(2,810,973)</u>
Net cash provided by (used for) capital and related financing activities	<u>(2,810,973)</u>	<u>-</u>	<u>(2,810,973)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment received (paid)	<u>389,947</u>	<u>-</u>	<u>389,947</u>
Net cash provided by (used for) investing activities	<u>389,947</u>	<u>-</u>	<u>389,947</u>
Net increase (decrease) in cash and investments	(521,421)	162,882	(358,539)
Cash and investments - beginning	<u>8,852,364</u>	<u>415,467</u>	<u>9,267,831</u>
Cash and investments - ending	<u>\$ 8,330,943</u>	<u>\$ 578,349</u>	<u>\$ 8,909,292</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Internal Service Funds

Combining Statement of Cash Flows

(Continued)

	Governmental Activities Internal Service Funds		
	Vehicle Service	Self- Insurance	Total
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (298,799)	\$ 162,882	\$ (135,917)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	384,381	-	384,381
(Increase) decrease in accounts receivables	253,685	1,312	254,997
(Increase) decrease in inventory	25,569	-	25,569
Increase (decrease) in deferred outflows of resources from pensions	(2,579)	-	(2,579)
Increase (decrease) in accrued salaries and benefits	(8,651)	(1,312)	(9,963)
Increase (decrease) in compensated absences	48,296	-	48,296
Increase (decrease) in deferred inflows of resources from pensions	(71,881)	-	(71,881)
Increase (decrease) in net pension liability	122,616	-	122,616
Net cash provided by (used for) operating activities	<u>\$ 452,637</u>	<u>\$ 162,882</u>	<u>\$ 615,519</u>

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Contract/ Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Transportation (DOT)			
Passed through the State of California Department of Transportation:			
Airport Improvement Program Airport Rescue Grant Program	20.106	3-06-0146-047-2021	\$ 300,000
Airport Improvement Program Relocate and Upgrade AWOS	20.106	3-06-0146-048-2022	248,989
Airport Improvement Program - Infrastructure Grant Pavement Maintenance Management Plan (PMMP)	20.106	3-06-0146-051-2023	26,210
Airport Improvement Program - Infrastructure Grant Terminal and GA Parking Lot Reconstruction	20.106	3-06-0146-052-2023	42,660
Airport Improvement Program Airport Multipurpose Building Design	20.106	3-06-0146-053-2024	<u>76,127</u>
Total U.S. Department of Transportation (DOT)			<u>693,986</u>
U.S. Department of Housing and Urban Development (HUD)			
Passed through the State of California Department of Housing and Community Development			
Community Development Block Grant/State Program and non-entitlement Grants in Hawaii -			
COVID-19 - Community Development Block Grant Coronavirus Response Round 1 (CDBG-CV1)	14.228	20-CDBG-CV1-00028	40,410
COVID-19 - Community Development Block Grant Coronavirus Response (CDBG-CV2-3)	14.228	20-CDBG-CV-2-3-0093	154,299
CDBG Standard Agreement	14.228	#22-CDBG-HA-10034	<u>153,088</u>
Total U.S. Department of Housing and Urban Development (HUD)			<u>347,797</u>
U.S. Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
4699DR-CA California Severe Winter Storms	97.036	-	<u>725,188</u>
Total U.S. Department of Homeland Security			<u>725,188</u>
Total Expenditures of Federal Awards			<u>\$ 1,766,971</u>

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Notes to the Schedule of Expenditures of Federal Awards

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Town of Mammoth Lakes, California (the Town). All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is prepared using the modified accrual basis of accounting for program expenditures accounted for in governmental funds and the accrual basis of accounting for expenditures accounted for in proprietary funds, as described in Note 1 of the Town’s basic financial statements.

NOTE 3 – RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the Town’s financial statements.

ALN number 97.036 reported on the SEFA includes expenditures that were incurred in a prior fiscal year. This is the result of the funder approving the related projects during this current fiscal year. See SEFA reconciliation below:

Fiscal Years Ending June 30	Total Expenditures
2023	\$ 190,792
2024	534,396
ALN 97.036 SEFA Total	<u>\$ 725,188</u>

NOTE 4 – INDIRECT COST RATE

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

NOTE 5 – PASS-THROUGH ENTITY IDENTIFYING NUMBERS

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



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

To the Town of Mammoth Lakes Council
Town of Mammoth Lakes, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Mammoth Lakes (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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The Town's Response to Findings

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

Purpose of This Report

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

Price Pange & Company

Clovis, California
March 28, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Town of Mammoth Lakes Council
Town of Mammoth Lakes, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Mammoth Lakes' (the Town) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2024. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and

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therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Price Pange & Company

Clovis, California
March 28, 2025

FINDINGS AND QUESTIONED COSTS

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Findings and Questioned Costs

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? X Yes No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weaknesses identified? Yes X No

Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

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

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

Identification of major programs:

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	<u> </u> Yes <u> X </u> No

TOWN OF MAMMOTH LAKES | FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Findings and Questioned Costs

(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2024-001 – Revenue Recognition (Material Weakness)

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

Condition: The General Fund and Housing & Community Development Fund had revenues and receivables that were either understated, overstated, or misclassified, which required journal entries to be posted subsequent to receiving the Town's final trial balance.

Effect: Various revenue related transactions were incorrectly recorded. The misclassifications/misstatements were associated to:

- Improperly classifying grant receivable as expenditures by approximately \$402,000.
- Improperly recording revenue instead of unearned revenue by approximately \$2,060,000.
- Completeness of grant receivable and revenue accrual by approximately \$1,300,000.

Cause: Lack of review during the year and at the year-end closing process.

Recommendation: We recommend an internal control review process should be implemented to ensure proper revenue recognition.

Management's Response: See Corrective Action Plan.

SECTION III – FEDERAL AWARD FINDINGS

None reported.

FINANCIAL STATEMENT FINDINGS

Finding 2023-001 – Fund Balance Reconciliation (Material Weakness)

Condition: The Town’s opening fund balance within the General Fund and Vehicle Service Fund did not reconcile to the prior year audited financial statements.

Criteria: The Town’s fund balance accounts represent the resources available to the Town by considering assets and the related liabilities associated with that fund. Opening fund balance accounts should be reconciled to the prior year ending fund balances of the audited financial statements to ensure proper reporting under Generally Accepted Accounting Principles.

Cause: The Town does not have an adequate review whereby fund balance accounts are reconciled to prior year audited financial statements or other similar reports.

Effect: Fund balances were initially misstated by the following:

- General Fund by approximately \$220,000
- Vehicle Service Fund by approximately \$110,000

Recommendation: We recommend that the Town implement a process where all fund balance accounts are reconciled to the prior year, and ultimately, reconciled to the audited financial statements to ensure accurate financial reporting. In addition, the Town should generally not post activity directly to fund balance unless it has identified an adjustment to a prior period requiring correction.

Status: Implemented.

Finding 2023-002 – Revenue Recognition & Transfers In/Out (Material Weakness)

Condition: The Town did not properly record revenues or transfers in/out into the correct accounts. Several transactions were recorded directly to equity accounts during the year and were not identified and reclassified during the year-end closing process.

Criteria: A strong system of internal controls requires that all transactions be reviewed to ensure they are being recorded in the correct accounts.

Cause: The Town records these revenue and transfer entries into equity accounts during the year for internal financial reporting purposes but does not have an effective process during the year-end closing to identify and reclassify the activity to the correct accounts.

Effect: General Fund revenue was understated by approximately \$100,000, and transfers in and out were understated by approximately \$40,000. Housing and Community Development Fund revenue was understated by approximately \$840,000.

Recommendation: We recommend that the Town establish and implement a review process to ensure that all revenues and transfers are recorded in the proper accounts and not in the equity accounts.

Status: Partially implemented.

FEDERAL AWARD FINDINGS

None reported.



Finance Department

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**TOWN OF MAMMOTH LAKES
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2024**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2024-001	<p>Regular 1/4ly review of revenues and receivables across all departments including grants.</p> <p>Regular 1/4ly check in of all active projects/grants.</p> <p>Regular 1/4ly review of revenues and corresponding revenue accounts for accuracy.</p> <p>Participation by all departments for a timely closure of all accounting records to close books annually by September 30th.</p>	09/30/2026	Megan Chapman


 Name: Megan Chapman
 Title: Finance Director


 Name: Robert Paterson
 Title: Town Manager