

**COUNTY OF IMPERIAL  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

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## **INTRODUCTORY SECTION**

- Letter of Transmittal
- Certificate of Achievement for Excellence  
In Financial Reporting
- Organizational Chart
- Directory of Public Officials



**Douglas R. Newland, CPA**

Auditor-Controller  
dougnewland@imperialcounty.net



**County Administration Center**

940 Main Street, Suite 108  
El Centro, California 92243  
Telephone: 760-482-4535  
FAX: 760-482-4557

**AUDITOR-CONTROLLER**

The Honorable Board of Supervisors  
County of Imperial  
County Administration Center  
940 Main Street  
El Centro, CA 92243

Honorable Board Members:

The Annual Financial report of the County of Imperial for the fiscal year ended June 30, 2002, is submitted herewith in accordance with Section 25253 of the Government Code of the State of California.

The accompanying financial statements were prepared in accordance with auditing standards generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board, the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and account groups, and that all disclosures necessary to enable the reader to gain a full understanding of the County's financial activities have been included.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations".

The Annual Financial report is presented in four sections: introduction, management's discussion and analysis, financial statements and federal schedules. The introductory section includes this transmittal letter, the County's organizational chart and a list of principal County officials. The financial section includes the General Purpose Financial Statements, as well as, the Independent Auditors' Report on the financial statements and schedules. The federal section contains information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, findings and questioned costs, and the Independent Auditors' Report on Compliance and Internal Control.

## **THE REPORTING ENTITY AND ITS SERVICES**

The County of Imperial, located in Southern California, on the Mexican border, was established by an act of the State Legislature on August 7, 1907, forming the County from the eastern part of San Diego County. The County is a general law county divided in to five supervisorial districts on the basis of registered population. The County encompasses an area of over 4,597 square miles and includes 7 incorporated cities. The County ranks as one of the top ten agricultural counties in California. It is ranked 31 of 58 counties in terms of population.

The County provides a wide range of services to its residents including law enforcement, medical and health services, education, senior citizen assistance, roads, library services, judicial institutions including support services, airport service, cultural and environmental services, parks and a variety of public assistance programs. Special districts and County service areas provide services to remote geographical areas and communities. These services include fire protection, parks, flood control, water, sewer, street lighting and roads.

The accompanying General Purpose Financial Statements include all organizations, functions and activities of the County for which the County Board of Supervisors is financially accountable. Also included are numerous self-governed school and special districts for which the County acts as depository. The financial reporting for these entities, which are governed and act independently of the County of Imperial, is limited to reporting, as Agency Funds, the total amount of cash and investments and other assets collected for, disbursed by, and held for, these entities.

## **FINANCIAL INFORMATION**

The County's internal accounting control system exists to provide reasonable, but not absolute, assurance that assets are safeguarded against loss or unauthorized disposition and to provide reliable records for preparing financial statements and maintaining accountability for assets. The County's internal audit staff actively participates in evaluating and upgrading the internal accounting control system.

As a recipient of Federal and State financial assistance, the County also is responsible for ensuring that an adequate internal control structure is in place to assure compliance with applicable laws and regulations related to public assistance programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff.

The County uses the modified accrual basis of accounting for its Governmental, Debt Service and Fiduciary Funds. Revenues are recognized when they become measurable and available to finance operations of the year. Expenditures are generally recognized when the related fund liability is incurred except for interest on long-term obligations, which is recognized when payment is due. The accrual basis of accounting is used for all Proprietary Fund types. Revenues are recognized when they are earned and become measurable and expenses are recorded when they are incurred.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County's Board of Supervisors. Budgets are adopted for the General Fund, certain Special Revenue Funds, the County Service Areas Debt Service Funds and certain Capital Project Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the expenditure object level. Encumbrance accounting is utilized to assure effective budgetary control; purchase orders and contracts are reviewed and a determination is made that valid and sufficient appropriations exist for payment for ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures.

General Government Functions - The General Fund is used to account for all activities of a general nature including administration, legislation, public protection, health and welfare, parks and recreation.

Proprietary Operations-Proprietary Funds are used to account for internal service and enterprise activities.

Internal Service Funds include the County's motor vehicle fleet, central duplicating and various insurance loss reserves. The intent is for these functions to operate on a cost recovery basis and provide funds for the replacement of assets. Operating deficits will be recovered through increased charges in subsequent years.

Enterprise Funds consist chiefly of Imperial Airport, The State Transit Program and Landfill Closure/Postclosure fund. These are funded by user charges; deficiencies as a result of operations should be recovered through increased charges in subsequent years.

Fiduciary Operations-The County maintains a significant number of funds to carry out its fiduciary responsibilities. These include funds for school districts, autonomous special districts and taxes.

## **OTHER INFORMATION**

During the 2002 fiscal year Imperial County implemented Government Accounting Standards Board issuance #34.

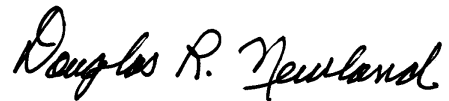
## **INDEPENDENT AUDIT**

State statutes require an annual audit by a Certified Public Accountant. The firm of Hutchinson and Bloodgood LLP has audited the County's financial statements. In addition to meeting the requirements of State law, the audit was also designed to comply with the Federal Single Audit Act of 1996 and OMB Circular A-133. The auditors' reports on these matters are included in these financial statements.

## **ACKNOWLEDGEMENTS**

I wish to express my appreciation to the entire Auditor/Controller staff, the County departments which participated and our independent auditors, Hutchinson and Bloodgood LLP, for their assistance in the report preparation.

Respectfully submitted,

A handwritten signature in black ink that reads "Douglas R. Newland". The signature is written in a cursive style with a large, stylized 'D' and 'N'.

Douglas R. Newland CPA  
Auditor-Controller

Office of the Controller  
State of California

**AWARD FOR ACHIEVING EXCELLENCE  
IN FINANCIAL REPORTING**

*Presented to*

**COUNTY OF IMPERIAL**

*For its Year-End Financial Reports  
For the Fiscal Year Ended June 30, 2001*

This Award for Achieving Excellence in Financial Reporting is  
presented by the California State Controller to your County  
for achieving the highest quality in California  
government accounting and financial reporting.

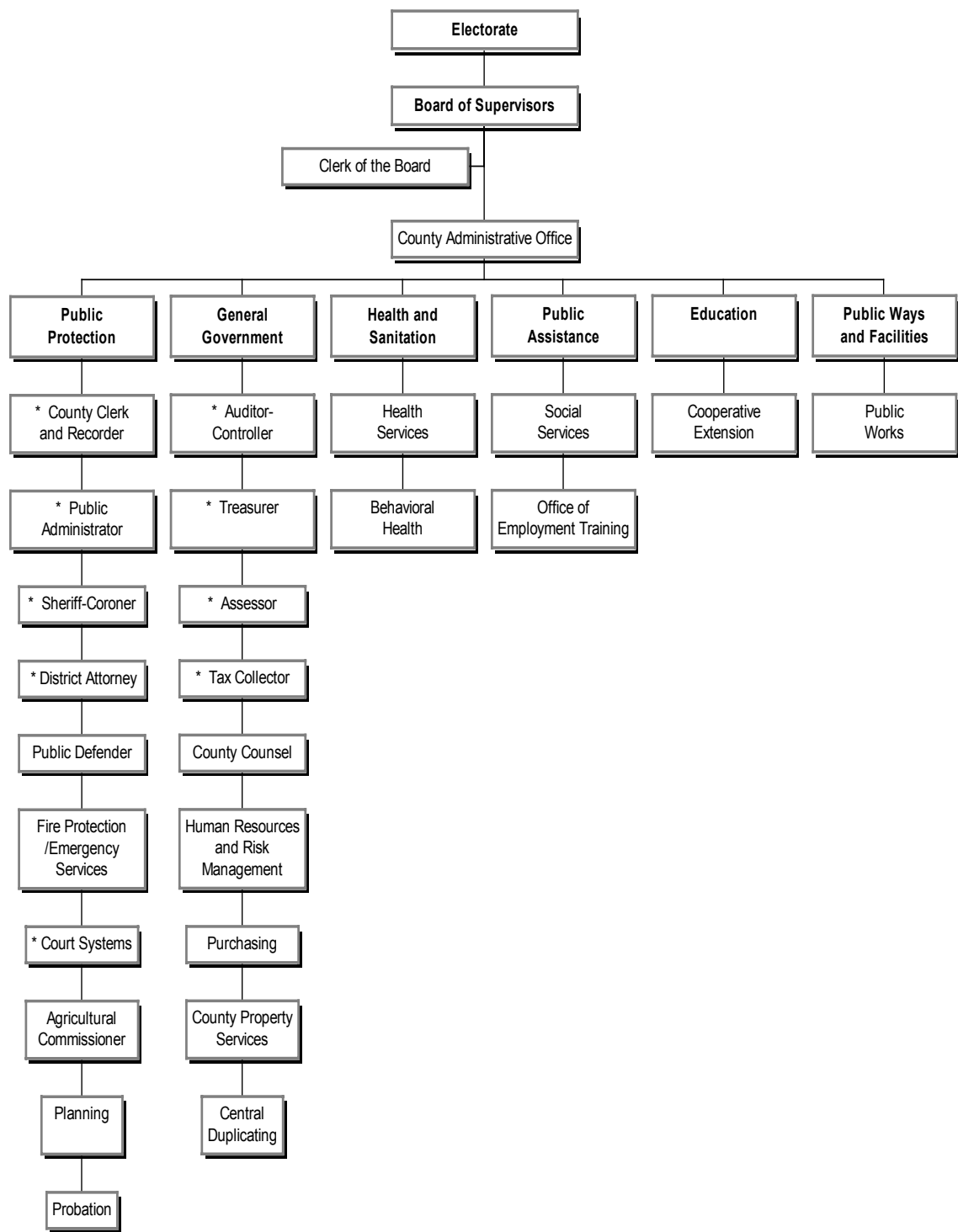


*Steve Westly*

STEVE WESTLY, California State Controller  
Dated at Sacramento, California, this 14<sup>th</sup> day of March 2003

# Imperial County Organization Chart

\* Elected Officials



# Directory of Public Officials

(as of 6/30/02)

## Elected Officials

Supervisor 1 <sup>st</sup> District	Tony Tirado	
Supervisor 2 <sup>nd</sup> District	Hank Kuiper	
Supervisor 3 <sup>rd</sup> District	Joe Maruca	
Supervisor 4 <sup>th</sup> District	Gary Wyatt	
Supervisor 5 <sup>th</sup> District	Wally Leimgruber	
Judge, Superior Court Dept. 1	James Harmon	
Judge, Superior Court Dept. 2	Christopher Yeager	
Judge, Superior Court Dept. 3	Raymond Cota	
Judge, Superior Court Dept. 5	Juan Ulloa	
Judge, Superior Court Dept. 7	Matias R. Contreras	
Judge, Superior Court Dept. 8	Annie M. Gutierrez	
Judge, Superior Court Dept. 9	Jeffrey B. Jones	
Judge, Superior Court Brawley	Joseph W. Zimmerman	
Judge, Superior Court Calexico	Donal Donnelly	
Assessor	Joe Rodriguez	General Government
Auditor/Controller	Douglas Newland	General Government
Clerk/Recorder	Dolores Provencio	General Government
District Attorney	Gilbert Otero	Public Protection
Public Administrator	Norma Saikhon	Public Protection
Sheriff/Coroner	Harold Carter	Public Protection
Treasurer/Tax Collector	Donna Yarnell	General Government

## Appointed Officials

Agricultural Commissioner	Stephen Birdsall	Public Protection
Central Duplicating	Rey Montano	General Government
County Executive Officer	Robertta Burns	General Government
Clerk of the Board	Albert Espinoza	General Government
Cooperative Extension	Refugio Gonzalez	Education
County Counsel	Ralph Cordova Jr.	General Government
County Property Services	Randy Rister	General Government
Fire Protection	Joe Buzo	Public Protection
Interim Health Services	Robin Raecker	Health and Sanitation
Behavioral Health	Michael Horn	Health and Sanitation
Office of Employment Training	Sam Couchman	Public Assistance
Human Resources and Risk Management	Nellie Lerma	General Government
Joint Court Administrator/Jury Commissioner	Lyla Corfman	Public Protection
Planning	Jurg Heuberger	Public Protection
Probation	Michael Kelley	Public Protection
Public Defender	Gregg McDonough	Public Protection
Public Works	Tim Jones	Public Ways/Facilities
Purchasing	Terry Huskey	General Government
Social Services	James Semmes	Public Assistance





## **FINANCIAL SECTION**

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to Financial Statements
- Required Supplementary Information





## INDEPENDENT AUDITORS' REPORT

Board of Supervisors  
County of Imperial  
El Centro, California 92243

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County of Imperial, California, as of and for the year ended June 30, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. The financial statements are the responsibility of the County of Imperial, California's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County of Imperial, California, as of June 30, 2002, and the respective changes in financial position and the cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2003 on our consideration of the County of Imperial, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

As described in Note 1, the County has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of June 30, 2002.

The Management's Discussion and Analysis and budgetary comparison information on page 25 to 10 through 18, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County of Imperial, California, basic financial statements taken as a whole. The introductory section, combining and individual nonmajor fund financial statements, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Imperial. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Hutchinson and Bloodgood LLP*

May 30, 2003

**County of Imperial  
Management's Discussion and Analysis  
For the Year Ended June 30, 2002**

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The discussion and analysis of the financial performance of the County of Imperial (County) provides an overview of the County's financial activities for the year ended June 30, 2002. The intent of this discussion and analysis is to look at the County's financial performance as a whole: users of these financial statements should read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section to enhance their understanding of the County's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### **FINANCIAL HIGHLIGHTS**

- The assets of the County exceeded its liabilities at the close of the 2001-2002 fiscal year by \$78,067 (*Net Assets*). (\$1,792) is *Unrestricted Net Assets*. Of this amount \$32,278 may be used to meet the County's ongoing obligations to citizens and the creditors, (\$34,070) is the obligation for Pension Bonds and \$10,967 (*Restricted Net Assets*) may be used for the County's ongoing obligations with external restrictions. (See detail at Table 1).
- The County's net assets increased by \$1,145 during the current fiscal year. Governmental activities increased the County's net assets by \$1,192; this increase was offset by the (\$767) decrease in business-type activities net assets.
- As of June 30, 2002, the County's governmental funds reported total ending fund balances of \$39,689, a decrease of 18.1% in comparison with the prior year. Approximately 37.2% or \$14,645 is available for spending (*Unreserved fund balance*). See further discussion in Financial Analysis of the County's Funds on page.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$6,078 or 4.4 % of total General Fund expenditures.
- The County's total long-term debt remained relatively stable with a net increase of \$2,272 in comparison with the prior year. The net increase is the result of increases in compensated absences, the State of California Child Support claim, and a decrease of existing long-term debt.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are organized so that readers can understand the County of Imperial as a financial whole or as an entire operating entity. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

#### **1. Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event takes place regardless of when cash is received or paid. Thus, some revenues and expenses reported in this statement for some items that will only result in cash inflows and outflows in future fiscal years.

## Management's Discussion and Analysis (Continued)

Both the Statement of Net Assets and the Statement of Activities distinguishes between activities that are primarily financed with taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The County's governmental activities include general government, public protection, public ways and facilities, health and sanitation, public assistance, and education. The business-type activities of the County include the operation of the Imperial Airport, Closure/Postclosure (Landfill) and other County Service Areas (CSAs).

Component units are included in our basic financial statements and consist of legally separate entities for which the County is financially accountable and that have substantially the same board as the County or provide services entirely to the County. An example of the County's blended component unit is the Imperial County Employees' Retirement Association (ICCERA). The Children and Families First Commission (the Commission) is reported as a discretely presented component unit because there is some financial accountability by the Commission to the County Board.

The government-wide financial statements are presented on pages 19-20 of this report.

### 2. Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the County as a whole. A fund is a fiscal and accounting entity designated to report information about groupings of related accounts which are used to maintain control over resources that have been segregated for specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. All of the County's funds can be divided into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The County reports three major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the *Combining and Individual Fund Statements and Schedules*.

The basic governmental fund financial statements are presented on pages 21-25 of this report.

## **Management's Discussion and Analysis (Continued)**

**Proprietary funds** are reported in two ways: enterprise funds and internal service funds. Enterprise funds are reported as functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the Imperial Airport, Landfills and other County Service Areas (CSAs) operations. Internal service funds are used to account for costs internally among the County's various functions. The County uses the following internal service funds: Garage, Central Duplicating, Centralized Mail, Flood Control, Communications Services, Liability Insurance, Workers' Compensation Insurance, Unemployment Insurance, Health and Dental/Vision Benefits, Medical Malpractice, and Auto Liability. Because such functions predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Imperial Airport and Closure/Postclosure (Landfills), both of which are considered to be major funds of the County. All other enterprise funds have been combined into a single aggregated column for presentation. Internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements are presented on pages 26-28 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the county government. Although these funds are presented in the fund set of statements, they do not appear in the government-wide financial statements because the resources of fiduciary funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that use for proprietary funds.

The basic fiduciary fund financial statements are presented on pages 29-30 of this report.

### **3. Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in both government-wide and fund financial statements.

The notes to the financial statements are presented on pages 31-47 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

This is the first year that the County has had to present its financial statements under the new reporting model required by Governmental Standards Board (GASB) Statement No. 34. Although it is a requirement to provide comparative data for the Management's Discussion and Analysis, this information is not available for the current year. In future years, when prior-year information is available, a comparative analysis of government-wide data will be included.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$78,067 (see Table 1) at the close of the current fiscal year.

The largest portion of the County's net assets, \$68,892, reflects its investment in capital assets (e.g. land, structures and improvements, infrastructure, vehicles, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Management's Discussion and Analysis (Continued)

An additional portion of the County's net assets, \$10,967, represents resources that are subject to external restrictions on how they may be used. The major portion of the restricted net assets is constrained for debt repayment. The remaining balance of total net assets is (\$1,792). Of which \$32,278 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors, and (\$34,070) is obligation for Pension Bonds.

At the end of the current fiscal year, the County as a whole and for its governmental activities reported positive balances in all three categories of net assets. In the business-type activities the County reported negative restricted net assets of \$3,550. This is the result of negative restricted net assets had an increase in operating expenses for the Closure/Postclosure (Landfills).

Table 1 – County of Imperial's Net Assets  
For the Year Ended June 30, 2002 (In Thousands)

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Totals</u></b>
Current Assets and Other Assets	\$ 73,481	\$ 5,521	\$ 79,002
Capital Assets	<u>73,515</u>	<u>6,338</u>	<u>79,853</u>
<b>Total Assets</b>	<u>146,996</u>	<u>11,859</u>	<u>158,855</u>
Current and Other Liabilities	16,623	173	16,796
Long-Term Liabilities	<u>56,230</u>	<u>7,762</u>	<u>63,992</u>
<b>Total Liabilities</b>	<u>72,853</u>	<u>7,935</u>	<u>80,788</u>
<b>Net Assets:</b>			
Invested in Capital Assets, Net of Related Debt	62,554	6,338	68,892
Restricted	14,517	(3,550)	10,967
Unrestricted	<u>(2,928)</u>	<u>1,136</u>	<u>(1,792)</u>
<b>Total Net Assets</b>	<u>\$ 74,143</u>	<u>\$ 3,924</u>	<u>\$ 78,067</u>

## Management's Discussion and Analysis (Continued)

As shown in Table 2, the County's net assets increased by \$1,145 during the current fiscal year.

Table 2 - County of Imperial's Changes in Net Assets  
For the Year Ended June 30, 2002

	<b><u>Governmental Activities</u></b>	<b><u>Business-Type Activities</u></b>	<b><u>Total</u></b>
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 38,187	\$ 1,248	\$ 39,435
Operating grants and contributions	116,292	1,535	117,827
General Revenues:			
Property taxes	12,727	-	12,727
Sales taxes	8,233	-	8,233
Franchise taxes	518	-	518
Motor Vehicle in-lieu taxes	10,202	-	10,202
Federal in-lieu taxes	1,332	-	1,332
Tobacco settlement proceeds	1,720	-	1,720
Unrestricted investment earnings	1,455	166	1,621
Loss on sales of fixed assets	84	-	84
Other	11,424	294	11,718
<b>Total revenues</b>	<u>202,174</u>	<u>3,243</u>	<u>205,417</u>
<b>Expenses:</b>			
General government	38,748	-	38,748
Public protection	53,974	-	53,974
Health and Sanitation	28,146	-	28,146
Public assistance	69,744	-	69,744
Public ways and facilities	6,642	-	6,642
Education	870	-	870
Interest on long-term liabilities	2,138	-	2,138
Airport	-	1,391	1,391
Closure/Postclosure Waste	-	756	756
County Service Areas, other	-	1,863	1,863
<b>Total expenses</b>	<u>200,262</u>	<u>4,010</u>	<u>204,272</u>
Increases in net assets before transfers	1,912	(767)	1,145
Transfers	-	-	-
<b>Increase (decrease) in net assets</b>	<u>\$ 1,912</u>	<u>(\$ 767)</u>	<u>\$ 1,145</u>

## **Management's Discussion and Analysis (Continued)**

### **Governmental Activities**

Governmental activities increased the County's net assets by \$1,912 for the year ended June 30, 2002, thereby accounting for 103% of the total growth in the net assets of the County. Key elements of this increase were fueled by the growth of the County's significant revenue sources of taxes, and the revenue received for the sale of the rights to receive future payments from the four largest tobacco manufacturers in the United States.

- Total revenue for the County's governmental activities increased 17.8%.
- As an arm of the state government, operating grants and contributions serve multiple programs, representing 58.2% of the County's program revenue for governmental activities, and are tied to mandated services such as public assistance, health, and mental health. These revenue sources increased 6.7% over the prior year primarily to increased funding related to mandated programs.
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. The increase in tax revenue is primarily due to property taxes increased 6.9% due to increases in assessed property values and higher collection rates.
- Total expenses for governmental activities increased by 23.3% with increases in all major functions. The County's major cost component is salaries and benefits.
- The County recorded \$11,424 in revenue for the current fiscal year, which is classified as an other item, which includes aircraft tax \$27, transit occupancy tax \$55, deed transfer \$196, fines and forfeitures of \$ 2,774, other taxes \$673 and other contributions \$7,699.

### **Business-type Activities**

Business-type activities' net assets decreased the County's net assets by (\$767). The main reason for this decrease is due to Closure/Postclosure (Landfills) increase in operating expenses.

### **Financial Analysis of the Government's Funds**

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

### **Governmental Funds**

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2002, The County's governmental funds reported total fund balances of \$39,689, a 3.3% decrease in comparison with the prior year. Approximately 36.9% or \$14,645 of the total fund balances constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been committed to 1) to pay debt service \$6,916, 2) to reflect CDBG loan receivable in which the County acts as a conduit for intergovernmental loans to entities within the County \$1,057, 3) to reflect COP monies \$4,062, and 4) a variety of other restricted purposes \$13,009.

## **Management's Discussion and Analysis (Continued)**

The County's management may also designate unreserved fund balance to a particular function, project, or activity; however designated fund balance is available for appropriations at any time.

The General Fund is the chief operating fund of the County. At June 30, 2002, unreserved fund balance of the General Fund was \$6,078. As a measure of the General Funds' liquidity, it may be helpful to compare both unreserved fund balance and fund balance to total fund expenditures. Unreserved fund balance represents 4.4% of total General Fund expenditures, while total fund balance represents 12.1% of total General Fund expenditures.

Revenues for governmental functions totaled \$182,726 at June 30, 2002, which represents an increase of 10.2% from fiscal year 2000-2001. The largest increases in revenues were in Other Revenues, which increased 25.6% and was primarily due to increases in project costs reimbursements. Intergovernmental revenues experienced strong increases of 15.5%.

Expenditures for government functions totaled \$191,510 at June 30, 2002, which represents an increase of 19% from fiscal year 2000-01. The largest increases occurred in capital outlays, which increased 72% and public ways and facilities, which increased by 40%. In addition, public protection and health, sanitation, and public assistance increased by approximately 5%.

### **Proprietary Funds**

The proprietary fund provides similar information to the government-wide financial statements, but in more detail.

The net assets of the enterprise funds decreased by (\$767). Closure/Postclosure had an increase of 5.67% or \$504 in landfill expense.

The internal service funds continued to carry negative unrestricted net assets as a result of recognition of self-insurance liabilities.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted in a \$20,303 increase in appropriations that is briefly summarized as follows:

- A majority of the increase, \$6,589 can be attributed to the County's in the Public Protection system, which encompassed 32.5% of the County's budget. This increase represents increased public safety costs due to cost-of-living and the adoption of increased retirement benefits for public safety members.
- \$5,317 increase in the County's Health and Sanitation appropriations was the result of unanticipated grants for border health initiatives.
- \$4,951 increase in the County's Public Assistance appropriations represents increase program costs for various social services programs.
- \$ 3,446 of the increase in the County's appropriations was the result of unanticipated grants and contributions from other governments. The remaining portion consisted of small increases in appropriations for normal operations in the remaining forty-eight budget units that comprise the General Fund.

## Management's Discussion and Analysis (Continued)

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

As of June 30, 2002, the County's investment in capital assets for its governmental and business-type activities amounted to \$79,853 (net of accumulated depreciation). The investments in capital assets are comprised of land, infrastructure, structures and improvements, furniture and equipment, vehicles, and construction in progress. The County, according to GASB 34 guidelines, has elected retroactively to include all infrastructure assets dating back to 1980.

Table 3 -The County's Capital Assets (Net of accumulated depreciation)

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Land	\$ 2,052	\$ 685	\$ 2,737
Construction in progress	5,570	-	5,570
Infrastructure	34,195	-	34,195
Structures & Improvements	20,973	5,611	26,584
Vehicles	3,798	-	3,798
Furniture and Equipment	<u>6,927</u>	<u>42</u>	<u>6,969</u>
Total	<u>\$ 73,515</u>	<u>\$ 6,338</u>	<u>\$ 79,853</u>

The major capital events during the current fiscal year include the following:

- A variety of small constructions and rehabilitation projects were started during the current fiscal year: road paving projects, and several others remodeling projects.
- The new Brawley Administration facility is in its remodeling phase and will be operational within the fiscal year 2003-04.

#### Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding of \$56,248. This amount is comprised of \$9,700 of certificates of participation. \$34,070 represents debt outstanding for the pension obligation bond. \$7,900 in earned compensated absences, \$3,318 State of California Child Support claim, and capital lease obligations.

Table 4 - The County's Outstanding Debt

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Employee Compensated Absences	\$ 7,882	\$ 18	\$ 7,900
Capital Lease Obligation	1,260	-	1,260
St. of California Child Support Claim	3,318	-	3,318
Pension Funding Bonds	34,070	-	34,070
1999 Certificates of Participation	<u>9,700</u>	<u>-</u>	<u>9,700</u>
Total	<u>\$ 56,230</u>	<u>\$ 18</u>	<u>\$ 56,248</u>

## **Management's Discussion and Analysis (Continued)**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The County currently faces a less than favorable economic environment. Due to the County being heavily dependent on agriculture, it experiences chronically high unemployment, which puts pressure on the County to provide social and medical services.

The County's general revenues, sometimes referred to as discretionary revenues, continue to experience little to no growth. At the same time, the portion of the County's budget that rely on these revenues continue to experience increased costs due to cost of living and medical insurance increases.

The State's economic downturn, coupled with a huge reduction in income taxes, has created a state budget deficit of over \$30 billion dollars. The State has historically reduced city and county revenues in order to help balance their own budget. This budget crisis is expected to last at least two to three years, if not longer.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Mr. Douglas R. Newland, CPA, Imperial County Auditor-Controller, 940 Main Street, El Centro, California, 92243, (760) 482-45566 or visit the website at [www.imperialcounty.net](http://www.imperialcounty.net)



# COUNTY OF IMPERIAL

## Statement of Net Assets

June 30, 2002

(amounts expressed in thousands)

	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>Assets:</b>				
Cash and cash equivalents	\$ 50,393	\$ 5,199	\$ 55,592	\$ 6,239
Cash with Fiscal Agent	4,072	-	4,072	-
Deposits with Others	37	-	37	-
Receivables (net):				
Accounts	6,852	170	7,022	-
Interest	730	35	765	45
Taxes	485	-	485	-
Loans	1,860	-	1,860	-
Internal balances	(117)	117	-	-
Due from other governmental funds	8,545	-	8,545	-
Inventories and Prepaid Expenses	624	-	624	-
Capital assets (net of accumulated depreciation):				
Land	2,052	685	2,737	-
Construction in progress	5,570	-	5,570	-
Structures & Improvements-net	20,973	5,611	26,584	-
Vehicles-net	3,798	-	3,798	-
Furniture & Equipment-net	6,927	42	6,969	-
Infrastructure	34,195	-	34,195	-
Total assets	<u>146,996</u>	<u>11,859</u>	<u>158,855</u>	<u>6,284</u>
<b>Liabilities:</b>				
Claims payable	7,610	-	7,610	
Accounts payable	2,242	161	2,403	418
Accrued Payroll	4,218	12	4,230	-
Interest Payable	28	-	28	-
Due to other governmental funds	2,525	-	2,525	-
Noncurrent liabilities:				
Due within one year	3,163	-	3,163	-
Due in more than one year	53,067	7,762	60,829	-
Total liabilities	<u>72,853</u>	<u>7,935</u>	<u>80,788</u>	<u>418</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	62,554	6,338	68,892	-
Restricted for:				
Special Revenue	4,250	-	4,250	-
Capital projects	3,351	-	3,351	-
Debt service	6,916	-	6,916	-
Public Ways & Facilities	-	(3,550)	(3,550)	-
Unrestricted	(2,928)	1,136	(1,792)	5,866
Total net assets	<u><u>74,143</u></u>	<u><u>3,924</u></u>	<u><u>78,067</u></u>	<u><u>5,866</u></u>

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

**COUNTY OF IMPERIAL**  
**Statement of Activities**  
Year Ended June 30, 2002  
(amounts expressed in thousands)

Functions	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Asset				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit	
					Governmental Activities	Business-Type Activities	Total		
Primary Government:									
Governmental Activities									
General Government	\$ 38,748	\$ 24,147	\$ 2,550	\$ -	\$ (12,051)	\$ -	\$ (12,051)	\$ -	
Public Protection	53,974	6,455	15,991	-	(31,528)	-	(31,528)	-	
Health & Sanitation	28,146	4,377	26,124	-	2,355	-	2,355	-	
Public Assistance	69,744	264	63,517	-	(5,963)	-	(5,963)	-	
Public Ways & Facilities	6,642	2,920	7,653	-	3,931	-	3,931	-	
Education	870	24	457	-	(389)	-	(389)	-	
Interest on long-term liabilities	2,138	-	-	-	(2,138)	-	(2,138)	-	
Total Governmental Activities	200,262	38,187	116,292	-	(45,783)	-	(45,783)	-	
Business Activities									
Airport	1,391	668	-	-	-	(723)	(723)	-	
Closure/Postclosure	756	580	-	-	-	(176)	(176)	-	
Other	1,863	-	1,535	-	-	(328)	(328)	-	
Total Business Type Activities	4,010	1,248	1,535	-	-	(1,227)	(1,227)	-	
Total Primary Government	\$ 204,272	\$ 39,435	\$ 117,827	\$ -	\$ (45,783)	\$ (1,227)	\$ (47,010)	\$ -	
Component Units:									
Children and Families 1st Commission	\$ 2,452	\$ -	\$ 2,451	\$ -	\$ -	\$ -	\$ -	\$ (1)	
Total Component Units	\$ 2,452	\$ -	\$ 2,451	\$ -	\$ -	\$ -	\$ -	\$ (1)	
General Revenues:									
Property Tax					12,727		12,727		
Sales Tax					8,233	-	8,233	-	
Franchises Tax					518	-	518	-	
Motor Vehicle In-Lieu Taxes					10,202	-	10,202	-	
Federal In-Lieu					1,332	-	1,332	-	
Tobacco Settlement Proceeds					1,720	-	1,720	-	
Other					11,424	294	11,718	87	
Unrestricted Investment Earnings					1,455	166	1,621	214	
Loss on Sales of Fixed Assets					84	-	84		
Transfers In (Out)					-	-	-	-	
Total general revenues					47,695	460	48,155	301	
Change in net assets					1,912	(767)	1,145	300	
Net assets - beginning					72,231	4,691	76,922	5,566	
Net assets - ending					\$ 74,143	\$ 3,924	\$ 78,067	\$ 5,866	

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

**COUNTY OF IMPERIAL**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2002  
(amounts expressed in thousands)

	<u>General</u>	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 6,651	\$ 11,470	\$ 7,613	\$ 25,734
Cash with Fiscal Agent	4,062	10	-	4,072
Deposits with Others	-	37	-	37
Receivables (net):				
Accounts	5,004	1,838	12	6,854
Interest	415	105	55	575
Taxes	397	88	-	485
Loan	-	1,860	-	1,860
Due from other funds	13,145	1,732	2	14,879
Inventories and Prepaid Expenses	277	273	-	550
	<u>\$ 29,951</u>	<u>\$ 17,413</u>	<u>\$ 7,682</u>	<u>\$ 55,046</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,425	\$ 1,570	\$ (2,998)	\$ 1,997
Accrued payroll	3,360	820	-	4,180
Interest payable	-	20	7	27
Due to other funds	6,561	2,564	28	9,153
	<u>13,346</u>	<u>4,974</u>	<u>(2,963)</u>	<u>15,357</u>
<b>Fund Balances:</b>				
Reserved for:				
General	1,648	-	-	1,648
Encumbrances	2,707	2,073	3,351	8,131
Inventories	266	277	-	543
Debt service	-	-	6,916	6,916
Capital Outlay	1,814	-	-	1,814
Loan	-	1,057	-	1,057
COPS	4,062	-	-	4,062
Other	30	843	-	873
Unreserved, reported in				
General Fund	6,078	-	-	6,078
Special Revenue Funds	-	8,189	-	8,189
Capital Projects Funds	-	-	378	378
	<u>16,605</u>	<u>12,439</u>	<u>10,645</u>	<u>39,689</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 29,951</u>	<u>\$ 17,413</u>	<u>\$ 7,682</u>	<u>\$ 55,046</u>

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

**COUNTY OF IMPERIAL**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
June 30, 2002

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

<b>Total fund balance - governmental funds</b>	\$ 39,689
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$139,189 and the accumulated depreciation is \$68,245.	70,944
Internal service funds are used by management to charge the costs of motor pool, printing, mail system, communications, and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	19,672
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(56,162)
<b>Total net assets - governmental activities</b>	<u>\$ 74,143</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>General</b>	<b>Special Revenue Funds</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>				
Taxes	\$ 18,512	\$ 2,792	\$ -	\$ 21,304
Licenses and permits	891	-	-	891
Fines, Forfeitures & Penalties	3,470	1,570	154	5,194
Use of Money & Property	1,399	459	207	2,065
State aid	69,442	17,810	58	87,310
Federal aid	28,368	10,774	454	39,596
Charges for Services	4,878	3,738	-	8,616
Sale of Fixed Assets	1	72	-	73
Other Revenues	7,410	5,461	4,806	17,677
Total revenues	<u>134,371</u>	<u>42,676</u>	<u>5,679</u>	<u>182,726</u>
<b>Expenditures:</b>				
Current:				
General Government	15,417	392	6,143	21,952
Public Protection	43,509	10,312	-	53,821
Health & Sanitation	21,177	7,228	-	28,405
Public Assistance	57,142	13,805	-	70,947
Public Ways & Facilities	-	15,452	-	15,452
Education	366	567	-	933
Total expenditures	<u>137,611</u>	<u>47,756</u>	<u>6,143</u>	<u>191,510</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,240)</u>	<u>(5,080)</u>	<u>(464)</u>	<u>(8,784)</u>
<b>Other financing sources (uses):</b>				
Transfers	(2,178)	166	2,012	-
Proceeds of COP bonds	10	-	-	10
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(2,168)</u>	<u>166</u>	<u>2,012</u>	<u>10</u>
Net change in fund balances	(5,408)	(4,914)	1,548	(8,774)
<b>Fund balances - beginning</b>	<u>22,013</u>	<u>17,353</u>	<u>9,097</u>	<u>48,463</u>
<b>Fund balances - ending</b>	<u><u>\$ 16,605</u></u>	<u><u>\$ 12,439</u></u>	<u><u>\$ 10,645</u></u>	<u><u>\$ 39,689</u></u>

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

**COUNTY OF IMPERIAL**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Government Funds to the Statement of Activities**  
Year Ended June 30, 2002  
(amounts expressed in thousands)

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

**Net change in fund balances-total governmental funds** \$ (8,774)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$	12,844	
Loss on disposal of capital assets		(571)	
Proceeds from sales of capital assets		(65)	
Depreciation expense		<u>(6,682)</u>	5,526

Additional accrued interest calculated on bonds payable 3,145

Long-term liabilities, including bonds payable, increased during the year in the amount of \$1,610. (1,610)

In the statement of activities, certain operating expenses -- compensated absences (vacations, sick leave, and comptime earned) -- are measured by the amounts earned during the year.

In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences increased by \$627. 627

Internal service funds are used by the County to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The net revenue of the internal service funds is reported with governmental activities. 2,231

**Change in net assets of governmental activities** \$ 1,145

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**

Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 18,209	\$ 18,528	\$ 18,512	\$ (16)
Licenses and permits	1,115	1,128	891	(237)
Fines, Forfeitures & Penalties	2,828	2,920	3,470	550
Use of Money & Property	1,308	1,508	1,399	(109)
State aid	55,583	64,010	69,442	5,432
Federal aid	28,176	29,903	28,368	(1,535)
Charges for Services	10,027	9,009	4,878	(4,131)
Sale of Fixed Assets	4	6	1	(5)
Other Revenues	6,005	7,483	7,410	(73)
Total revenues	123,255	134,495	134,371	(124)
<b>Expenditures:</b>				
Current:				
General Government	14,649	18,074	15,417	2,657
Public Protection	38,896	45,485	43,509	1,976
Health & Sanitation	19,949	25,266	21,177	4,089
Public Assistance	51,390	56,341	57,142	(801)
Education	358	379	366	13
Total expenditures	125,242	145,545	137,611	7,934
Excess of revenues over expenditures	(1,987)	(11,050)	(3,240)	7,810
<b>Other financing sources (uses):</b>				
Transfers			(2,178)	
Proceeds of COP Bonds	-	-	10	-
Net change in fund balances	(1,987)	(11,050)	(5,408)	7,810
<b>Fund balances - beginning</b>	22,013	22,013	22,013	-
<b>Fund balances - ending</b>	<u>\$ 20,026</u>	<u>\$ 10,963</u>	<u>\$ 16,605</u>	<u>\$ 7,810</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2002  
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities
	Imperial Airport	Closure/Postclosure	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ (59)	\$ 4,895	\$ 363	\$ 5,199	\$ 24,658
Receivables (net):					
Accounts	-	-	170	170	(2)
Interest	-	33	2	35	155
Due from Other Funds	82	-	42	124	1,180
Inventories and Prepaid Expenses	-	-	-	-	74
Total Current Assets	<u>23</u>	<u>4,928</u>	<u>577</u>	<u>5,528</u>	<u>26,065</u>
Noncurrent Assets:					
Land	662	-	23	685	23
Construction in process	-	-	-	-	-
Structures & Improvements	10,591	-	-	10,591	163
Vehicles	-	-	-	-	5,673
Equipment	83	-	-	83	1,013
Accumulated Depreciation	(5,021)	-	-	(5,021)	(4,302)
Total Noncurrent Assets	<u>6,315</u>	<u>-</u>	<u>23</u>	<u>6,338</u>	<u>2,570</u>
Total Assets	<u>\$ 6,338</u>	<u>\$ 4,928</u>	<u>\$ 600</u>	<u>\$ 11,866</u>	<u>\$ 28,635</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Claims Payable	-	-	-	-	7,610
Accounts Payable	24	-	137	161	245
Interest Payable	-	-	-	-	-
Accrued Payroll	9	-	3	12	37
Due to Other Funds	3	-	3	6	1,002
Current portion of compensated absences	1	-	-	1	11
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>37</u>	<u>-</u>	<u>143</u>	<u>180</u>	<u>8,905</u>
Noncurrent Liabilities:					
Compensated Absences	17	-	-	17	58
Accrued Closure/Postclosure	-	7,745	-	7,745	-
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>17</u>	<u>7,745</u>	<u>-</u>	<u>7,762</u>	<u>58</u>
Total Liabilities	<u>54</u>	<u>7,745</u>	<u>143</u>	<u>7,942</u>	<u>8,963</u>
<b>NET ASSETS:</b>					
Invested in Capital Assets, net of related debt	6,315	-	23	6,338	2,570
Restricted	-	(3,550)	-	(3,550)	67
Unrestricted	(31)	733	434	1,136	17,035
Total Net Assets	<u>\$ 6,284</u>	<u>\$ (2,817)</u>	<u>\$ 457</u>	<u>\$ 3,924</u>	<u>\$ 19,672</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenses and Changes in Net Assets**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities
	Imperial Airport	Closure/Postclosure	Other Enterprise Funds	Total	Internal Service Funds
<b>Operating Revenues:</b>					
Charges for Services	\$ 614	\$ 580	\$ -	\$ 1,194	\$ 20,134
Other Revenues	54	-	-	54	528
Total Operating Revenues	668	580	-	1,248	20,662
<b>Operating Expenses:</b>					
Salaries and Benefits	141	-	68	209	707
Services and Supplies	782	756	1,795	3,333	17,115
Replacement Vehicles	-	-	-	-	533
Depreciation	468	-	-	468	1,014
Total Operating Expenses	1,391	756	1,863	4,010	19,369
Operating Income (Loss)	(723)	(176)	(1,863)	(2,762)	1,293
<b>Non-operating Revenues (Expenses):</b>					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	159
State Aid	-	-	1,365	1,365	-
Federal Aid	-	-	170	170	-
Other	-	-	294	294	-
Interest - Income	3	153	10	166	779
Total Non-Operating Revenues	3	153	1,839	1,995	938
Net Income (Loss) before Transfers	(720)	(23)	(24)	(767)	2,231
Transfers in (out):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	-	-	-	-	-
<b>Change in Net Assets</b>	<b>(720)</b>	<b>(23)</b>	<b>(24)</b>	<b>(767)</b>	<b>2,231</b>
Net Assets - Beginning	7,004	(2,794)	481	4,691	17,441
Net Assets - Ending	\$ 6,284	\$ (2,817)	\$ 457	\$ 3,924	\$ 19,672

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

**COUNTY OF IMPERIAL**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities
	Imperial Airport	Closure/ Postclosure	Other Enterprise Funds	Total	Internal Service Funds
<b>Cash flows from operating activities:</b>					
Cash received from users	\$ 617	\$ 580	\$ -	\$ 1,197	\$ 20,667
Cash received from operating activities	58	774	(37)	795	1,330
Cash paid to suppliers	(764)	(757)	(1,628)	(3,149)	(8,733)
Cash paid to employees	(140)	-	(68)	(208)	(9,262)
Cash paid for operating activities	(11)	-	1	(10)	(1,765)
Net cash provided by (used) operating activities	(240)	597	(1,732)	(1,375)	2,237
<b>Cash flows from noncapital financing activities:</b>					
Other	-	-	294	294	-
Receipt of federal aid	-	-	170	170	-
Receipt of state aid	-	-	1,365	1,365	-
Net cash provided by (used) in non-capital financing activities	-	-	1,829	1,829	-
<b>Cash flows from capital and related financing activities:</b>					
Acquisition of capital assets	-	-	-	-	(1,070)
Transfer in to purchase equipment	-	-	-	-	159
Net cash used by capital and related financing activities	-	-	-	-	(911)
<b>Cash flows from investing activities:</b>					
Interest received (paid)	3	153	10	166	777
Net increase in cash and cash equivalents	(237)	750	107	620	2,103
<b>Cash and cash equivalents - beginning</b>	178	4,145	256	4,579	22,555
<b>Cash and cash equivalents - ending</b>	<u>\$ (59)</u>	<u>\$ 4,895</u>	<u>\$ 363</u>	<u>\$ 5,199</u>	<u>\$ 24,658</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	(723)	(176)	(1,863)	(2,762)	1,293
Adj. to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	467	-	-	467	1,014
Decrease (Increase) in accounts receivable	4	-	30	34	3
Decrease (Increase) in interest receivable	2	17	3	22	102
Decrease (Increase) in prepaid expenses	-	-	-	-	(17)
Decrease (Increase) in due from other funds	1	-	(41)	(40)	(855)
Increase (Decrease) in accounts payable	18	-	137	155	(153)
Increase (Decrease) in interest payable	-	-	-	-	-
Increase (Decrease) in accrued liabilities	1	-	1	2	-
Increase (Decrease) in due to other funds	(11)	-	1	(10)	853
Increase (Decrease) in postclosure costs liability	-	756	-	756	-
Increase (Decrease) in insurance loss expense	-	-	-	-	(14)
Increase (Decrease) in compensated absences	1	-	-	1	11
Total adjustments	483	773	131	1,387	944
Net cash provided by operating activities	<u>\$ (240)</u>	<u>\$ 597</u>	<u>\$ (1,732)</u>	<u>\$ (1,375)</u>	<u>\$ 2,237</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2002**  
(amounts expressed in thousands)

	Trust Funds			Agency Funds	Total
	Pension Trust and other Employee Benefits	Special District and School District	Investment Trust		
<b>Assets:</b>					
Cash and investments	\$ 3,896	\$ 85,070	\$ 18,676	\$ 53,281	\$ 160,923
Cash with Fiscal Agent	-	-	10	5,809	5,819
Accounts Receivable-Net	-	-	3,751	3,970	7,721
Taxes Receivable-Net	-	-	-	36,442	36,442
Interest Receivable	-	17	81	(2,944)	(2,846)
Prepaid Expenses	-	-	-	-	-
Due From Other Funds	-	67	348	2,109	2,524
Deposits with Others	-	-	2,318	18,065	20,383
Total Assets	<u>\$ 3,896</u>	<u>\$ 85,154</u>	<u>\$ 25,184</u>	<u>\$ 116,732</u>	<u>\$ 230,966</u>
<b>Liabilities :</b>					
Accounts Payable	-	63	828	28,259	29,150
Interest Payable	-	-	1,741	1,883	3,624
Due to Other Funds	-	74	2,734	5,735	8,543
Fiduciary Liability	-	-	-	80,855	80,855
Total Liabilities	<u>-</u>	<u>137</u>	<u>5,303</u>	<u>116,732</u>	<u>122,172</u>
Held in Trust for Pension Benefits	3,896	-	-	-	3,896
Held in Trust for Pool Investments	-	85,017	19,881	-	104,898
Total Liabilities and Fund Balance	<u>\$ 3,896</u>	<u>\$ 85,154</u>	<u>\$ 25,184</u>	<u>\$ 116,732</u>	<u>\$ 230,966</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	Pension Trust and other Employee Benefits	Special District and School District	Investment Trust	Total
<b>Additions:</b>				
Employee/Employer Contributions	\$ 13,109	\$ -	\$ -	\$ 13,109
Contributions to Pooled Investments	-	-	96,057	96,057
Contributions to Special/School District Trust	-	391,818	-	391,818
Interest and Investment Income	129	2,708	727	3,564
Total Additions	13,238	394,526	96,784	504,548
<b>Deductions:</b>				
Distributions from Pooled Investments	-	-	91,851	91,851
Distributions from Pension Trust/Other	12,478	397,059	-	409,537
Distributions from Special/School District Trust	-	-	-	-
Total Deductions	12,478	397,059	91,851	501,388
Change in Net Assets	760	(2,533)	4,933	3,160
Net Assets - Beginning	3,136	87,550	14,948	105,634
Net Assets - Ending	<u>\$ 3,896</u>	<u>\$ 85,017</u>	<u>\$ 19,881</u>	<u>\$ 108,794</u>

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

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**NOTE 1 - THE FINANCIAL REPORTING ENTITY**

**(a) Reporting Entity**

The County of Imperial, California (County), is a legal subdivision of the State of California charged with governmental powers. The County's powers are exercised through a Board of Supervisors (Board), which is the governing body of the County. The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units are, although legally separate entities, in substance part of the County's operations and, therefore, data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual component units may be obtained by writing to the County of Imperial, Controller's Office, 940 Main Street, El Centro, California 92243.

**(b) Blended Component Units:**

Blended component units are, in substance, part of the County's operations and their financial data are combined with data of the primary government. The following organizations are included in the County's financial statements as blended component units:

Imperial County Employees' Retirement Association (ICERA) is reported as a Pension Trust Fund in financial statements because it is an integral part of the County. A separate financial report can be reviewed at the Imperial County Treasurers/Retirement Office.

Special districts and Schools are reported as trust funds because they are an integral part of the County. A separate financial report can be reviewed at the Auditor-Controller's Office.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**(c) Discretely Presented Component Unit:**

The Children and Families First Commission (Commission) was established in March 1999 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the Commission's governing body is not substantially the same as that of the County and the Commission does not provide services entirely or almost entirely to the County.

**NOTE 2 – Summary of Significant Accounting Policies**

**(a) Implementation of Governmental Accounting Standards Board Statements**

GASB Statement Nos. 34 and 37

In June 1999 and in June 2001, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – State and Local Governments – Omnibus, respectively. These statements provide for the most significant change in financial reporting in over twenty years and are scheduled for a phased implementation (based on size of government) starting with fiscal year ending 2002.

GASB Statement No. 38

In June 2001, the GASB issued Statement No. 38, Certain Financial Statement Note Disclosures. This statement modifies, adds and deletes various note disclosure requirements. Those requirements address revenue recognition policies, actions taken in response legal violations, debt service requirements, variable-rate debt, receivable and payable balances, inter-fund transfers and balances, and short-term debt.

**(b) Basis of Presentation**

Government-wide Financial Statements

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

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

#### Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

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

The County reports only one major governmental fund:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes activities as public protection, public ways and facilities, health and sanitation, public assistance, and education.

The County reports the following major enterprise funds:

- The *Imperial Airport* accounts for operations, which include the airport's physical structure, property and leases and to provide the public with adequate, convenient and safe services associated with aviation. This includes providing for all forms of commercial and private transportation (air and repair, flying instruction, aircraft rental, sales, charter, fuel sales, and aircraft storage). The department also provides safety and emergency services, aviation agri-business, Federal Aviation Administration facilities (Flight Service Station), and public interest conveniences such as restaurants, motel and ground transportation.
- The *Solid Waste Closure/Postclosure* accounts for funds pursuant to State Law requiring funds to cover the estimated cost of solid waste closure and post closure activities. Each County operated site must have a plan to specifically address the physical requirements, as closure becomes necessary and the post-closure ongoing monitoring requirements.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

The County reports the following additional fund types:

*Internal Service Funds* account for the activities of the fleet maintenance, flood control, centralized printing, centralized mailing, and centralized telecommunications. In addition, the County's Risk Management accounts for self-insurance programs – workers compensation, liability, unemployment, employee health/dental/vision benefits, medical malpractice and auto on a cost-reimbursement basis.

The *Pension Trust Fund* accumulates contributions from the County, its employees and other participating employers. Disbursements are made from the fund for retirement, disability and death benefits (based on a defined benefit formula) and administrative expenses.

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

The *Agency Funds* account for assets held by the County as an agent for various local governments and for individuals.

**c) Basis of Accounting**

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

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. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board, the Accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The GASB periodically updates its codification of existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes (GAAP) for governments units.

**(d) Cash and Cash Equivalents**

Cash is considered to be cash on hand, cash in bank and imprest cash. All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, they have an original maturity of three months or less.

**(e) Investments**

Statutes authorize the County to invest its surplus cash (excluding ICERA) in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, rated P-1 by Standard & Poor's Corporation or A-1 by Moody's Investor Services, bankers acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund. Gains and losses are recognized based upon the specific identification method. All pooled investments are reported at book value. ICERA investments are made subject to guidelines of the investment plan approved by the Retirement Board.

**(f) Inventories**

Inventories are valued at cost, which is determined on a first-in, first-out basis. Inventory in the General and Special Revenues Funds consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

**(g) Property Taxes**

The County levies property taxes as of September 1, on property values certified on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and delinquent with penalties after December 10, and the second is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due upon receipt of the tax bill and become delinquent if unpaid on August 31.

All jurisdictions within California derive their taxing authority from the State of California and various legislative provisions contained in the State of Government Codes and Revenue Taxation Codes. Pursuant to Article XIII A (known as Proposition 13) of the State of California Constitution, the County is permitted to levy a maximum tax of 1% of full cash value. For fiscal year 2001-02, the County received \$12,727 in property taxes that were used to finance general government services.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**(h) Capital Assets**

Capital assets, including infrastructure, are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets, which consist of certain improvements including roads, bridges, pavements in progress, and right of way. The County defines capital assets as assets with initial, individual costs of more than \$3 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements and proprietary funds.

GASB Statement # 34 requires the reporting and depreciation of new infrastructure expenditures effective with the beginning of the implementation year, which for the County is fiscal year 2001-02. Pursuant to GASB Statement # 34, an extended period of deferral is available before the requirement to record and depreciate infrastructure assets acquired before the implementation date. This category is likely to be the largest asset class of the County and has historically not been reflected nor a measure of its consumption charged.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

The estimated useful lives are as follows:

Buildings	40 years
Equipment	5 – 15 years
Office Furniture	5 years
Vehicles	70,000 – 100,000 miles
Infrastructure	20 – 50 years

**(i) Compensated Absences (Accrued Vacation, Sick Leave and Compensatory Time)**

Unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from County employment. The County is not obligated to pay for unused sick leave if an employee terminates prior to retirement. However, if the employee, with less than 10 years of service, elects to leave their funds on deposit with the retirement system (deferred retirement), the accumulated sick leave hours will be applied toward their retirement service credit. Upon retirement, employees have the option of 1) being compensated for 15% of the employee's sick leave hours, or 2) applying all employee's accumulated sick leave hours as retirement service credit.

The County accrues for compensated absences in the government-wide and proprietary fund financial statement for which they are liable to make a payment directly.

**(j) Use of Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Note 3 – Restatement of Fund Equity/Net Assets**

**(a) Capital Asset Restatement**

During the current year, the County evaluated the capital asset balances previously reported in the general fixed asset account group to its capital asset management system. The beginning capital asset balances were restated to properly reflect the balances in the capital asset management system.

**(b) Other Restatements**

*Imperial Airport* – The County restated the beginning net assets of this major enterprise fund in the amount of \$375 in order to correct adjustments made in prior years.

*Closure/Postclosure* - The County restated the beginning net assets of this major enterprise fund in the amount of \$187 in order to correct adjustments made in prior years.

*Other Enterprise Funds* - The County restated the beginning net assets of this major enterprise fund in the amount of (\$88) in order to correct adjustments made in prior years.

*Internal Service Funds, Other* - The County restated the beginning net assets of this major enterprise fund in the amount of \$5,965 in order to correct adjustments made in prior years.

**Note 4 – Cash and Investments**

The County maintains a Cash and Investment Pool (Pool) that is available for use by all funds. The Pension Trust participates in the Pool, but the majority of their cash and investments are held separately from other County funds. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily balance of each fund.

Total County cash and investments are as follows:

*Cash:*

Cash on hand	\$ 2
Imprest Cash	62
Checks for deposit	680
Outstanding warrants	(1,165)
Total cash overdrafts	<u>(421)</u>

*Investments:*

In Treasurer's pool	223,175
With Fiscal Agent	9,891
With others external to the Treasurer's Pool	20,420
Total investments	<u>253,486</u>
Total cash and investments	<u>\$ 253,065</u>

Total County cash and investments are reported as follows:

Primary government	\$ 59,701
Component unit	6,239
Pension trust	3,896
Special district and Schools trust	85,070
Investment trust funds	21,004
Agency funds	77,155
Total cash and investments	<u>\$ 253,065</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Deposits**

At June 30, 2002, the carrying amount of the County's cash deposits was \$47,765 and the bank balance for deposits maintained in various financial institutions amounted to \$50,970. Of the bank balance, \$8,771 was covered by federal depository insurance and the balance was collateralized as required by state law.

Under the California Government Code, a financial institution is required to secure deposits in excess of \$100 made by state or local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

**Investments**

The County's investments are categorized below to give an indication of the level of custodial credit risk assumed by the County as of June 30, 2002. Category 1 includes investments that are insured or registered, or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or its trust department or agent but not in the County's name. The County does not have any category 3 investments at June 30, 2002.

At June 30, 2002, the County's investment balances were as follows:

	Category			Carrying Amount	Fair Value
	1	2	3		
Categorized investments:					
U.S. Government Securities	\$ 72,027	\$ -	\$ -	\$ 72,027	\$ 73,371
Mortgages	34,539	-	-	34,539	35,150
Total categorized investments	<u>\$106,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$106,566</u>	<u>\$ 108,521</u>
Uncategorized investments:					
Local Agency Investment Fund				39,500	39,500
Mutual Funds				30,000	30,000
Total investments				<u>\$176,066</u>	<u>\$178,021</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Note 5 – Receivables**

Accounts, interest, taxes and loan receivable balances of the General, Special Revenue, Proprietary and Trust and Agency Funds are stated net of allowances for uncollectibles. The following is a schedule of receivables applicable to each individual fund at June 30, 2002:

<b><u>Receivables- Governmental Activities</u></b>	<b><u>General Fund</u></b>	<b><u>Nonmajor Funds</u></b>	<b><u>Internal Service Fund</u></b>	<b><u>Total Governmental Activities</u></b>
Accounts	\$ 5,004	\$ 1,850	\$ (2)	\$ 6,852
Interest	415	160	155	730
Taxes	397	88	-	485
Loan	<u>-</u>	<u>1,860</u>	<u>-</u>	<u>1,860</u>
Total receivables	<u>\$ 5,816</u>	<u>\$ 3,958</u>	<u>\$ 153</u>	<u>\$ 9,927</u>

<b><u>Receivables- Business-Type Activities</u></b>	<b><u>Closure/ Postclosure</u></b>	<b><u>Other Enterprise Fund</u></b>	<b><u>Total Business-type Activities</u></b>
Accounts	\$ -	\$ 170	\$ 170
Interest	<u>33</u>	<u>2</u>	<u>35</u>
Total receivables	<u>\$ 33</u>	<u>\$ 172</u>	<u>\$ 205</u>

**Note 6 – Inter-fund Transactions**

The composition of inter-fund balances as of June 30, 2002 are as follows:

Short-term inter-fund transactions between funds which are not reimbursed by the receiving fund are reported as "due to and due from other funds."

	<b><u>Due from Other Funds</u></b>	<b><u>Due to Other Funds</u></b>
General	\$ 13,145	\$ 6,561
Nonmajor Governmental Funds	1,734	2,592
Imperial Airport	82	3
Other Enterprise Funds	42	3
Internal Service Funds	1,180	1,002
Special District/School Trust Funds	67	74
Investment Trust Funds	348	2,734
Agency Funds	<u>2,109</u>	<u>5,738</u>
Total	<u>\$ 18,707</u>	<u>\$ 18,707</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations, re-allocations of special revenues, and debt service transfers to pay principal and interest payments on pension obligation bonds. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements.

The following schedule briefly summarizes the County's transfer activity for the fiscal year ended June 30, 2002:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 2,178
Special Revenue	166	-
Capital Projects	<u>2,012</u>	<u>-</u>
Total	<u>\$ 2,178</u>	<u>\$ 2,178</u>

**Note 7 – Capital Assets**

Capital assets activity for the year ended June 30, 2002 was as follows:

	Balance July 1, 2001 (restated)	Additions	Deletions	Balance June 30, 2002
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,052	\$ -	\$ -	\$ 2,052
Construction in progress	<u>396</u>	<u>5,174</u>	<u>-</u>	<u>5,570</u>
Total capital assets, not being depreciated	<u>2,448</u>	<u>5,174</u>	<u>-</u>	<u>7,622</u>
Capital assets, being depreciated:				
Infrastructure	58,191	3,779	-	61,970
Structures & Improvements	44,960	324	-	45,284
Vehicles	7,853	2,370	(1,775)	8,448
Furniture and equipment	<u>22,375</u>	<u>2,294</u>	<u>(1,932)</u>	<u>22,737</u>
Total capital assets, being depreciated	<u>133,379</u>	<u>8,767</u>	<u>(3,707)</u>	<u>138,439</u>
Less accumulated depreciation for:				
Infrastructure	25,267	2,508	-	27,775
Structures & Improvements	22,848	1,463	-	24,311
Vehicles	3,961	2,014	(1,325)	4,650
Furniture and equipment	<u>15,511</u>	<u>2,015</u>	<u>(1,716)</u>	<u>15,810</u>
Total accumulated depreciation	<u>67,587</u>	<u>8,000</u>	<u>(3,041)</u>	<u>72,546</u>
Total capital assets, being depreciated, net	<u>65,792</u>	<u>767</u>	<u>(666)</u>	<u>65,893</u>
Governmental activities capital assets, net	<u>\$ 68,240</u>	<u>\$ 5,941</u>	<u>\$ (666)</u>	<u>\$ 73,515</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 685	\$ -	\$ -	\$ 685
Total capital assets, not being depreciated	<u>685</u>	<u>-</u>	<u>-</u>	<u>685</u>
Capital assets, being depreciated:				
Structures & Improvements	10,591	-	-	10,591
Furniture and equipment	<u>83</u>	<u>-</u>	<u>-</u>	<u>83</u>
Total capital assets, being depreciated	<u>10,674</u>	<u>-</u>	<u>-</u>	<u>10,674</u>
Less accumulated depreciation for:				
Structures & Improvements	4,519	461	-	4,980
Furniture and equipment	<u>35</u>	<u>7</u>	<u>-</u>	<u>42</u>
Total accumulated depreciation	<u>4,554</u>	<u>468</u>	<u>-</u>	<u>5,022</u>
Total capital assets, being depreciated, net	<u>6,120</u>	<u>(468)</u>	<u>-</u>	<u>5,652</u>
Business-type activities capital assets, net	<u>\$ 6,805</u>	<u>\$ (468)</u>	<u>\$ -</u>	<u>\$ 6,337</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 4,780
Public Protection	1,019
Health & Sanitation	311
Public Assistance	171
Public Ways & Facilities	687
Education	18
Depreciation on capital assets held by the County's internal service funds are charged to the Various functions based on their usage of the assets	<u>1,014</u>
Total depreciation expense – governmental functions	<u>\$ 8,000</u>

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

Airports	\$ 468
Total depreciation expense – business-type functions	<u>\$468</u>

**Construction in Progress**

Construction in progress for governmental activities represents work being performed on the County Services Center - Brawley, roads and bridge infrastructure, and a number of ongoing small projects.

**Note 8 – Leases**

**Operating Leases**

The County is committed under various noncancelable operating leases, primarily for office buildings and equipment.

Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2003	\$ 369
2004	352
2005	345
2006	339
2007	342
2008 - 2010	<u>1,080</u>
Total	<u>\$ 2,827</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Capital Leases**

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. Equipment under capital leases includes the following.

	Governmental Activities
DR7 Dozer	\$ 45
Fire and Security System	98
Energy Retrofit Project	1,078
IBM Computer Equipment	39
	<u>\$ 1,260</u>
Less: Accumulated Depreciation	<u>(768)</u>
Net	<u>\$ 492</u>

**Note 9 – Long Term Debt**

The following is a schedule of long-term liabilities for Governmental Activities for the year ended June 30, 2002:

	Balance July 1, 2001	Additions	Deductions	Balance June 30, 2002	Amounts Due within One year
Employee Compensated Absences	\$ 7,065	\$ 817	\$ -	\$ 7,882	\$ 817
Capital Lease Obligation	1,513	-	253	1,260	270
Pension Funding Bonds	34,950	-	880	34,070	935
State of California Child Support	-	3,318	-	3,318	386
1999 Cert. Of Participation	10,430	-	730	9,700	755
General Long Term Debt Payable	<u>\$ 53,958</u>	<u>\$ 4,135</u>	<u>\$ 1,863</u>	<u>\$ 56,230</u>	<u>\$ 3,163</u>

**Taxable Pension Funding Bonds**

On November 19, 1997, the County issued \$35,175,000 of taxable pension funding bonds to fund the County's unfunded accrued actuarial liability due the Imperial County Employees' Retirement System ("the System"). The payment of this liability will provide the System additional funds for investment.

The bonds have a stated interest rate from 6.100% to 6.375% and are payable over a period of 22 years maturing in 2020. The bonds are not subject to optional redemption prior to their stated maturity date. The bond's debt service to maturity is as follows:

Year Ending June 30,	Principle	Interest	Total Payment
2003	\$ 935	\$ 2,240	\$ 3,175
2004	995	2,179	3,174
2005	1,060	2,114	3,174
2006	1,130	2,045	3,175
2007	1,205	1,970	3,175
2008-2012	7,355	8,520	15,875
2013-2017	10,270	5,609	15,879
2018-2021	11,120	1,477	12,597
Total	<u>\$ 34,070</u>	<u>\$ 26,154</u>	<u>\$ 60,224</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**1999 Certificates of Participation**

On March 1, 1999, the County issued its \$11,860,000 Certificates of Participation (1999 Capital Projects) dated March 3, 1999.

A portion of the proceeds of the certificates together with other available funds, have been applied to refund all of the outstanding \$14,200,000 original principal amount of the 1997 Certificates of Participation having any adjustable rate which was approximately 3.70% at the time of refunding. The 1999 Certificates have a stated interest rate of 3.50% to 5.00%, are payable over 20 years and are subject to a prepayment option which was not applicable for the refunding. The balance of the proceeds were placed in certain accounts with the fiscal agent to be drawn on as the various related capital projects progress. The debt service requirements on the certificates to maturity, are as follows:

<u>Year Ending June 30,</u>	<u>Principle</u>	<u>Interest</u>	<u>Total Payment</u>
2003	\$ 755	\$ 424	\$ 1,179
2004	785	396	1,181
2005	815	367	1,182
2006	845	335	1,180
2007	880	301	1,181
2008-2012	3,385	936	4,321
2013-2017	1,520	414	1,934
2018-2019	<u>715</u>	<u>54</u>	<u>769</u>
Total	<u>\$ 9,700</u>	<u>\$ 3,227</u>	<u>\$ 12,927</u>

The following is a schedule of long-term liabilities for Business-Type Activities for the year ended June 30, 2002:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2002</u>	<u>Amounts</u> <u>Due within</u> <u>One year</u>
Employee Compensated Absences	\$ 17	\$ 1	\$ -	\$ 18	\$ 1
Total	<u>\$ 17</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 18</u>	<u>\$ 1</u>

**Note 10 – Landfill Closure and Postclosure Costs**

State and federal laws and regulations require that the County of Imperial place a final cover on its landfills when they are closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfills closure and postclosure care costs are based on the amount of the landfills used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$7,745 as of June 30, 2002 which is based on an average of 15.97% usage (filled) of the ten landfills operated by the county. It is estimated that an additional \$3,800 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date that last landfill is expected to be filled to capacity (2109). The estimated total current cost of the landfill closure and postclosure care (\$10,408) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2002. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

The County of Imperial is required by state and federal laws to make annual contributions to finance closure and postclosure care. The County is in compliance with these requirements and at June 30, 2002, \$5,199 was held in an Enterprise Fund for these purposes. Any future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

**Note 11 – Employees’ Retirement Association**

The County has a contributory defined benefit pension plan (the “Plan”), operating under the California County Employees Retirement Act of 1937, administered by the Imperial County Employees’ Retirement System (the “Retirement System”). Membership in the Retirement System is mandatory for substantially all employees.

Plan Description - The Retirement System provides for retirement, death, disability, and cost-of-living benefits.

Retirement Allowance – An Employee with 10 or more years of service is entitled to an annual retirement allowance beginning at age 50. The retirement allowance is based upon the member’s age at retirement, final compensation, and the total years of service under the Plan. An employee may elect to receive an allowance in the form of a joint survivor annuity.

Employees terminating before rendering five years of service forfeit the right to receive benefits but may withdraw their contributions and accumulated interest. Employees terminating after five years of service may elect to leave accumulated deposits in the Plan and receive benefits at the time of normal retirement.

Death and Disability Benefits – Upon the death of an active employee, a death benefit, equal to the deceased member’s accumulated contributions and interest, plus 1/12th of the deceased’s final year’s salary, multiplied by the number of completed years of service, but limited to 1/2 annual salary, is paid to beneficiaries. Upon the death of a qualified member, the surviving spouse, as an option, may receive an annual allowance of 60 percent of the member’s retirement allowance as of the date of death. The death of a member due to service-connected injury or disease entitles the decedent’s surviving spouse or child under 18 years of age to receive an annual allowance equal to one-half the member’s final compensation. In addition, the beneficiary of a retiree who dies after retirement while receiving an allowance from the Retirement System, is paid a death benefit of \$5,000.

An active employee becoming totally disabled as a result of a service-connected injury or disease is paid an annual allowance of the larger of 50 percent of the employee’s compensation, or the normal retirement benefits accumulated by the member as of the date of disability. An active employee who is totally disabled because of a non-service connected disease or injury, receives all vested retirement benefits accumulated as of the date of the disability.

The Retirement System issues a stand-alone financial report, which may be obtained by contacting the Board of Retirement at 940 Main Street, Suite 105, El Centro, CA 92243.

Funding Policy - As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Retirement System.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

The total covered payroll of employees participating in the Retirement System for the year ended June 30, 2002 was \$59,928. The total County payroll for the year was \$66,653. The total contribution to the Retirement System for 2002 of \$12,082 was made in accordance with actuarial determined requirements computed through a actuarial valuation performed as of June 30, 1999. The County's contribution was \$8,376. Employee contributions were \$3,706. The amortization period of the unfunded actuarial liability is based on an initial amortization period of 30 years.

The County's contributions to the Plan, based on actuarial determined percentage of payroll costs, together with employees' contribution, are intended to provide defined benefits when employees retire. This contribution includes amortization of past service costs over 24 years.

The County's annual pension cost and net pension obligation to the Imperial County Employees' Retirement System for the current and two proceeding years is as follows:

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
6/30/02	8,376	100%
6/30/01	6,541	100%
6/30/00	4,334	100%

**Note 12 - Commitments and Contingencies**

**A. Grants**

The County recognizes as revenues, grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

**B. Litigation**

The County is a defendant in various lawsuits which arise under the normal course of the operations. In the opinion of County Counsel and management, such claims against the County not covered by insurance would not materially affect the combined financial statements of the County.

**C. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has established self-insurance programs for liability, workers' compensation, unemployment, medical malpractice and auto liability.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

The liability insurance has a self-insured retention per claim of \$200 with excess liability insurance of up to \$25 million per occurrence being provided by independent carriers. Workers' compensation has a self-insured retention per claim of \$300. Unemployment claims are reimbursed to the State of California for claims paid on behalf of the County. The County has a self-insurance group health program for its employees. The health plan has self-insured retention per claim of \$150. The medical malpractice insurance has a self-insured retention per claim of \$200 with excess liability insurance of up to \$9.8 million per occurrence being provided by independent carriers. Auto liability insurance has a self-insured retention per claim of \$200.

The activities related to such programs are accounted for in the Loss Reserve Funds (Internal Service Funds). Revenues are primarily provided by other County funds and are intended to cover self-insured claims liabilities, insurance premiums and operating expenses. County officials believe that the assets of the Loss Reserve Funds, together with funds to be provided in the future, will provide adequate resources to meet the County's self-insured claim liabilities as they come true.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent pay-outs and other economic and social factors. Changes in the balances of claims liabilities during the past year are as follows:

Liability at June 30, 2001	\$13,836
Current year claims and changes in estimates	10,118
Claim payments	<u>(13,880)</u>
Liability at June 30, 2002	<u>\$10,074</u>

**D. Child Support Incentive Funds Audit**

On August 15, 2002, the State of California Department of Finance issued an audit report on the Imperial County Child Support Incentive Funds. The report addressed four areas: 1) understatement of excess incentive funds in the amount of \$28, 2) excess incentive encumbrances were overstated by \$2,754, 3) interest earned and unexpended in the amount of \$342 and a credit for (\$24) for disallowed EDP expenditures, and 4) overstatement of excess incentive expenditures in the amount of \$218. The determination was that the County has to repay the State of California Child Support Department excess incentive monies in the amount of \$3,318. This obligation has been recorded in the General Fund as of June 30, 2002.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**  
**(Dollars in Thousands)**

**Note 13 – Notes Payable – TRANS**

Each fiscal year the County issues Tax and Revenue Anticipation Notes (TRANS) to provide financing of seasonal cash flow requirements for the General Fund's current year expenditures and to discharge its obligations and indebtedness during this period. The principal of the notes and the interest thereon are paid from pledged property taxes and revenues the County expects to receive during the fiscal year.

Short-term debt activity for the year ended June 30, 2002 was as follows:

	<u>Beginning Balance July 1, 2001</u>	<u>Draws</u>	<u>Repayments</u>	<u>Ending Balance June 30, 2002</u>
TRANS	\$ -	\$ 4,973	\$ (4,973)	\$ -

Subsequent to June 30, 2002, on July 1, 2002, the County issued \$5,000 in tax anticipation notes. The notes bear an interest rate of 3.00% and were underwritten by the U.S. Trust Company of California.





**Required Supplementary Information  
(Other than MD & A)**



**COUNTY OF IMPERIAL**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2002**

**Schedule of Funding Progress**  
(amounts expressed in millions)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Plan Assets (b)	Total Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (e)	UAAL As A Percentage of Annual Covered Payroll (c/e)
6-30-02	\$ 281.3	\$ 276.7	\$ 4.6	98.4%	71.7	6.4%
6-30-01	259.1	286.5	(27.4)	110.6%	62.8	(43.6%)
6-30-00	230.0	306.6	(76.6)	133.3%	52.7	(145.4%)
6-30-99	207.2	262.1	(54.9)	126.5%	44.7	(122.8%)
6-30-98	189.7	239.9	(50.2)	126.5%	41.0	(122.4%)
6-30-97	166.7	171.7	(5.0)	103.0%	41.7	(12.0%)
6-30-96 (a);(b)	146.2	132.5	13.7	90.6%	39.6	34.6%
6-30-95 (a)	143.2	118.7	24.5	82.9%	40.3	60.8%
6-30-94 (a);(b)	124.1	96.7	27.4	77.9%	34.5	79.4%
6-30-93 (a)	121.6	98.6	23.0	81.1%	35.1	65.5%

(a) Actuarial valuations are performed biennially with updates annually. For the fiscal years indicated, the actuary provided updates.

(b) Assets valuation was converted to Market Value.





**COMBINING INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



## **Non-major Governmental Funds**

### **Special Revenue Funds**

Special Revenue Funds account for revenues derived from specific taxes or other designated revenue sources. Primary revenue sources are: taxes, fines, forfeitures and penalties; use of money and property; aid from other governmental agencies; charges for current services; and other revenues. Expenditures are made only for specific activities legally authorized to be financed from the individual funds.

**Library** - The County Library District, serving a population of approximately 45,300, encompasses all of the unincorporated areas in Imperial County and all cities except Brawley, Calexico, El Centro and Imperial. The Library is located in rural El Centro with branches in Calipatria, Heber, Holtville, Niland, Ocotillo, Desert Shores, Salton City, and Westmorland. The Library collection is supplemented in various ways, including participation with the Serra Cooperative Library System in San Diego and Imperial Counties. Inter-library loan service is available with local libraries and other libraries in California and the California State Library.

**Fire Protection** - The Fire Department is responsible for fire protection only in certain unincorporated areas of the County. To augment its central core of fire-fighting personnel, the County has entered into contractual agreements with incorporated areas near these jurisdictions.

**Roads Fund** - This fund was established to provide for maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. Revenues consist primarily of the County's share of State highway user's tax and are supplemented by Federal funds, vehicle code fines, and fees and reimbursements for engineering services provided.

**State/Federal Jail Improvement Funds** - The State/Federal Jail Improvement funds were created to account for expenditures to improve jail conditions. These expenditures are reimbursed by the Federal Government and by the State Government.

**Criminal Justice Facilities Fund** - The monies in this fund together with any interest earned thereon may be used for construction, reconstruction, expansion, improvement, operation, or maintenance of County criminal justice and court facilities, and for improvement of criminal justice automated information systems; provided, that in Imperial County, money deposited each year in this fund may also be used for the maintenance, operation, construction, reconstruction, or expansion of County juvenile justice rehabilitation facilities.

## **Non-major Governmental Funds**

**Substance Abuse Perinatal Fund** - This budget unit is established for the provision of perinatal day care habilitative and contracted perinatal residential services and is under the direction of the Behavioral Health Director. Drug prevention, treatment and education services previously provided within this budget unit are reflected in the Substance Abuse Budget Unit.

**Service Authority Freeway Emergency** - This budget unit was established to identify revenues and expenditures for the installation of emergency call boxes on the Imperial County freeway system.

**Public Works-Solid Waste Disposal** - This budget unit reflects the cost of the Solid Waste Disposal Program including operation, acquisition, source reduction recycling program, and Closure/Post-Closure requirements. Revenue from user fees, Joint Powers Agreement and charges will be sufficient to make the program fully self-supporting, without a contribution from the County General Fund. The Board established this special revenue fund to more accurately reflect the expenditures and revenues associated with the Solid Waste Disposal Program.

**Mosquito Abatement** - The Mosquito Abatement Program provides mosquito and Africanized honeybee abatement services to all areas of the County. The services include preventative abatement programs designed to eliminate mosquito-breeding areas, direct elimination of mosquitoes, and detection and eradication of Africanized honeybees in open spaces. Revenue for this program is from assessment of property owners in the County.

**Star Grant OET Fund** – This budget unit was established to account for activities of the Rewarding Youth Achievement Grant or STAR (Project Students Toward Achieving Results) funded directly by the Department of Labor and passed through the Office of Employment Training. The purpose of the grant is to target 450 youths between the ages of 14 to 18, in grades 9 through 12, who attend Brawley Union High School or Calipatria High School and meet high academic achievement and attendance standards. This program emphasizes academic enrichment in the Math and Sciences areas.

**AB443 Local Assistance Law Enforcement Grant** – This budget unit was established to account for funds received from the State to enhance law enforcement activities in rural and small counties.

## **Non-major Governmental Funds**

**Imperial County Economic Development Funds (ICCED)** - The ICCED funds account for revenues and expenditures for various activities and programs including USDA Small Business RLF, POE Colonia Waterline, USDA Micro Tech Asst., New Port Final Stage, VIDA Special Expense, Coyote/Ocotillo Water, Home Biz Micro Training Prog., VIDA Micro Lending Prog., USDA POE Waste Water, Empowerment Zone App. Dev., Gossner Foods, USDA RLF, VIDA Housing Rehab., Job Creation Implementation, USDA Rural Business Enter., Census 2000 Complty Cnty Co., Heber Housing Rehab. 2000, Ocotillo Housing Rehab., USDA POE Water Svc. Lines, Colonia Technical Asst. Prog., USDA Foreign Trade Zone, CDBG Micro Enterprise, Library Automation, CDBG Revolving Loan Fund, CDBG Plan & Tech. Assist., CDBG General 1984, CDBG 1984 Jobs Bill, CDBG State, CDBG 1985, Heber Housing Rehab., Mesquite Lake CDBG P/TA M, Rural Development Asst., Geographic Info. Sys., Womanhaven Rehab. Program, Colonia II Planning Grant, CDBG, Micro Planning/TA, Scattered Sites Housing, Crisis Res./Housing Rehab., Colonia III & IV Grant, and Enterprise Community.

**Other Special Revenue Funds** - Account for revenues received for various activities and programs including Public Health Environmental Serv., Violence Against Women Pros. Unit, Gateway CSA, IV Food Bank, High Risk Youth TR Student, Major Narco Vert. Pros., HIDTA District Attorney, Juvenile Crime Enforce. & ACG II, School to Work, New River Task Force, Partner Public Health, Youth Opp. Grant-SOS, SOS Grant Probation, Local Law Enforcement Block Grant, Drug Court, 1999 LLEBG Probation, Glamis Dune Grant, Sugar Cane Prj. Ag. Ext., Assessor PTA Program, Fiber Optic Network, CNG Facility, Federal Asset Forfeiture, State Asset Forfeiture, Prior Fed. Asset Forfeiture, CA Witness Prot. Prog., Substance & Crime Prev. 2000, Fish & Game, Stat. Rape Vertical Prosecution Unit, Emergency Service, State Jail Improvement, Geothermal Administration, Probation Training, Sheriff Standard Training, City of Imperial Fire Serv., Special Consumer Fraud-D.A., HIDTA Grant Sheriff, Child Abuse (AB 1733), E.C. Training Center CYA, Victim-Witness Asst., IVAG, Park Bond Act Pioneer Park, AB75 Health, Internet Access, Whitefly Mgmt. Committee, Integrated Waste Mgmt., 1980 Park Bond Act, Desert Agri. Inst., Air Pollution Control Special, Park Bond Act Sunbeam, Park Bond Act Red Hill, I.C. Film Commission, Park Bond Act Heber Dunes, Special Prosecutions Unit, Area Agency on Aging, Tobacco Education, Park Bond Act 1988, ARID, Chambers, JTPA Current Funds, Volunteer Program, Source Reduction Recy. Elm.

## **Non-major Governmental Funds**

### **Capital Projects Funds**

The purpose of these funds are to separately account for major acquisition, construction and additions to County buildings and land other than those financed by Enterprise Funds and Internal Service Funds.

### **Debt Service Fund**

The Debt Service Fund is used to account for the accumulation of resources for the payment of principal and interest on the County's pension obligation bonds. There are no combining statements because the County has one Debt Service fund which is reported on the non-major combined financial statements.

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
June 30, 2002  
(amounts expressed in thousands)

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 11,470	\$ 3,899	\$ 3,714	\$ 19,083
Cash with Fiscal Agent	10	-	-	10
Deposits with Others	37	-	-	37
Receivables (net):				
Accounts	1,838	12	-	1,850
Interest	105	32	23	160
Taxes	88	-	-	88
Loan	1,860	-	-	1,860
Due from other funds	1,732	2	-	1,734
Inventories and Prepaid Expenses	273	-	-	273
Total assets	<u>\$ 17,413</u>	<u>\$ 3,945</u>	<u>\$ 3,737</u>	<u>\$ 25,095</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,570	\$ 181	\$ (3,179)	\$ (1,428)
Accrued Payroll	820	-	-	820
Interest Payable	20	7	-	27
Due to other funds	2,564	28	-	2,592
Total Liabilities	<u>4,974</u>	<u>216</u>	<u>(3,179)</u>	<u>2,011</u>
<b>Fund balances:</b>				
<b>Reserved for:</b>				
Encumbrances	2,073	3,351	-	5,424
Inventories	277	-	-	277
Debt Service	-	-	6,916	6,916
Loan	1,057	-	-	1,057
Other	843	-	-	843
Unreserved, undesignated	8,189	378	-	8,567
Total fund balances	<u>12,439</u>	<u>3,729</u>	<u>6,916</u>	<u>23,084</u>
Total liabilities and fund balances	<u>\$ 17,413</u>	<u>\$ 3,945</u>	<u>\$ 3,737</u>	<u>\$ 25,095</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>Special Revenue Funds</b>	<b>Capital Projects Funds</b>	<b>Debt Service Funds</b>	<b>Total</b>
<b>Revenues:</b>				
Taxes	\$ 2,792	\$ -	\$ -	\$ 2,792
Fines, Forfeitures & Penalties	1,570	154	-	1,724
Use of Money & Property	459	113	94	666
State Aid	17,810	58	-	17,868
Federal Aid	10,774	454	-	11,228
Charges for Services	3,738	-	-	3,738
Sale of Fixed Assets	72	-	-	72
Other Revenues	5,461	1,334	3,472	10,267
Total Revenues	<u>42,676</u>	<u>2,113</u>	<u>3,566</u>	<u>48,355</u>
<b>Expenditures:</b>				
Current:				
General Government	392	3,012	3,131	6,535
Public Protection	10,312	-	-	10,312
Health & Sanitation	7,228	-	-	7,228
Public Assistance	13,966	-	-	13,966
Public Ways & Facilities	15,291	-	-	15,291
Education	567	-	-	567
Total expenditures	<u>47,756</u>	<u>3,012</u>	<u>3,131</u>	<u>53,899</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out)	166	2,012	-	2,178
Total Other Financing Sources (Uses)	<u>166</u>	<u>2,012</u>	<u>-</u>	<u>2,178</u>
Net change in fund balances	(4,914)	1,113	435	(3,366)
<b>Fund balances - beginning</b>	<u>17,353</u>	<u>2,616</u>	<u>6,481</u>	<u>26,450</u>
<b>Fund balances - ending</b>	<u><u>\$ 12,439</u></u>	<u><u>\$ 3,729</u></u>	<u><u>\$ 6,916</u></u>	<u><u>\$ 23,084</u></u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>Library</b>	<b>Fire Protection</b>	<b>Public Works Roads</b>	<b>State/ Federal Jail Improvements</b>	<b>Criminal Justice Facilities</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 760	\$ 304	\$ 2,900	\$ 2,638	\$ 1,217
Cash with Fiscal Agent	-	-	-	-	-
Deposits with Others	-	-	-	-	-
Receivables (net):					
Accounts	-	-	388	35	52
Interest	6	-	19	20	8
Taxes	15	73	-	-	-
Loan	-	-	-	-	-
Due from other funds	18	4	275	-	-
Inventories and Prepaid Expenses	-	-	277	-	-
Total assets	<u>\$ 799</u>	<u>\$ 381</u>	<u>\$ 3,859</u>	<u>\$ 2,693</u>	<u>\$ 1,277</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 7	\$ 98	\$ 274	\$ 528	\$ -
Accrued Payroll	11	88	223	-	-
Interest Payable	-	-	-	-	-
Due to other funds	1	3	338	34	-
Total Liabilities	<u>19</u>	<u>189</u>	<u>835</u>	<u>562</u>	<u>-</u>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	17	87	382	603	-
Inventories	-	-	277	-	-
Debt Service	-	-	-	-	-
Loan	-	-	-	-	-
Other	-	-	-	-	-
Unreserved, undesignated	763	105	2,365	1,528	1,277
Total fund balances	<u>780</u>	<u>192</u>	<u>3,024</u>	<u>2,131</u>	<u>1,277</u>
Total liabilities and fund balances	<u>\$ 799</u>	<u>\$ 381</u>	<u>\$ 3,859</u>	<u>\$ 2,693</u>	<u>\$ 1,277</u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Substance Abuse Perinatal	Serv. Authority Freeway Emerg.	PW. Solid Waste Disposal	Mosquito Abatement	Star Grant OET
<b>Assets:</b>					
Cash and cash equivalents	\$ 306	\$ 737	\$ 1,008	\$ 561	\$ 376
Cash with Fiscal Agent	-	-	-	-	3
Deposits with Others	-	-	-	-	-
Receivables (net):			-	-	-
Accounts	59	-	-	-	-
Interest	2	5	11	4	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	65	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
Total assets	<u>\$ 432</u>	<u>\$ 742</u>	<u>\$ 1,019</u>	<u>\$ 565</u>	<u>\$ 379</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 6	\$ -	\$ 36		\$ 12
Accrued Payroll	3	-	29	13	-
Interest Payable	-	-	-	-	-
Due to other funds	230	4	125	166	-
Total Liabilities	<u>239</u>	<u>4</u>	<u>190</u>	<u>179</u>	<u>12</u>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	1	-	45	1	-
Inventories	-	-	-	-	-
Debt Service	-	-	-	-	-
Loan	-	-	-	-	-
Other	-	-	-	-	-
Unreserved, undesignated	192	738	784	385	367
Total fund balances	<u>193</u>	<u>738</u>	<u>829</u>	<u>386</u>	<u>367</u>
Total liabilities and fund balances	<u>\$ 432</u>	<u>\$ 742</u>	<u>\$ 1,019</u>	<u>\$ 565</u>	<u>\$ 379</u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>AB443 Local Law Enforcement</b>	<b>ICCED Funds</b>	<b>Other Special Revenue Funds</b>	<b>Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 508	\$ 299	\$ (143)	\$ 11,471
Cash with Fiscal Agent	-	-	7	10
Deposits with Others	-	37	-	37
Receivables (net):				
Accounts	-	-	1,303	1,837
Interest	4	4	22	105
Taxes	-	-	-	88
Loan	-	1,860	-	1,860
Due from other funds	-	111	1,259	1,732
Inventories and Prepaid Expenses	-	-	(4)	273
Total assets	<u>\$ 512</u>	<u>\$ 2,311</u>	<u>\$ 2,444</u>	<u>\$ 17,413</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 20	\$ 588	\$ 1,569
Accrued Payroll	-	-	454	821
Interest Payable	-	2	18	20
Due to other funds	-	97	1,566	2,564
Total Liabilities	<u>-</u>	<u>119</u>	<u>2,626</u>	<u>4,974</u>
<b>Fund balances:</b>				
Reserved for:				
Encumbrances	-	-	936	2,072
Inventories	-	-	-	277
Debt Service	-	-	-	-
Loan	-	1,057	-	1,057
Other	-	840	3	843
Unreserved, undesignated	512	295	(1,121)	8,190
Total fund balances	<u>512</u>	<u>2,192</u>	<u>(182)</u>	<u>12,439</u>
Total liabilities and fund balances	<u>\$ 512</u>	<u>\$ 2,311</u>	<u>\$ 2,444</u>	<u>\$ 17,413</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<u>Library</u>	<u>Fire Protection</u>	<u>Public Works Roads</u>
<b>Revenues:</b>			
Taxes	\$ 473	\$ 2,319	\$ -
Fines, Forfeitures & Penalties	-	-	72
Use of Money & Property	30	-	136
State Aid	101	44	7,023
Federal Aid	-	-	959
Charges for Services	-	-	(151)
Sale of Fixed Assets	-	-	50
Other Revenues	22	29	3,813
Total Revenues	<u>626</u>	<u>2,392</u>	<u>11,902</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Public Protection	-	2,615	-
Health & Sanitation	-	-	-
Public Assistance	-	-	-
Public Ways & Facilities	-	-	15,284
Education	440	-	-
Total expenditures	<u>440</u>	<u>2,615</u>	<u>15,284</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In (Out)	<u>(311)</u>	<u>(3)</u>	<u>103</u>
Total Other Financing Sources (Uses)	<u>(311)</u>	<u>(3)</u>	<u>103</u>
Net change in fund balances	(125)	(226)	(3,279)
<b>Fund balances - beginning</b>	<u>905</u>	<u>418</u>	<u>6,303</u>
<b>Fund balances - ending</b>	<u><u>\$ 780</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ 3,024</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>State/ Federal Jail Improvements</b>	<b>Criminal Justice Facilities</b>	<b>Substance Abuse Perinatal</b>
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Fines, Forfeitures & Penalties	-	680	10
Use of Money & Property	96	34	6
State Aid	51	-	112
Federal Aid	800	-	75
Charges for Services	-	-	107
Sale of Fixed Assets	-	-	-
Other Revenues	-	-	-
Total Revenues	<u>947</u>	<u>714</u>	<u>310</u>
<b>Expenditures:</b>			
Current:			
General Government	-	-	-
Public Protection	1,239	268	-
Health & Sanitation	-	-	360
Public Assistance	-	-	-
Public Ways & Facilities	-	-	-
Education	-	-	-
Total expenditures	<u>1,239</u>	<u>268</u>	<u>360</u>
<b>Other Financing Sources (Uses):</b>			
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>(11)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(11)</u>
Net change in fund balances	(292)	446	(61)
<b>Fund balances - beginning</b>	<u>2,423</u>	<u>831</u>	<u>254</u>
<b>Fund balances - ending</b>	<u><u>\$ 2,131</u></u>	<u><u>\$ 1,277</u></u>	<u><u>\$ 193</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Serv. Authority Freeway Emerg.	PW. Solid Waste Disposal	Mosquito Abatement	Star Grant OET
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	25	56	15	(1)
State Aid	124	-	-	-
Federal Aid	-	-	-	1,112
Charges for Services	-	1,695	512	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	26	-	-
Total Revenues	<u>149</u>	<u>1,777</u>	<u>527</u>	<u>1,111</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Health & Sanitation	-	2,257	-	-
Public Assistance	-	-	379	744
Public Ways & Facilities	74	-	-	-
Education	-	-	-	-
Total expenditures	<u>74</u>	<u>2,257</u>	<u>379</u>	<u>744</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out)	<u>-</u>	<u>(99)</u>	<u>(160)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(99)</u>	<u>(160)</u>	<u>-</u>
Net change in fund balances	75	(579)	(12)	367
<b>Fund balances - beginning</b>	<u>663</u>	<u>1,408</u>	<u>398</u>	<u>-</u>
<b>Fund balances - ending</b>	<u>\$ 738</u>	<u>\$ 829</u>	<u>\$ 386</u>	<u>\$ 367</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Special Revenue Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>AB443 Local Law Enforcement</b>	<b>ICCED Funds</b>	<b>Other Special Revenue Funds</b>	<b>Total</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,792
Fines, Forfeitures & Penalties	-	-	807	1,569
Use of Money & Property	12	8	41	458
State Aid	500	594	9,261	17,810
Federal Aid	-	158	7,670	10,774
Charges for Services	-	-	1,575	3,738
Sale of Fixed Assets	-	-	-	50
Other Revenues	-	311	1,283	5,484
Total Revenues	<u>512</u>	<u>1,071</u>	<u>20,637</u>	<u>42,675</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	334	334
Public Protection	-	-	6,248	10,370
Health & Sanitation	-	-	4,611	7,228
Public Assistance	-	813	11,903	13,839
Public Ways & Facilities	-	-	59	15,417
Education	-	-	127	567
Total expenditures	<u>-</u>	<u>813</u>	<u>23,282</u>	<u>47,755</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out)	<u>-</u>	<u>(125)</u>	<u>772</u>	<u>166</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(125)</u>	<u>772</u>	<u>166</u>
Net change in fund balances	512	133	(1,873)	(4,914)
<b>Fund balances - beginning</b>	<u>-</u>	<u>2,059</u>	<u>1,691</u>	<u>17,353</u>
<b>Fund balances - ending</b>	<u>\$ 512</u>	<u>\$ 2,192</u>	<u>\$ (182)</u>	<u>\$ 12,439</u>

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Library**  
**For the Fiscal Year Ended June 30, 2002**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 430	\$ 440	\$ 473	\$ 33
Use of Money & Property	-	-	30	30
State aid	102	110	101	(9)
Other Revenues	4	8	22	14
Total revenues	536	558	626	68
<b>Expenditures:</b>				
Education:				
Salaries and Benefits	197	263	235	28
Services and Supplies	158	240	227	13
Other Charges	18	18	4	14
Intra Fund Transfers	-	(26)	(26)	-
Contribution Non-County	-	255	-	255
Total expenditures	373	750	440	310
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	(311)	311
Total Other Financing Sources (Uses)	-	-	(311)	311
Excess of revenues over expenditures	163	(192)	(125)	69
<b>Fund balances - beginning</b>	905	905	905	-
<b>Fund balances - ending</b>	\$ 1,068	\$ 713	\$ 780	\$ 69

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Fire Protection**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ 2,136	\$ 2,154	\$ 2,319	\$ 165
Use of Money & Property	-	-	-	-
State aid	50	60	44	(16)
Other Revenues	45	45	29	(16)
Total revenues	2,231	2,259	2,392	133
<b>Expenditures:</b>				
Public Protection:				
Salaries and Benefits	1,551	1,841	1,939	(98)
Services and Supplies	946	1,102	1,181	(79)
Other Charges	63	66	44	22
Capital Outlay	-	58	55	
Intra Fund Transfers	(345)	(608)	(608)	-
Inter Fund Transfers	(20)	(120)	-	
Contingenecies	35	6	4	2
Total expenditures	2,230	2,345	2,615	(153)
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	(3)	3
Total Other Financing Sources (Uses)	-	-	(3)	3
Excess of revenues over expenditures	1	(86)	(226)	140
<b>Fund balances - beginning</b>	418	418	418	-
<b>Fund balances - ending</b>	\$ 419	\$ 332	\$ 192	\$ 140

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Public Works Roads**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Fines, Forfeitures & Penalties	60	60	72	12
Use of Money & Property	100	50	136	86
State aid	6,144	8,805	7,023	(1,782)
Federal aid	-	-	959	959
Other Revenues	3,081	2,983	3,712	729
Total revenues	9,385	11,898	11,902	4
<b>Expenditures:</b>				
Public Ways & Facilities:				
Salaries and Benefits	4,443	4,723	4,472	251
Services and Supplies	5,272	9,298	9,876	(578)
Other Charges	396	396	378	18
Capital Outlay	564	1,519	508	1,011
Intra Fund Transfers	-	(7)	(7)	-
Inter Fund Transfers	-	-	57	(57)
Contingenecies	100	100	-	100
Total expenditures	10,775	16,029	15,284	745
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	103	(103)
Total Other Financing Sources (Uses)	-	-	103	(103)
Excess of revenues over expenditures	(1,390)	(4,131)	(3,279)	(852)
<b>Fund balances - beginning</b>	6,303	6,303	6,303	-
<b>Fund balances - ending</b>	\$ 4,913	\$ 2,172	\$ 3,024	\$ (852)

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**State/Federal Jail Improvements**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ 55	\$ 55	\$ 96	\$ 41
State aid	25	20	51	31
Federal aid	250	200	800	600
Other Revenues	-	-	-	-
Total revenues	330	275	947	672
<b>Expenditures:</b>				
Public Protection:				
Salaries and Benefits	-	-	-	-
Services and Supplies	130	209	1,242	(1,033)
Capital Outlay	330	311	(3)	314
Total expenditures	460	520	1,239	(719)
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	(130)	(245)	(292)	47
<b>Fund balances - beginning</b>	2,423	2,423	2,423	-
<b>Fund balances - ending</b>	\$ 2,293	\$ 2,178	\$ 2,131	\$ 47

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Criminal Justice Facilities**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Fines, Forfeitures & Penalties	\$ 490	\$ 550	\$ 680	\$ 130
Use of Money & Property	10	10	34	24
Total revenues	500	560	714	154
<b>Expenditures:</b>				
Public Protection:				
Services and Supplies	260	260	263	(3)
Other Charges	100	200	-	200
Capital Outlay	20	20	5	15
Total expenditures	380	480	268	212
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	120	80	446	(366)
<b>Fund balances - beginning</b>	831	831	831	-
<b>Fund balances - ending</b>	<u>\$ 951</u>	<u>\$ 911</u>	<u>\$ 1,277</u>	<u>\$ (366)</u>

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Substance Abuse/Perinatal**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Fines, Forfeitures & Penalties	\$ 25	\$ 10	\$ 10	\$ -
Use of Money & Property	2	2	6	4
State aid	284	215	111	(104)
Federal aid	26	106	75	(31)
Other Revenues	183	198	107	(91)
Total revenues	520	531	309	(222)
<b>Expenditures:</b>				
Health & Sanitation:				
Salaries and Benefits	328	407	236	171
Services and Supplies	195	122	117	5
Other Charges	10	13	7	6
Total expenditures	533	542	360	182
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	(10)	10
Total Other Financing Sources (Uses)	-	-	(10)	10
Excess of revenues over expenditures	(13)	(11)	(61)	50
<b>Fund balances - beginning</b>	254	254	254	-
<b>Fund balances - ending</b>	\$ 241	\$ 243	\$ 193	\$ 50

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Service Authority Freeway Emergency**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ -	\$ -	\$ 25	\$ 25
State aid	-	115	124	9
Total revenues	-	115	149	34
<b>Expenditures:</b>				
Public Ways & Facilities:				
Services and Supplies	-	115	74	41
Total expenditures	-	115	74	41
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	-	-	75	(75)
<b>Fund balances - beginning</b>	663	663	663	-
<b>Fund balances - ending</b>	<u>\$ 663</u>	<u>\$ 663</u>	<u>\$ 738</u>	<u>\$ (75)</u>

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Public Works Solid Waste Disposal**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ 25	\$ 40	\$ 56	\$ 16
Other Revenues	1,741	1,691	1,721	30
Total revenues	1,766	1,731	1,777	46
<b>Expenditures:</b>				
Health & Sanitation:				
Salaries and Benefits	629	652	570	82
Services and Supplies	1,314	1,750	1,729	21
Other Charges	2	2	1	1
Capital Outlay	145	359	53	306
Intra Fund Transfers	-	(96)	(96)	-
Inter Fund Transfers	7	5	-	5
Contingenecies	20	20	-	20
Total expenditures	2,117	2,692	2,257	435
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	(99)	99
Total Other Financing Sources (Uses)	-	-	(99)	99
Excess of revenues over expenditures	(351)	(961)	(579)	(382)
<b>Fund balances - beginning</b>	1,408	1,408	1,408	-
<b>Fund balances - ending</b>	\$ 1,057	\$ 447	\$ 829	\$ (382)

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Mosquito Abatement**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ -	\$ -	\$ 15	\$ 15
Other Revenues	500	500	512	12
Total revenues	500	500	527	27
<b>Expenditures:</b>				
Public Assistance:				
Salaries and Benefits	317	330	289	41
Services and Supplies	234	227	90	137
Other Charges	-	-	-	-
Contingenecies	50	50	-	50
Total expenditures	601	607	379	228
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	(160)	160
Total Other Financing Sources (Uses)	-	-	(160)	160
Excess of revenues over expenditures	(101)	(107)	(12)	(95)
<b>Fund balances - beginning</b>	398	398	398	-
<b>Fund balances - ending</b>	\$ 297	\$ 291	\$ 386	\$ (95)

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**Star Grant OET**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ -	\$ -	\$ (1)	\$ (1)
Federal aid	949	949	1,112	163
Total revenues	949	949	1,111	162
<b>Expenditures:</b>				
Public Assistance:				
Salaries and Benefits	37	34	37	(3)
Services and Supplies	364	915	706	209
Other Charges	-	-	-	-
Capital Outlay	-	1	1	-
Total expenditures	401	950	744	206
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	548	(1)	367	(368)
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ 548</u>	<u>\$ (1)</u>	<u>\$ 367</u>	<u>\$ (368)</u>

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**AB 443 Local Law Enforcement Grant**  
**For the Fiscal Year Ended June 30, 2002**  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ -	\$ -	\$ 12	\$ 12
State aid	-	143	500	357
Total revenues	-	143	512	369
<b>Expenditures:</b>				
Public Protection:				
Salaries and Benefits	-	137	-	137
Services and Supplies	-	6	-	6
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
Intra Fund Transfers	-	-	-	-
Inter Fund Transfers	-	-	-	-
Contingenecies	-	-	-	-
Total expenditures	-	143	-	143
<b>Other Financing Sources:</b>				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	-	-	512	(512)
<b>Fund balances - beginning</b>	-	-	-	-
<b>Fund balances - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512</u>	<u>\$ (512)</u>

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**ICCED Funds**

Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Use of Money & Property	\$ 3	\$ 257	\$ 8	\$ (249)
State aid	889	1,494	594	(900)
Federal aid	844	748	158	(590)
Charges for Services	308	446	311	(135)
Total revenues	2,044	2,945	1,071	(1,874)
<b>Expenditures:</b>				
Public Assistance:				
Salaries and Benefits	-	94	8	86
Services and Supplies	1,510	2,435	506	1,929
Capital Outlay	30	98	12	86
Intra Fund Transfers	(30)	270	238	32
Inter Fund Transfers	(112)	-	(181)	181
Contribution Non-County	117	159	230	(71)
Total expenditures	1,515	3,056	813	2,243
Excess of revenues over expenditures	529	(111)	258	369
<b>Other financing sources (uses):</b>				
Transfers In (Out)	-	-	(125)	125
Net change in fund balances	529	(111)	133	494
<b>Fund balances - beginning</b>	2,059	2,059	2,059	-
<b>Fund balances - ending</b>	\$ 2,588	\$ 1,948	\$ 2,192	\$ 494

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Other Special Revenue Funds**  
Year Ended June 30, 2002  
(amounts expressed in thousands)

	<b>Other Special Revenue Funds</b>			<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Budgeted</b>	<b>Amounts</b>	<b>Actual</b>	
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	
<b>Revenues:</b>				
Fines, Forfeitures & Penalties	\$ 660	\$ 656	\$ 807	\$ (151)
Use of Money & Property	32	30	41	(11)
State aid	6,382	11,731	9,261	2,470
Federal aid	2,290	9,627	7,670	1,957
Charges for Services	2,274	3,483	1,575	1,908
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	1,283	(1,283)
Total revenues	11,638	25,527	20,637	4,890
<b>Expenditures:</b>				
Current:				
Salaries and Benefits	7,024	12,441	9,346	3,095
Services and Supplies	5,230	14,092	13,290	802
Other Charges	147	260	268	(8)
Capital Outlay	10	789	641	148
Intra Fund Transfers	(391)	(327)	-	(327)
Inter Fund Transfers	(358)	(426)	(265)	(161)
Contribution Non-County	-	25	-	25
Contingenecies	-	-	2	(2)
Total expenditures	11,662	26,854	23,282	3,572
Excess of revenues over expenditures	(24)	(1,327)	(2,645)	1,318
<b>Other financing sources (uses):</b>				
Transfers In (Out)	-	-	772	2,749
Net change in fund balances	(24)	(1,327)	(1,873)	4,067
<b>Fund balances - beginning</b>	1,691	1,691	1,691	-
<b>Fund balances - ending</b>	1,667	364	(182)	4,067

## **Internal Service Funds**

Internal Service Funds are established to account for services that are performed by one department of a governmental unit for the benefit of several other departments of the same governmental unit.

**Garage Operating** – The County Garage is under the direction of the Public Works director and is responsible for the administration and management of the County's fleet of light vehicles. The authority of the County Board of Supervisors leases these vehicles to various County departments to meet their transportation needs. The cost to maintain the garage operation is totally offset by a mileage rate charge to these departments. This budget unit is also used to replace Motor Pool vehicles, which are considered obsolete when they reach mileage or age, which would cause them to become inefficient for continued service.

**Central Duplicating** – This budget unit was established as an internal service fund to provide printing and duplicating services, with the exception of the Sheriff's Department. Central Duplicating also provides other services such as binding, collating, drilling, folding, laminating, numbering, perforating, padding, cutting, trimming, and designing of printed forms.

**Centralized Mail System** – This budget unit was created during 1983-84 to identify costs associated with the County's centralized mail system. This system provides for one mail clerk position, as well as the utilization of a digital postage machine. Costs are recovered from departments resulting in a net cost of zero to the general fund. This budget is under the direction of the Purchasing Agent.

**Flood Control** – This budget unit is created to reflect flood control projects undertaken by the County. The Board of Supervisors approves specific projects.

**Communication Services** – The Communications Services Office, under the supervision of the County Executive Officer, is responsible for coordinating the delivery of telecommunications products and services for all County departments, and for ensuring that departments receive the mix of products and services that provides the greatest benefit at the most advantageous cost.

**Liability Insurance** – This fund was established for the processing of claims for the County's liability and property losses. The County is a member of the County Supervisors Association of California – Excess Insurance Authority (CSAC-EIA) which provides for coverage of liability claims in excess of the County's \$200,000 self-insured retention (S-I-R).

**Workers' Compensation** – This fund was established for the accumulation of reserves to pay for self-funded workers' compensation losses. The level of self-insurance, adopted in 1985-86, is \$300,000 per occurrence. Any losses under this amount are paid from this fund and losses above the amount are covered by excess insurance.

### **Internal Service Funds**

**Unemployment Compensation Insurance** – This fund was established to pay for required claims as a result of a State mandate effective January 1, 1978, which required all local governments to provide for unemployment compensation. Claims management is provided by Gibbens Company.

**Health Plan** – The Imperial County Health Plan became operational January 1, 1980. It is a self-funded, self-sustaining program of employee medical benefits, funded by the County and employee contributions, which are determined by negotiations and based on expenditure history. Retirees of Imperial County also qualify for coverage and are provided protection by contract with the Retirement Board.

**Dental/Vision Plan** – This fund was established in 1985-86 for the accumulation of reserves to pay for self-funded Dental/Vision claims.

**Medical Malpractice** – This fund was established in 1992-93 to provide for the accumulation of reserves for the County self-insured Medical Malpractice Program. Stop loss insurance provides protection for excessive claims expense.

**Auto Plan** – This fund was established in 1992-93 for the accumulation of reserves to pay for self-funded auto claims.

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
June 30, 2002  
(amounts expressed in thousands)

	<u>Garage Operating</u>	<u>Central Dupl.</u>	<u>Central. Mail System</u>	<u>Flood Control</u>	<u>Comm. Services</u>
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ 2,009	\$ 127	\$ (73)	\$ 184	\$ 83
Receivables (net):					
Accounts	-	-	-	-	(2)
Interest	13	1	-	2	-
Due from Other Funds	215	33	66	-	78
Inventories and Prepaid Expenses	21	21	32	-	-
Total Current Assets	<u>2,258</u>	<u>182</u>	<u>25</u>	<u>186</u>	<u>159</u>
Noncurrent Assets:					
Land	23	-	-	-	-
Construction in progress	-	-	-	-	-
Structures & Improvements	163	-	-	-	-
Vehicles	5,673	-	-	-	-
Equipment	85	108	51	-	769
Accumulated Depreciation	(3,544)	(98)	(51)	-	(609)
Total Noncurrent Assets	<u>2,400</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>160</u>
Total Assets	<u><u>\$ 4,658</u></u>	<u><u>\$ 192</u></u>	<u><u>\$ 25</u></u>	<u><u>\$ 186</u></u>	<u><u>\$ 319</u></u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Claims Payable	-	-	-	-	-
Accounts Payable	65	4	1	-	1
Accrued Payroll	22	9	2	-	4
Due to Other Funds	19	1	65	-	-
Current portion of compensated absences	9	1	-	-	1
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>115</u>	<u>15</u>	<u>68</u>	<u>-</u>	<u>6</u>
Long Term Liabilities:					
Compensated Absences	41	8	2	-	7
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>41</u>	<u>8</u>	<u>2</u>	<u>-</u>	<u>7</u>
Total Liabilities	<u>156</u>	<u>23</u>	<u>70</u>	<u>-</u>	<u>13</u>
<b>NET ASSETS:</b>					
Invested in Capital Assets, net of related debt	2,400	10	-	-	160
Restricted	21	21	-	-	-
Unrestricted	2,081	138	(45)	186	146
Total Net Assets	<u><u>\$ 4,502</u></u>	<u><u>\$ 169</u></u>	<u><u>\$ (45)</u></u>	<u><u>\$ 186</u></u>	<u><u>\$ 306</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
June 30, 2002  
(amounts expressed in thousands)

	Liability Insurance	Workers' Comp. Benefits	Unemp. Insurance	Health Plan
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 4,124	\$ 8,661	\$ 329	\$ 4,938
Receivables (net):				
Accounts	-	-	-	-
Interest	23	56	2	31
Due from Other Funds	-	-	-	788
Inventories and Prepaid Expenses	-	-	-	-
Total Current Assets	<u>4,147</u>	<u>8,717</u>	<u>331</u>	<u>5,757</u>
Noncurrent Assets:				
Land	-	-	-	-
Construction in progress	-	-	-	-
Structures & Improvements	-	-	-	-
Vehicles	-	-	-	-
Equipment	-	-	-	-
Accumulated Depreciation	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u><u>\$ 4,147</u></u>	<u><u>\$ 8,717</u></u>	<u><u>\$ 331</u></u>	<u><u>\$ 5,757</u></u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Claims Payable	4,183	1,021	-	2,326
Accounts Payable	170	-	3	1
Accrued Payroll	-	-	-	-
Due to Other Funds	110	73	39	79
Current portion of compensated absences	-	-	-	-
Capital Lease Obligations-				
Current Portion	-	-	-	-
Total Current Liabilities	<u>4,463</u>	<u>1,094</u>	<u>42</u>	<u>2,406</u>
Long Term Liabilities:				
Compensated Absences	-	-	-	-
Capital Lease Obligations-				
Net of Current Portion	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,463</u>	<u>1,094</u>	<u>42</u>	<u>2,406</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets, net of related debt	-	-	-	-
Restricted	25	-	-	-
Unrestricted	(341)	7,623	289	3,351
Total Net Assets	<u><u>\$ (316)</u></u>	<u><u>\$ 7,623</u></u>	<u><u>\$ 289</u></u>	<u><u>\$ 3,351</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
June 30, 2002  
(amounts expressed in thousands)

	Dental/ Vision Plan	Medical Malpractice	Auto	Total
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 2,554	\$ 522	\$ 1,200	\$ 24,658
Receivables (net):				
Accounts	-	-	-	(2)
Interest	20	-	7	155
Due from Other Funds	-	-	-	1,180
Inventories and Prepaid Expenses	-	-	-	74
Total Current Assets	<u>2,574</u>	<u>522</u>	<u>1,207</u>	<u>26,065</u>
Noncurrent Assets:				
Land	-	-	-	23
Construction in progress	-	-	-	-
Structures & Improvements	-	-	-	163
Vehicles	-	-	-	5,673
Equipment	-	-	-	1,013
Accumulated Depreciation	-	-	-	(4,302)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,570</u>
Total Assets	<u>\$ 2,574</u>	<u>\$ 522</u>	<u>\$ 1,207</u>	<u>\$ 28,635</u>
<b>LIABILITIES:</b>				
Current Liabilities:				
Claims Payable	80	-	-	7,610
Accounts Payable	-	-	-	245
Accrued Payroll	-	-	-	37
Due to Other Funds	538	40	38	1,002
Current portion of compensated absences	-	-	-	11
Capital Lease Obligations-				
Current Portion	-	-	-	-
Total Current Liabilities	<u>618</u>	<u>40</u>	<u>38</u>	<u>8,905</u>
Long Term Liabilities:				
Compensated Absences	-	-	-	58
Capital Lease Obligations-				
Net of Current Portion	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>58</u>
Total Liabilities	<u>618</u>	<u>40</u>	<u>38</u>	<u>8,963</u>
<b>NET ASSETS:</b>				
Invested in Capital Assets, net of related debt	-	-	-	2,570
Restricted	-	-	-	67
Unrestricted	<u>1,956</u>	<u>482</u>	<u>1,169</u>	<u>17,035</u>
Total Net Assets	<u>\$ 1,956</u>	<u>\$ 482</u>	<u>\$ 1,169</u>	<u>\$ 19,672</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Garage Operating	Central Duplicating	Centralized Mail System	Flood Control
<b>Operating Revenues:</b>				
Charges for Services	\$ 2,915	\$ 324	\$ 453	\$ -
Other Revenues	7	-	-	-
Total Operating Revenues	<u>2,922</u>	<u>324</u>	<u>453</u>	<u>-</u>
<b>Operating Expenses:</b>				
Salaries and Benefits	400	197	43	-
Services and Supplies	978	110	453	-
Replacement Vehicles	533	-	-	-
Depreciation	990	3	-	-
Total Operating Expenses	<u>2,901</u>	<u>310</u>	<u>496</u>	<u>-</u>
Operating Income (Loss)	<u>21</u>	<u>14</u>	<u>(43)</u>	<u>-</u>
<b>Non-operating Revenues (Expenses):</b>				
Gain (Loss) on Sale of Fixed Assets	159	-	-	-
Interest - Income	72	4	-	7
Total Non-Operating Revenues	<u>231</u>	<u>4</u>	<u>-</u>	<u>7</u>
Net Income (Loss) before Transfers	<u>252</u>	<u>18</u>	<u>(43)</u>	<u>7</u>
Transfers in (out):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	<u>252</u>	<u>18</u>	<u>(43)</u>	<u>7</u>
Net Assets - Beginning	<u>4,250</u>	<u>151</u>	<u>(2)</u>	<u>179</u>
Net Assets - Ending	<u>\$ 4,502</u>	<u>\$ 169</u>	<u>\$ (45)</u>	<u>\$ 186</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Comm. Services	Liability Insurance	Workers' Compensation Benefits	Unemployment Insurance
<b>Operating Revenues:</b>				
Charges for Services	\$ 119	\$ 2,129	\$ 3,290	\$ 174
Other Revenues	59	207	-	-
Total Operating Revenues	<u>178</u>	<u>2,336</u>	<u>3,290</u>	<u>174</u>
<b>Operating Expenses:</b>				
Salaries and Benefits	67	-	-	-
Services and Supplies	19	2,578	3,343	194
Replacement Vehicles	-	-	-	-
Depreciation	21	-	-	-
Total Operating Expenses	<u>107</u>	<u>2,578</u>	<u>3,343</u>	<u>194</u>
Operating Income (Loss)	<u>71</u>	<u>(242)</u>	<u>(53)</u>	<u>(20)</u>
<b>Non-operating Revenues (Expenses):</b>				
Gain (Loss) on Sale of Fixed Assets	-	-	-	-
Interest - Income	-	119	281	10
Total Non-Operating Revenues	<u>-</u>	<u>119</u>	<u>281</u>	<u>10</u>
Net Income (Loss) before Transfers	<u>71</u>	<u>(123)</u>	<u>228</u>	<u>(10)</u>
Transfers in (out):				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	<u>71</u>	<u>(123)</u>	<u>228</u>	<u>(10)</u>
Net Assets - Beginning	<u>235</u>	<u>(193)</u>	<u>7,395</u>	<u>299</u>
Net Assets - Ending	<u>\$ 306</u>	<u>\$ (316)</u>	<u>\$ 7,623</u>	<u>\$ 289</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Health Plan	Dental/ Vision Plan	Medical Malpractice	Auto	Total
<b>Operating Revenues:</b>					
Charges for Services	\$ 9,474	\$ 879	\$ 31	\$ 346	\$ 20,134
Other Revenues	250	-	5	-	528
Total Operating Revenues	<u>9,724</u>	<u>879</u>	<u>36</u>	<u>346</u>	<u>20,662</u>
<b>Operating Expenses:</b>					
Salaries and Benefits	-	-	-	-	707
Services and Supplies	8,647	620	106	67	17,115
Replacement Vehicles	-	-	-	-	533
Depreciation	-	-	-	-	1,014
Total Operating Expenses	<u>8,647</u>	<u>620</u>	<u>106</u>	<u>67</u>	<u>19,369</u>
Operating Income (Loss)	<u>1,077</u>	<u>259</u>	<u>(70)</u>	<u>279</u>	<u>1,293</u>
<b>Non-operating Revenues (Expenses):</b>					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	159
Interest - Income	152	87	14	33	779
Total Non-Operating Revenues	<u>152</u>	<u>87</u>	<u>14</u>	<u>33</u>	<u>938</u>
Net Income (Loss) before Transfers	<u>1,229</u>	<u>346</u>	<u>(56)</u>	<u>312</u>	<u>2,231</u>
Transfers in (out):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Assets</b>	<u>1,229</u>	<u>346</u>	<u>(56)</u>	<u>312</u>	<u>2,231</u>
Net Assets - Beginning	<u>2,122</u>	<u>1,610</u>	<u>538</u>	<u>857</u>	<u>17,441</u>
Net Assets - Ending	<u>\$ 3,351</u>	<u>\$ 1,956</u>	<u>\$ 482</u>	<u>\$ 1,169</u>	<u>\$ 19,672</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Garage Operating	Central Duplicating
<b>Cash flows from operating activities:</b>		
Cash received from users	\$ 2,922	\$ 325
Cash received from operating activities	18	9
Cash paid to suppliers	(978)	(118)
Cash paid to employees	(391)	(196)
Cash paid for operating activities	(529)	(8)
Net cash provided by operating activities	<u>1,042</u>	<u>12</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers In	-	-
Transfers Out	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(1,040)	-
Proceeds from sale of equipment	159	-
Net cash used by capital and related financing activities	<u>(881)</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	72	4
Net increase in cash and cash equivalents	<u>233</u>	<u>16</u>
<b>Cash and cash equivalents - beginning</b>	<u>1,776</u>	<u>111</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 2,009</u></u>	<u><u>\$ 127</u></u>
 Reconciliation of operating income (loss) to net cash		
Provided by operating activities:		
Operating Income (Loss)	\$ 21	\$ 14
Adjustments to reconcile operating income (loss) to net		
Cash provided by operating activities:		
Depreciation expense	990	3
Decrease (Increase) in accounts receivable	-	-
Decrease (Increase) in interest receivable	6	-
Decrease (Increase) in prepaid expenses	-	-
Decrease (Increase) in due from other funds	(204)	(9)
Increase (Decrease) in accounts payable	18	2
Increase (Decrease) in accrued liabilities	-	-
Increase (Decrease) in due to other funds	202	1
Increase (Decrease) in insurance loss expense	-	-
Increase (Decrease) in compensated absences	9	1
Total adjustments	<u>1,021</u>	<u>(2)</u>
Net cash provided by operating activities	<u><u>\$ 1,042</u></u>	<u><u>\$ 12</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Centralized Mail System	Flood Control	Comm. Services
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 453	\$ -	\$ 181
Cash received from operating activities	-	1	-
Cash paid to suppliers	(469)	-	(17)
Cash paid to employees	(43)	-	(66)
Cash paid for operating activities	(66)	-	(71)
Net cash provided by operating activities	(125)	1	27
<b>Cash flows from noncapital financing activities:</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	-	-	-
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	-	-	(30)
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	-	-	(30)
<b>Cash flows from investing activities:</b>			
Interest received	-	6	-
Net increase in cash and cash equivalents	(125)	7	(3)
<b>Cash and cash equivalents - beginning</b>	52	177	86
<b>Cash and cash equivalents - ending</b>	<u>\$ (73)</u>	<u>\$ 184</u>	<u>\$ 83</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (43)	\$ -	\$ 71
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	-	21
Decrease (Increase) in accounts receivable	-	-	3
Decrease (Increase) in interest receivable	-	1	-
Decrease (Increase) in prepaid expenses	(17)	-	-
Decrease (Increase) in due from other funds	(66)	-	(70)
Increase (Decrease) in accounts payable	1	-	1
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	-	-	-
Increase (Decrease) in insurance loss expense	-	-	-
Increase (Decrease) in compensated absences	-	-	1
Total adjustments	(82)	1	(44)
Net cash provided by operating activities	<u>\$ (125)</u>	<u>\$ 1</u>	<u>\$ 27</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Liability Insurance	Workers' Compensation Benefits
<b>Cash flows from operating activities:</b>		
Cash received from users	\$ 2,336	\$ 3,290
Cash received from operating activities	135	112
Cash paid to suppliers	(1,880)	(3,133)
Cash paid to employees	(822)	(224)
Cash paid for operating activities	-	-
Net cash provided by operating activities	(231)	45
<b>Cash flows from noncapital financing activities:</b>		
Transfers In	-	-
Transfers Out	-	-
Net cash provided by (used) in non-capital financing activities	-	-
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	-	-
Proceeds from sale of equipment	-	-
Net cash used by capital and related financing activities	-	-
<b>Cash flows from investing activities:</b>		
Interest received	119	281
Net increase in cash and cash equivalents	(112)	326
<b>Cash and cash equivalents - beginning</b>	4,236	8,335
<b>Cash and cash equivalents - ending</b>	<u>\$ 4,124</u>	<u>\$ 8,661</u>
 Reconciliation of operating income (loss) to net cash		
Provided by operating activities:		
Operating Income (Loss)	\$ (242)	\$ (53)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	-	-
Decrease (Increase) in accounts receivable	-	-
Decrease (Increase) in interest receivable	24	39
Decrease (Increase) in prepaid expenses	-	-
Decrease (Increase) in due from other funds	-	-
Increase (Decrease) in accounts payable	(124)	(14)
Increase (Decrease) in accrued liabilities	-	-
Increase (Decrease) in due to other funds	111	73
Increase (Decrease) in insurance loss expense	-	-
Increase (Decrease) in compensated absences	-	-
Total adjustments	11	98
Net cash provided by operating activities	<u>\$ (231)</u>	<u>\$ 45</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Unemployment Insurance	Health Plan
<b>Cash flows from operating activities:</b>		
Cash received from users	\$ 174	\$ 9,725
Cash received from operating activities	40	650
Cash paid to suppliers	(209)	(1,447)
Cash paid to employees	-	(7,220)
Cash paid for operating activities	-	(1,091)
Net cash provided by operating activities	<u>5</u>	<u>617</u>
<b>Cash flows from noncapital financing activities:</b>		
Transfers In	-	-
Transfers Out	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	-	-
Proceeds from sale of equipment	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>		
Interest received	<u>10</u>	<u>152</u>
Net increase in cash and cash equivalents	15	769
<b>Cash and cash equivalents - beginning</b>	314	4,169
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 329</u></u>	<u><u>\$ 4,938</u></u>
 Reconciliation of operating income (loss) to net cash		
Provided by operating activities:		
Operating Income (Loss)	\$ (20)	\$ 1,077
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	-	-
Decrease (Increase) in accounts receivable	-	-
Decrease (Increase) in interest receivable	1	20
Decrease (Increase) in prepaid expenses	-	-
Decrease (Increase) in due from other funds	-	(518)
Increase (Decrease) in accounts payable	(15)	(22)
Increase (Decrease) in accrued liabilities	-	-
Increase (Decrease) in due to other funds	39	79
Increase (Decrease) in insurance loss expense	-	(19)
Increase (Decrease) in compensated absences	-	-
Total adjustments	<u>25</u>	<u>(460)</u>
Net cash provided by operating activities	<u><u>\$ 5</u></u>	<u><u>\$ 617</u></u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Dental/ Vision Plan	Medical Malpractice	Auto
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 879	\$ 36	\$ 346
Cash received from operating activities	276	48	41
Cash paid to suppliers	(375)	(40)	(67)
Cash paid to employees	(234)	(66)	-
Cash paid for operating activities	-	-	-
Net cash provided by operating activities	546	(22)	320
<b>Cash flows from noncapital financing activities:</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	-	-	-
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	-	-	-
<b>Cash flows from investing activities:</b>			
Interest received	87	13	33
Net increase in cash and cash equivalents	633	(9)	353
<b>Cash and cash equivalents - beginning</b>	1,921	531	847
<b>Cash and cash equivalents - ending</b>	<u>\$ 2,554</u>	<u>\$ 522</u>	<u>\$ 1,200</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 259	\$ (70)	\$ 279
Adjustments to reconcile operating income (loss) to net			
Cash provided by operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	2	7	2
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	12	-	-
Increase (Decrease) in accounts payable	-	-	-
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	268	41	39
Increase (Decrease) in insurance loss expense	5	-	-
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	287	48	41
Net cash provided by operating activities	<u>\$ 546</u>	<u>\$ (22)</u>	<u>\$ 320</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**

For the Fiscal Year Ended June 30, 2002  
(amounts expressed in thousands)

	Total
<b>Cash flows from operating activities:</b>	
Cash received from users	\$ 20,667
Cash received from operating activities	1,330
Cash paid to suppliers	(8,733)
Cash paid to employees	(9,262)
Cash paid for operating activities	(1,765)
Net cash provided by operating activities	2,237
<b>Cash flows from noncapital financing activities:</b>	
Transfers In	-
Transfers Out	-
Net cash provided by (used) in non-capital financing activities	-
<b>Cash flows from capital and related financing activities:</b>	
Acquisition of capital assets	(1,070)
Proceeds from sale of equipment	159
Net cash used by capital and related financing activities	(911)
<b>Cash flows from investing activities:</b>	
Interest received	777
Net increase in cash and cash equivalents	2,103
<b>Cash and cash equivalents - beginning</b>	22,555
<b>Cash and cash equivalents - ending</b>	\$ 24,658
 Reconciliation of operating income (loss) to net cash	
Provided by operating activities:	
Operating Income (Loss)	\$ 1,293
Adjustments to reconcile operating income (loss) to net	
Cash provided by operating activities:	
Depreciation expense	1,014
Decrease (Increase) in accounts receivable	3
Decrease (Increase) in interest receivable	102
Decrease (Increase) in prepaid expenses	(17)
Decrease (Increase) in due from other funds	(855)
Increase (Decrease) in accounts payable	(153)
Increase (Decrease) in accrued liabilities	-
Increase (Decrease) in due to other funds	853
Increase (Decrease) in insurance loss expense	(14)
Increase (Decrease) in compensated absences	11
Total adjustments	944
Net cash provided by operating activities	\$ 2,237



**CAPITAL ASSETS USED IN  
THE OPERATION OF  
GOVERNMENTAL FUNDS**



**COUNTY OF IMPERIAL**  
**Capital Assets Used in the Operation of Government Funds**  
**Schedule by Source\***  
**June 30, 2002**  
(amounts expressed in thousands)

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Governmental funds capital assets:

Land	\$ 2,029
Construction in progress	5,570
Infrastructure	61,970
Structures and Improvements	45,121
Vehicles	2,776
Furniture and Equipment	21,723
	<hr/>
Total governmental funds capital assets	<u><u>\$ 139,189</u></u>

Investments in governmental funds capital assets by source:

General Fund	\$ 116,227
Special Revenue Funds	16,443
Capital Projects Funds	6,519
	<hr/>
Total governmental funds capital assets	<u><u>\$ 139,189</u></u>

\* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**COUNTY OF IMPERIAL**  
**Capital Assets Used in the Operation of Government Funds**  
**Schedule by Function and Activity\***  
**June 30, 2002**  
(amounts expressed in thousands)

	Land	Construction in Progress	Infrastructure	Structures & Improvements	Vehicles	Furniture & Equipment	Total
General Government	\$ 1,904	\$ 5,570	\$ 61,970	\$ 24,919	\$ 15	\$ 2,609	\$ 96,987
Public Protection	15	-	-	17,527	548	6,587	24,677
Public Ways and Facilities	39	-	-	748	1,378	9,581	11,746
Health & Sanitation	14	-	-	1,892	362	1,218	3,486
Public Assistance	-	-	-	-	473	1,646	2,119
Education	57	-	-	35	-	82	174
Total governmental funds capital assets	<u>\$ 2,029</u>	<u>\$ 5,570</u>	<u>\$ 61,970</u>	<u>\$ 45,121</u>	<u>\$ 2,776</u>	<u>\$ 21,723</u>	<u>\$ 139,189</u>

\* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**COUNTY OF IMPERIAL**  
**Capital Assets Used in the Operation of Government Funds**  
**Schedule of Changes By Function and Activity\***  
**Year Ended June 30, 2002**  
(amounts expressed in thousands)

	Balance July 1, 2001 as restated	Additions	Deletions	Balance June 30, 2002
General Government	\$ 87,850	\$ 10,694	\$ 1,557	\$ 96,987
Public Protection	23,986	860	169	24,677
Public Ways and Facilities	12,181	828	1,263	11,746
Health & Sanitation	3,306	200	20	3,486
Public Assistance	1,948	182	11	2,119
Education	134	80	40	174
Total governmental funds capital assets	<u>\$ 129,405</u>	<u>\$ 12,844</u>	<u>\$ 3,060</u>	<u>\$ 139,189</u>

\* This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.





## **SINGLE AUDIT SECTION**

- Independent Auditor Letters
- Schedule of Expenditures of Federal Awards
- Schedule of Findings and Questioned Costs
- Status of Prior Year Findings and Questioned Costs





**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
County of Imperial, California

We have audited the general purpose financial statements of County of Imperial, California, as of and for the year ended June 30, 2002, and have issued our report thereon dated May 30, 2003. 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.

Compliance

As part of obtaining reasonable assurance about whether County of Imperial, California's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as items 02-1 through 02-3.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Imperial, California's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hutchinson and Bloodgood LLP*

May 30, 2003

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Supervisors  
County of Imperial, California

Compliance

We have audited the compliance of County of Imperial, California, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. County of Imperial, California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County of Imperial, California's management. Our responsibility is to express an opinion on County of Imperial, California's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about County of Imperial, California's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on County of Imperial, California's compliance with those requirements.

As described in item 02-1 in the accompanying schedule of findings and questioned costs, County of Imperial, California, did not comply with requirements regarding reporting for the Department of Social Services Food Stamp Program. Compliance with such requirements is necessary, in our opinion, for the County of Imperial, California, to comply with requirements applicable to that program. As described in items 02-2 and 02-3 the Workforce Investment Act Program did not comply with requirements regarding cost sharing financial management and recordkeeping. Compliance with these requirements is necessary, in our opinion, for The County of Imperial, California, to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County of Imperial, California, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

#### Internal Control Over Compliance

The management of County of Imperial, California, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered County of Imperial, California's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect County of Imperial, California's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 02-1 through 02-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

#### Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of County of Imperial, California as of and for the year ended June 30, 2002, and have issued our report thereon dated March 31, 2003. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Hutchinson and Bloodgood LLP*

May 30, 2003

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Economic Development - Planning Asst.	11.302	07-05-15085-68	89,957
Gateway of the America - EDA	11.3	07-01-03878	232,970
Enterprise Communities		DSS # C 14041	51,581
			<u>374,508</u>
TOTAL DEPARTMENT OF COMMERCE			<u>374,508</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Housing and Community Development CDBG GRANTS			
* Financial Stage Engineering	14.228		<u>439,876</u>
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>439,876</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through State Department of Health Services:			
Preventative Health and Health Services Block Grant 314 (d)	93.991	314(d)	<u>10,762</u>
		Subtotal 93.991	<u>10,762</u>
Immunization	93.268	01-1521	<u>32,521</u>
		Subtotal 93.268	<u>32,521</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	95117L-01-02	<u>134,439</u>
		Subtotal 93.116	<u>134,439</u>
Aids Master Grant Case Management	93.917		41,037
I.C. Ryan White CARE Consortia	93.917	96-26868	<u>76,852</u>
		Subtotal 93.917	<u>117,889</u>
Maternal and Child Health Service Block Grant:			
MCH Coordinator/PH Nutritionist/AFLP	93.994	200013	<u>65,774</u>
		Subtotal 93.994	<u>65,774</u>

\*Major Program

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
Passed Through State Department of Health Services (cont):			
Medi-Cal Admin. (MAA)		01-90492	158,252
AIDS Master Grant		01-15075	167,546
Childhood Lead Posioning			11,737
Community Access Program		1G92OA00124-01	589,996
California Children Service (CCS)			196,447
Targeted Case Management		13-0104	436,345
Child Health Disb. (CHDP)			<u>66,628</u>
		Subtotal	<u>1,626,951</u>
Border Health Inititative	93.1101L	1HIOMC00005-1	<u>90,666</u>
		Subtotal 93.1101L	<u>90,666</u>
Total State Dept. of Health			<u>2,079,002</u>
Passed Through State Department of Alcohol and Drug Programs:			
Alcohol and Drug Abuse and Mental Health Services Block Grant:			
Vista Sands Children's Intensive Day Treatment Program	93.958		<u>349,984</u>
		Subtotal 93.958	<u>349,984</u>
Stewart B. McKinney/Homeless	93.150		<u>20,590</u>
		Subtotal 93.150	<u>20,590</u>
Club Live	93.959		3,000
Friday Night Live	93.959		3,000
Drug Abuse	93.959	SCC 13(01/02)	<u>939,029</u>
		Subtotal 93.959	<u>945,029</u>

\*Major Program

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
Passed Through State Department of Alcohol and Drug Programs (cont):			
Drug Free Schools & Comm.	84.186	SCC 13(01/02)	21,277
		Subtotal 84.186	21,277
Federal Medi-Cal	93.778	SCC 13(01/02)	93,567
		Subtotal 93.778	93,567
Total State Dept. of Alcohol & Drug Programs			1,430,447
Passed Through State Department of Social Services:			
*Child Support Enforcement	93.563		3,273,673
		Subtotal 93.563	3,273,673
*TANF Temporary Need	93.558		10,388,552
*Asst. Payments-Maint. Assist.	93.558		11,392,764
		Subtotal 93.558	21,781,316
Total State Dept. of Social Services			25,054,989
Passed Through State Department Office of Aging:			
Title VII-B Elder Abuse Prev.	93.041	FF 0102-24	2,806
		Subtotal 93.041	2,806
Title VII-A Ombudsman	93.042	FF 0102-24	15,787
		Subtotal 93.042	15,787
Title III F - Disease Prevention	93.043	FF 0102-24	12,917
		Subtotal 93.043	12,917
Title III B - Support Services Senior Centers	93.044	FF 0102-24	192,592
		Subtotal 93.044	192,592
*Major Program	98		

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
Passed Through State Department Office of Aging (cont):			
Title III C-1 & C-2	93.045	FF 0102-24	350,646
		Subtotal 93.044	350,646
Title III E Family Caregiver Service	93.052	FF 0102-24	92,093
		Subtotal 93.052	92,093
Total State Dept. of Aging			666,841
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			29,231,279
<u>U.S. DEPARTMENT OF LABOR</u>			
Passed Through State Department of Employment Development:			
Steps to Success	17.249	A181-9-S-VJYA-11241-4123	4,647,865
		Subtotal 17.249	4,647,865
STAR Grant	17.255	00-A191-VNDV-4123-5YG03	856,993
		Subtotal 17.255	856,993
One Stop Career Center Initiative	17.257		4,476,066
		Subtotal 17.257	4,476,066
*Workforce Investment Act	17.258		4,245,520
		Subtotal 17.258	4,245,520
School to Work Program	17.249	U-7817-9-00-88-60	340,121
		Subtotal 17.249	340,121
Youth Opportunity Grant	17.263		70,441
		Subtotal 17.263	70,441
TOTAL DEPARTMENT OF LABOR			14,637,006

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed Through State Department of Transportation:			
Highway Planning & Construction:			
Resurface Various County Roads	20.205	1603	2,856,192
		Subtotal 20.205	2,856,192
FTA Sec. 18-UMTA	20.509		200,000
		Subtotal 20.509	200,000
Airport Master Plan	20.106	DTFA08-00-C-21303	112,873
Rehabilitate Airport	20.106	DTFA08-00-C-21331	233,746
Airport Security	20.106	DTA08-02-C-21463	97,553
		Subtotal 20.106	444,172
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			3,500,364
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
USDA, RBEG	10.769	USDA RBEG	44,670
USDA, Micro Lending	10.769	USDA Micro	15,960
USDA, POE Colonia Sewer	10.769	USDA POE Sewer	10,920
USDA, Micro Tech Asst.	10.769	USDA-Micro Tech	757
USDA, Home Biz Micro Training Program	10.769	USDA Home Biz	20,005
USDA, POE, RUS Water Svc. Lines	10.769	USDA RUS Water Svc.	124,467
USDA, RLF	10.769	USDA, RLF	5,536
		subtotal 10.769	222,315
USDA-Whitefly	10.215	01-8541-0306-CA	20,731
		Subtotal Direct Programs	20,731
*Major Program	100		

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
Passed Through State Department of Social Services:			
*Food Stamps	10.551		<u>13,867,479</u>
		Subtotal 10.551	<u>13,867,479</u>
Passed Through State Department Office of Aging:			
Title III C-1 & C-2  USDA	93.045	FF 0001-24	<u>60,103</u>
		Subtotal 93.045	<u>60,103</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u><u>14,170,628</u></u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed Through State Office of Emergency Services:			
Emergency Management Assistance	83.552		<u>30,882</u>
		Subtotal 83.552	<u>30,882</u>
TOTAL EMERGENCY MANAGEMENT AGENCY			<u><u>30,882</u></u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed Through State Office of Criminal Justice:			
Victim/Witness Natl Child Alliance	16.547		<u>10,458</u>
		Subtotal 16.579	<u>10,458</u>
Office of Criminal Justice Planning Special Prosecutions Unit	16.579	AM 87010130-00	<u>290,190</u>
		Subtotal 16.579	<u>290,190</u>
OCJP VAWVP	16.588		<u>107,414</u>
		Subtotal 16.588	<u>107,414</u>
Local Law Enforcement Block Grant	16.592		<u>75,770</u>
		Subtotal 16.592	<u>75,770</u>
Federal COPS	16.710		<u>750,885</u>
		Subtotal 16.710	<u>750,885</u>
*Major Program	101		

**COUNTY OF IMPERIAL, CALIFORNIA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2002**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
Passed Through State Office of Criminal Justice (cont):			
H.I.D.T.A. Grant - Sheriff	16.0		790,596
H.I.D.T.A. Grant - DA	16.0		<u>145,207</u>
		Subtotal	<u>935,803</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u><u>2,170,520</u></u>
<u>DEPARTMENT OF INTERIOR</u>			
Fish and Wildlife Coordination Grant		00-FG-30-0053	<u>274,886</u>
TOTAL DEPARTMENT OF INTERIOR		Total	<u><u>274,886</u></u>
TOTAL FEDERAL ASSISTANCE			<u><u>64,829,949</u></u>

COUNTY OF IMPERIAL, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002

SECTION I – SUMMARY OF AUDITORS' RESULTS

**Financial Statements**

Type of auditors' report issued: Unqualified  
Internal control over financial reporting:  
Material weakness(es) identified? ☐ yes ☒ none reported  
Reportable condition(s) identified  
not considered to be material weaknesses? ☐ yes ☒ no  
Noncompliance material to financial statements noted? ☐ yes ☒ no

**Federal Awards**

Internal Control over major programs:  
Material weakness(es) identified? ☐ yes ☒ no  
Reportable condition(s) identified  
not considered to be material weaknesses? ☒ yes ☐ none reported

Type of auditors' report issued on compliance  
for major programs: The auditor's report on compliance  
for the Food Stamp Program and  
Workforce Investment Act Program  
expresses a qualified opinion; the  
report on the remaining programs is  
unqualified.

Any audit findings disclosed that are required  
to be reported in accordance with  
Circular A-133, Section .510(a)? ☒ yes ☐ no

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

10.551  
14.228  
17.255  
93.558  
93.563

Food Stamps  
Community Development Block Grant  
Workforce Investment Act  
TANF Temporary Need  
Child Support Enforcement

Dollar threshold used to distinguish  
between Type A and Type B programs: \$1,944,898

Auditee qualified as low-risk auditee? ☐ yes ☒ no

**COUNTY OF IMPERIAL, CALIFORNIA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002**

<u>CONDITION</u>	<u>RECOMMENDATION</u>	<u>STATUS</u>
<p><b>#02-1</b></p> <p><b>PASSED THROUGH STATE DEPARTMENT OF SOCIAL SERVICES – Food Stamps Program (10.551)</b></p>	<p><b>Criteria</b> – Under the grant agreement program reports must be filed with correct information.</p> <p><b>Condition</b> – Testing of program requirements revealed that form FNS 46 had been filed with incorrect information.</p> <p><b>Effect</b> – Noncompliance with grant requirements.</p> <p><b>Cause</b> – Change in personnel and inadequate training of replacement.</p> <p><b>Recommendation</b> – The County needs to ensure that proper personnel are in place to provide reasonable assurance that the grant requirements are in place. Adequate review procedures need to be put into place to ensure that reports are reviewed for accuracy before issuance.</p> <p><b>Management Response</b> – Revised reports have been filed with the correct information and the replacement personnel have been trained to ensure that the grant requirements are met.</p>	<p>\$ - -</p>
<p><b>#02-2</b></p> <p><b>PASSED THROUGH STATE DEPARTMENT OF EMPLOYMENT DEVELOPMENT- Workforce Investment Act (17.255)</b></p>	<p><b>Criteria</b> – Program allowable costs/cost principle requires cost sharing between programs sharing the same resources.</p> <p><b>Condition</b> - Testing of allowable costs revealed that the program does not appear to be allocating their shared costs correctly. Testing also revealed that a financial agreement to share operating costs with its partners in relation to the “One-Stop Centers” has not been developed.</p> <p><b>Effect</b> – The under allocation of the expenditures to their partners in the “One Stop Centers” could result in questioned costs. Because a financial agreement has not been developed the under allocation amount cannot be determined.</p> <p><b>Cause</b> – Lack of training and an understanding of the program’s requirements. Finding was also included in the prior year’s schedule of findings and questioned costs.</p>	

COUNTY OF IMPERIAL, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002

<u>CONDITION</u>	<u>RECOMMENDATION</u>	<u>STATUS</u>
<b>#02-2 (Continued)</b>  <b>PASSED THROUGH STATE DEPARTMENT OF EMPLOYMENT DEVELOPMENT- Workforce Investment Act (17.255)</b>	<p><b>Recommendation</b> – The County needs to ensure that proper personnel are in place to provide reasonable assurance that the grant requirements are in place. The personnel in charge of the program must be familiar with the requirements of the program and have adequate knowledge of accounting and recordkeeping to ensure that the grant requirements are met.</p> <p><b>Management Response</b> – Management agrees with this finding and the fiscal manager is in the process of developing an agreement to share operating costs amongst the partners in the “One-Stop Centers”.</p>	- -
<b>#02-3</b>  <b>PASSED THROUGH STATE DEPARTMENT OF EMPLOYMENT DEVELOPMENT- Workforce Investment Act (17.255)</b>	<p><b>Criteria</b> – Reporting requirements require that the supporting data and schedules used to file program reports reconcile to the general ledger.</p> <p><b>Condition</b> – Testing of program reports revealed that supporting schedules did not agree to general ledger.</p> <p><b>Effect</b> -Noncompliance with grant requirements and possible misstatement of program expenditures on program reports.</p> <p><b>Cause</b> - Change in accounting software and inadequate recordkeeping.</p> <p><b>Recommendation</b> – The County needs to ensure that proper personnel are in place to provide reasonable assurance that the grant requirements are met. The personnel in charge of filing the reports must have the required training and an adequate knowledge of accounting and recordkeeping to ensure that reports are filed correctly.</p> <p><b>Management Response</b> - Management agrees with this finding and the fiscal manager is in the process of developing schedules to support their reports.</p>	- -

**COUNTY OF IMPERIAL, CALIFORNIA**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002**

CONDITION

RECOMMENDATION

STATUS

**PASSED THROUGH STATE DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT – Community Development Block Grant CFDA, 14.228**

**FINDING #01-1**

Testing of program participant files revealed that a majority of the participant files did not contain some or all of the required documentation.

We recommended that the County bring their program participant files into compliance with the grant requirements.

Files have been brought into compliance with grant guidelines and have been cleared by the Department of Housing and Community Development Division of Community Affairs CDBG Program

**FINDING #01-2**

Testing of program requirements revealed that a program report was not filed.

We recommended that the County ensure that proper personnel are in place to provide reasonable assurance that the grant requirements are in compliance. The personnel in charge of the program must be familiar with the requirements of the program and have adequate knowledge of accounting and recordkeeping to ensure that the grant requirements are met.

The program coordinator has been put in charge of filing the grant reports. All reports were filed during the fiscal year under audit.

**FINDINGS #99-3, #98-5  
and #98-15**

A portion of the grant award was to construct a potable water system and to rehabilitate existing housing in the Poe Colonia of incorporated Brawley, California. Expenditures and a promissory note significantly exceeded the allowable amount set forth the County of Imperial guidelines. The program participant's file did not contain the required documentation.

We recommended that the County review the expenditures for each project to quantify the dollar amount exceeding the maximum amount allowable per application, and/or grant agreement. Excess expenditures should be reported to the granting agency. Program participant files need to be brought into compliance with grant requirements.

These findings have been satisfied per the Department of Housing and Community Development Division of Community Affairs CDBG Program correspondence.

**COUNTY OF IMPERIAL, CALIFORNIA**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002**

CONDITION

RECOMMENDATION

STATUS

**PASSED THROUGH STATE DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT – Community Development Block Grant CFDA, 14.228 (Continued)**

**FINDINGS #99-5, #98-7,  
#98-10, #98-12**

Testing of program participant files revealed that a majority of the participant files did not contain some or all of the required documentation and that some projects were above the maximum loan limitation.

We recommended that the County have proper placement of personnel to provide reasonable assurance that the grant requirements are in compliance. Every loan/program file should include a reporting checklist provided by the HCD. Also, the development of a checklist for grant specific requirements was encouraged. These checklists should be maintained and updated over the life of the grant

These findings have been satisfied per the Department of Housing and Community Development Division of Community Affairs CDBG Program correspondence.

**PASSED THROUGH STATE DEPARTMENT OF EMPLOYMENT  
DEVELOPMENT – Workforce Investment Act, CFDA 17.255**

**FINDING #01-3**

Testing of allowable costs revealed that the program does not appear to be allocating their shared costs correctly. Testing also revealed that a financial agreement to share operating costs with its partners in relation to the "One-Stop Center" has not been developed.

We recommended that the County ensure that proper personnel are in place to provide reasonable assurance that the grant requirements are in place. The personnel in charge of the program must be familiar with the requirements of the program and have adequate knowledge of accounting and recordkeeping to ensure that the grant requirements are met.

The County still has not developed an agreement to share operating costs amongst the partners in the "One-Stop Centers".

See current year finding #02-2.

**COUNTY OF IMPERIAL, CALIFORNIA**

**STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
For The Year Ended June 30, 2002**

CONDITION

RECOMMENDATION

STATUS

**PASSED THROUGH STATE DEPARTMENT OF EMPLOYMENT TRAINING –  
Job Training Partnership Act, CFDA 17.250**

**FINDING #98-1**

In complying with subrecipient monitoring and follow-up policy, the County contracted with an independent accountant to perform agreed upon procedures on one of its subrecipients to determine compliance. In his review the independent account found that for the period July 1, 1994 through March 31, 1998, the subrecipient had overclaimed FICA and various other expenses claimed totaling \$64,635.

We recommended that the County closely monitor the claims for reimbursement of subrecipients before remitting requests for payment.

The County received a closure letter from the State of California EDD advising them that this case is now closed and that they have received payment in full

