

# County of Imperial

## Comprehensive Annual Financial Report

For The Fiscal Year Ended June 30, 2018



Photo Provided by Shelly Smail

Josue G. Mercado, CPA  
County Auditor-Controller

COUNTY OF IMPERIAL  
STATE OF CALIFORNIA

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018



PREPARED BY THE OFFICE OF:  
JOSUE G. MERCADO, CPA  
COUNTY AUDITOR-CONTROLLER

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## **INTRODUCTORY SECTION**

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





## **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, 2018, 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 accounting 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 audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The Annual Financial report is presented in three sections: introduction, financial, other and statistical sections. 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 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.

## **INDEPENDENT AUDIT**

State statutes require an annual audit by a Certified Public Accountant. The firm of Vavrinek, Trine, Day &

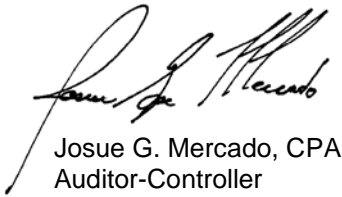


Co., LLP has audited the County's financial statements. In addition to meeting the requirements of State law, the audit was also designed to comply with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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, Vavrinek, Trine, Day & Co., LLP, for their assistance in the report preparation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Josue G. Mercado". The signature is stylized with a large initial "J" and "M".

Josue G. Mercado, CPA  
Auditor-Controller

*State of California  
Office of the State Controller*

*Award for Counties  
Financial Transactions Reporting*

*Presented to*

*County of Imperial*

*For its Year-End Financial Transaction Report  
For the Fiscal Year Ended June 30, 2017*



A handwritten signature in blue ink, reading "Betty T. Yee", is written over a horizontal line.

*Betty T. Yee*

*Dated this 25<sup>th</sup> day of October 2018*

\* Elected Official(s)

**Citizens of Imperial County**

**County Counsel**

**Board of Supervisors\***

## Organizational Chart

Fiscal Year  
2017-2018



**County Executive Officer**

### **General Government**

- Assessor\*
- Auditor-Controller\*
- Executive Office
- Airport
- Economic Development
- Equal Employment
- General Services Adm.
- Fleet Services
- Info/Technical Services
- Procurement
- Clerk of the Board
- Registrar of Voters
- Human Resources
- Treasurer/Tax Collector\*

### **Public Protection**

- Agricultural Comm.
- Child Support Services
- County Clerk/Recorder\*
- District Attorney\*
- Fire Protection/OES
- Planning & Development
- Parks & Recreation
- Building Inspection
- Probation & Corrections
- Public Administrator/AAA\*
- Public Defender
- Sheriff/Coroner/Marshal\*

### **Public Ways & Facilities**

- Public Works/Roads
- Facilities Management

### **Health & Human Services**

- Air Pollution Control
- Behavioral Health
- Public Health
- Animal Control
- Environ. Health Serv.
- Ca. Children's Serv.
- Mosquito Abatement
- Social Services
- Workforce Dev. Office
- Veterans Services

### **Education**

- Cooperative Extension
- County Free Library

# Directory of Public Officials

(as of 3/31/19)

## Elected Officials

Supervisor 1 <sup>st</sup> District	Luis Escobar	
Supervisor 2 <sup>nd</sup> District	Luis Plancarte	
Supervisor 3 <sup>rd</sup> District	Michael W. Kelley	
Supervisor 4 <sup>th</sup> District	Ryan E. Kelley	
Supervisor 5 <sup>th</sup> District	Ray Castillo	
Judge, Superior Court Dept. 1	Diane B Altamirano	
Judge, Superior Court Dept. 2	Christopher J. Plourd	
Judge, Superior Court Dept. 3	William D. Lehman	
Judge, Superior Court Dept. 4	Juan Ulloa	
Judge, Superior Court Dept. 5	Ruth B. Montenegro	
Judge, Superior Court Dept. 7	Jeffery B. Jones	
Judge, Superior Court Dept. 8	Marco Nunez	
Judge, Superior Court Dept. 9	Brooks Anderholt	
Judge, Superior Court Brawley	Poli Flores Jr.	
Judge, Superior Court Brawley	William D. Quan	
Commissioner	Kris Becker	
Referee, Traffic	Michael Domenzain	
Judge, Juvenile Court	William D. Lehman	
Assessor	Robert Menvielle	General Government
Auditor-Controller	Josue Mercado	General Government
Clerk-Recorder	Chuck Storey	General Government
District Attorney	Gilbert Otero	Public Protection
Sheriff-Coroner	Raymond Loera	Public Protection
Treasurer-Tax Collector	Karen Vogel	General Government

## Appointed Officials

Agricultural Commissioner/Airport	Carlos Ortiz	Public Protection
Air Pollution Control Officer	Matt Dessert	Public Protection
Behavioral Health	Andrea Kuhlen	Health and Sanitation
Child Support Services	Liza Barraza	Public Assistance
Clerk of the Board	Blanca Acosta	General Government
County Executive Officer	Tony Rouhotas Jr.	General Government
Cooperative Extension	Oli Bachie	Education
County Counsel	Katherine Turner	General Government
County Free Library	Crystal Duran	Education
Court Executive Officer/Jury Commissioner	Maria Rhinehart	Public Protection
Fire Protection/Emergency Services	Alfredo Estrada	Public Protection
Health Services/Animal Control/EHS/EMS	Robin Hodgkin	Health and Sanitation
Human Resources and Risk Management	Rodolfo Aguayo	General Government
Office of Employment Training	Priscilla Lopez	Public Assistance
Planning/Building/Community & Economic Development	Jim Minnick	Public Protection
Probation/Receiving Home/Juvenile Hall	Dan Prince	Public Protection
Public Administrator	Rosie Blankenship	Public Protection
Public Defender	Benjamin Salorio	Public Protection
Public Works	John Gay	Public Ways/Facilities
Registrar of Voters	Debbie Porter	General Government
Social Services	Peggy Price	Public Assistance



## **FINANCIAL SECTION**

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







**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

VALUE THE *difference*

## INDEPENDENT AUDITORS' REPORT

Honorable Board of Supervisors  
County of Imperial, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Imperial, California (County), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditors' Responsibility*

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

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

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

## ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As described in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective July 1, 2017. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the County's proportionate share of net pension liability, the schedules of the County's proportionate share of net other postemployment benefits liability and contributions, the schedules of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund, MHSA Act Prop #63 and MHSA PEI and the related notes to the required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

The introductory, other and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2019, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.



San Diego, California  
April 30, 2019



**County of Imperial  
Management's Discussion and Analysis  
For the Year Ended June 30, 2018**

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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, 2018. 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 liabilities and deferred inflows of resources exceeded the assets and deferred outflows of resources of the County at the close of the 2017-2018 fiscal year by (\$127,185) (*Net Position*). (\$315,817) is *Unrestricted Net Position*. Of this amount (\$281,492) may be used to meet the county's ongoing obligations to citizens and the creditors, (\$34,325) is the obligation for Pension Bonds and \$55,736 (*Restricted Net Position*) may be used for the County's ongoing obligations with external restrictions. (See detail at Table 1).
- The County's net position decreased by (\$256,895) during the current fiscal year. Governmental activities decreased the County's net position by (\$257,237); and, business-type activities net position increased by \$342.
- As of June 30, 2018, the County's governmental funds reported total ending fund balances of \$127,539, a increase of 16.49% in comparison with the prior year. Approximately 30.92% or (\$39,429) is available for appropriation (*Unassigned fund balance*). See further discussion in Financial Analysis of the County's Funds on pages 11-15.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,980 or 4.29% of total General Fund expenditures.
- The County's total long-term debt increased in the amount of \$18,518 in comparison with the prior year. Compensated absences increased by \$429 and existing long-term debt decreased (\$3,449) in 2017-2018.

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

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event takes

## Management's Discussion and Analysis (Continued)

place regardless of when cash is received or paid. Thus, some revenues and expenses are reported in this statement for some items that will only result in cash inflows and outflows in future fiscal years.

Both the Statement of Net Position 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 (ICERA). 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 21-24 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, 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 25-27 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 used for proprietary funds.

The basic fiduciary fund financial statements are presented on pages 28-29 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 30-65 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, liabilities exceeded assets by (\$127,185) (see Table 1) at the close of the current fiscal year.

The largest portion of the County's net position, \$132,896 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.

An additional portion of the County's net position, \$55,736, represents resources that are subject to external restrictions on how they may be used. The major portion of the restricted net position is constrained for debt repayment. The remaining balance of total net position is (\$315,817). A key element contributing to this deficit is the implementation of GASB Statement No. 75, "Accounting and Financial

## Management's Discussion and Analysis (Continued)

Reporting for Postemployment Benefits Other than Pensions" to present the County's OPEB contributions on the financial statement. Refer to Note 11 Other Postemployment Employment Benefits (OPEB).

Table 1 – County of Imperial's Net Position  
June 30, 2018 and June 30, 2017 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Current Assets and Other Assets	\$ 203,599	\$ 210,593	\$ 8,686	\$ 7,193	\$212,285	\$217,786
Capital Assets	<u>133,269</u>	<u>124,019</u>	<u>9,131</u>	<u>9,788</u>	<u>142,400</u>	<u>133,807</u>
<b>Total Assets</b>	<u>336,868</u>	<u>334,612</u>	<u>17,817</u>	<u>16,981</u>	<u>354,685</u>	<u>351,593</u>
<b>Deferred outflows of Resources</b>						
Deferred amounts from pension	71,825	53,286	86	64	71,911	53,350
Deferred amounts from OPEB	<u>6,113</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>6,120</u>	<u>-</u>
<b>Total Deferred outflows of Resources</b>	<u>77,938</u>	<u>53,286</u>	<u>93</u>	<u>64</u>	<u>78,031</u>	<u>53,350</u>
<b>Liabilities:</b>						
Current and Other Liabilities	11,602	56,444	8	11	11,610	56,455
Long-Term Liabilities	<u>476,100</u>	<u>188,958</u>	<u>16,486</u>	<u>16,011</u>	<u>492,586</u>	<u>204,969</u>
<b>Total Liabilities</b>	<u>487,702</u>	<u>245,402</u>	<u>16,494</u>	<u>16,022</u>	<u>504,196</u>	<u>261,424</u>
<b>Deferred inflows of Resources</b>						
Deferred amounts from pension	24,284	13,793	29	16	24,313	13,809
Deferred amounts from OPEB	<u>31,354</u>	<u>-</u>	<u>38</u>	<u>-</u>	<u>31,392</u>	<u>-</u>
<b>Total Deferred inflows of Resources</b>	<u>55,638</u>	<u>13,793</u>	<u>67</u>	<u>16</u>	<u>55,705</u>	<u>13,809</u>
<b>Net Position:</b>						
Net investment in capital assets						
Related Debt	123,765	115,742	9,131	9,789	132,896	125,531
Restricted	55,733	(13,988)	3	1	55,736	(13,987)
Unrestricted	<u>(308,032)</u>	<u>26,949</u>	<u>(7,785)</u>	<u>(8,783)</u>	<u>(315,817)</u>	<u>18,166</u>
<b>Total Net Position</b>	<u>\$(128,534)</u>	<u>\$ 128,703</u>	<u>\$ 1,349</u>	<u>\$ 1,007</u>	<u>\$(127,185)</u>	<u>\$129,710</u>

As of June 30, 2018, the County's total assets and deferred outflows of resources increased by 6.86% or \$27,773 during the current fiscal year. Deferred outflows of resources related to pension increased by 46.26% or \$24,681 due to the implementation of GASB 75.

Total liabilities and deferred inflows of resources for FY 2017-18 increased by 103.43% or \$284,668. Long-term liabilities increased by 140.32% or \$287,617, as a result of the County's proportionate share of the net pension liability. Deferred inflows of resources related to pension increased \$41,896 due to changes in the net OPEB liability measurements used in the actuarial study as required by GASB Statement No. 75.

As shown in Table 2, the County's net position decreased by (\$256,895).

## Management's Discussion and Analysis (Continued)

Table 2 - County of Imperial's Changes in Net Position  
For the Years Ended June 30, 2018 and June 30, 2017 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 88,606	\$ 89,615	\$ 2,074	\$ 666	\$ 90,680	\$ 90,281
Operating Grants and Contributions	260,630	254,378	-	1	260,630	254,379
Capital Grants and Contributions	33,346	1,943	-	-	33,346	1,943
General Revenues:						
Property Taxes	22,179	22,728	-	-	22,179	22,728
Property Tax In-Lieu Taxes	21,259	21,341	-	-	21,259	21,341
Sales Taxes	18,456	18,246	-	-	18,456	18,246
Franchise Taxes	275	336	-	-	275	336
Federal In-Lieu Taxes	3,482	3,371	-	-	3,482	3,371
Unrestricted Investment Earnings	1,931	1,454	66	50	1,997	1,504
Gain on Sales of Fixed Assets	25	416	-	-	25	416
Other	35,569	43,593	-	-	35,569	43,593
<b>Total Revenues</b>	<u>485,758</u>	<u>457,421</u>	<u>2,140</u>	<u>717</u>	<u>487,898</u>	<u>458,138</u>
<b>Expenses:</b>						
General Government	93,316	102,646	-	-	93,316	102,646
Public Protection	102,758	107,246	-	-	102,758	107,246
Health and Sanitation	66,361	81,860	-	-	66,361	81,860
Public Assistance	158,413	134,216	-	-	158,413	134,216
Public Ways and Facilities	14,081	16,381	-	-	14,081	16,381
Interest on Long-Term Liabilities	22,983	5,007	-	-	22,983	5,007
Airport	-	-	1,297	1,196	1,297	1,196
Closure/Postclosure Waste	-	-	152	296	152	296
County Service Areas, other	-	-	7	8	7	8
<b>Total Expenses</b>	<u>457,912</u>	<u>447,356</u>	<u>1,456</u>	<u>1,500</u>	<u>459,368</u>	<u>448,856</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 27,846</u>	<u>\$ 10,065</u>	<u>\$ 684</u>	<u>\$ 1,704</u>	<u>\$ 28,530</u>	<u>\$ 9,282</u>

### Governmental Activities

Governmental activities increased the County's net position by \$27,846 for the year ended June 30, 2018, thereby accounting for 21.89% total decrease in the net position of the County. Key element of this decrease was the implementation of GASB Statement No. 75.

- Total revenue for the County's governmental activities increased 7.11%.
- The County's long-term debt increased by 29.57%.
- As an arm of the state government, operating grants and contributions serve multiple programs, representing 53.20% of the County's total revenue for governmental activities, and are tied to mandated services such as public assistance, health, and mental health. These revenue sources increased 2.46% 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. Property taxes and Property Tax In-Lieu decreased 1.43% due to property tax shift required by State to the school districts and increase in assessed property values throughout the County.

## Management's Discussion and Analysis (continued)

- Total expenses for governmental activities increased by 3.30% with increases in all major functions with the greatest increase in Public Assistance, which increased 18.08%. This increase was primarily due to the implementation of GASB Statement Nos. 68 and 71, which increased pension related expense items not previously accounted for.
- The County recorded \$35,569 in revenue for the current fiscal year, which is classified as another item. This amount includes \$4,869 in other taxes and \$30,700 in other contributions.

### Business-type Activities

Business-type activities' net position decreased the County's net position by (\$684). The main reason for this is a decrease in estimated revenue for services in the amount of \$2,074, a 211.41% increase in comparison with the prior year.

### 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, 2018, The County's governmental funds reported total fund balances of \$127,539, a 16.49% increase in comparison with the prior year. The components of the total fund balance are as follows (for more information see Note 13 – fund Balances):

- *Nonspendable Fund Balance*, \$619, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of prepaid items and inventories of \$619.
- *Restricted Fund Balance*, \$125,959, consist of amounts with constraint put on their use by creditors, grantors, contributors, laws, regulations, or enabling legislation. Examples of restrictions on those funds consist of social service realignment of \$18,568, public benefit fees of \$10,933, Heber housing rehabilitation of \$9,791, mental health service of \$9,723, debt service of \$9,046, local health authority of \$8,077, law and justice realignment of \$6,475, measure D LTA road funds of \$6,369, medical/CMSF of \$5,936, community development grant of \$5,707, and various other restricted funds less than \$5,000.
- *Committed Fund Balance*, \$21,409, consists of amounts for specific purposes determined by the County Board of Supervisors, which includes public works solid waste of \$6,664, general reserves of \$4,448, public works roads of \$3,246, and various other commitments less than \$3,000.
- *Assigned Fund Balance*, \$18,981, represents amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Examples of assigned funds are tobacco monies of \$7,682, next year's budget of \$4,085, public health service of \$3,154, revenue stabilization account for \$2,466 and \$1,594 in capital projects.
- *Unassigned Fund Balance*, (\$39,429), represents the unavailable balance to meet the County's current and future needs.



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

The County's management may also designate unassigned 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, 2018, unassigned fund balance of the General Fund was \$10,980. As a measure of the General Funds' liquidity, it may be helpful to compare both unassigned fund balance and fund balance to total fund expenditures. Unassigned fund balance represents 4.29% of total General Fund expenditures, while total fund balance represents 24.90% of total General Fund expenditures.

Revenues for governmental functions totaled \$405,030 at June 30, 2018, which represents an increase of 6.62% from fiscal year 2016-2017. The largest increases in revenues was in intergovernmental revenue, which increased 54.17% and was primarily due to an increase in reimbursements from state agencies.

Expenditures for governmental functions totaled \$386,976 at June 30, 2018, which represents an decrease of 0.47% from fiscal year 2016-17. The largest decrease occurred in Health and Sanitation, which decreased 18.93% and Public Ways decreased by approximately 14.04%.

### **Proprietary Funds**

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

The net position of the enterprise funds increased by \$342. The main reason for this is an increase in the revenue from other revenue in the amount of \$ 1,300.

The internal service funds carried \$37,123 in unrestricted net position as a result of a decrease in claims insurance liabilities. Also, a change in medical insurance design reduced costs. Claims payable were \$20,756 at June 30, 2018.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget resulted in a \$4,562 increase in appropriations that is briefly summarized as follows:

- \$2,609 increase in the County's Health and Sanitation appropriations was the result of new federal and state programs.
- \$230 increase in the County's Public Assistance appropriations represents increase program costs for various social services programs.
- \$1,449 increase in the County's Public Protection appropriations was the result of unanticipated grants for initiatives.
- \$274 of the increase in the County's appropriations was the result of unanticipated grants and contributions from other governments. The remaining portion consisted of 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, 2018, the County's investment in capital assets for its governmental and business-type activities amounted to \$142,400 (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 –County of Imperial's Capital Assets (Net of accumulated depreciation) (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,479	\$ 4,479	\$ 685	\$ 685	\$ 5,164	\$ 5,164
Construction in Progress	37,772	24,130	-	-	37,772	24,130
Infrastructure	41,927	45,849	-	-	41,927	45,849
Structures and Improvements	36,467	37,337	8,446	9,103	44,913	46,440
Vehicles	3,799	4,046	-	-	3,799	4,046
Furniture and Equipment	8,825	8,178	-	-	8,825	8,178
<b>Total</b>	<b>\$ 133,269</b>	<b>\$ 124,019</b>	<b>\$ 9,131</b>	<b>\$ 9,788</b>	<b>\$142,400</b>	<b>\$133,807</b>

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

- A variety of small construction and rehabilitation projects were started during the current fiscal year: road paving projects, and several others remodeling projects.

#### Long-Term Debt

At the end of the current fiscal year, the County had total long-term debt outstanding of \$60,407. This amount is comprised of \$6,930 of certificates of participation, \$34,325 represents debt outstanding for the pension obligation bond. \$16,308 in earned compensated absences, \$270 State of California Child Support claim, and \$2,574 capital lease obligations.

Table 4 – County of Imperial's Outstanding Debt (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Employee Compensated Absences	\$ 16,296	\$ 15,867	\$ 12	\$ 9	\$ 16,308	\$ 15,876
Capital Lease Obligation	2,574	951	-	-	2,574	951
St. of California Child Support Claim	270	360	-	-	270	360
Pension Funding Bonds 1997	8,620	11,120	-	-	8,620	11,120
Pension Funding Bonds 2002	25,705	27,010	-	-	25,705	27,010
2010 Certificates of Participation	6,930	7,325	-	-	6,930	7,325
Claims Payable	20,756	-	-	-	20,756	21,967
<b>Total</b>	<b>\$ 81,151</b>	<b>\$ 62,633</b>	<b>\$ 12</b>	<b>\$ 9</b>	<b>\$ 81,163</b>	<b>\$ 62,642</b>

## **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 budget cuts for local governments remain the major determining factors in determining the County's budget for fiscal year 2018-19 and beyond, as the County is again required to contribute property tax revenues to the State budget in 2018-19. The State has historically reduced city and county revenues in order to help balance their own budget.

### **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. Josue G. Mercado, CPA, Imperial County Auditor-Controller, 940 Main Street, Suite 108, El Centro, California, 92243, (442) 265-1299 or visit the website at [www.co.imperial.ca.us](http://www.co.imperial.ca.us).

**COUNTY OF IMPERIAL**  
**Statement of Net Position**  
**June 30, 2018**  
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Children & Families First Commission
<b>Assets:</b>				
Cash and cash equivalents	\$ 155,764	\$ 8,646	\$ 164,410	\$ 4,436
Cash with Fiscal Agent	13,026	-	13,026	-
Deposits with Others	26	-	26	-
Receivables (net):				
Accounts	10,510	41	10,551	83
Interest	5,314	20	5,334	12
Loans	15,951	-	15,951	-
Taxes	2,325	-	2,325	-
Internal balances	21	(21)	-	-
Inventories and Prepaid Expenses	662	-	662	-
Capital assets, not being depreciated:				
Land	4,479	685	5,164	-
Construction in progress	37,772	-	37,772	-
Capital assets, net of accumulated depreciation:				
Structures & Improvements	36,467	8,446	44,913	-
Vehicles	3,799	-	3,799	-
Furniture & Equipment	8,825	-	8,825	-
Infrastructure	41,927	-	41,927	-
Total assets	336,868	17,817	354,685	4,531
<b>Deferred outflows of resources</b>				
Deferred pensions	71,825	86	71,911	-
Deferred OPEB	6,113	7	6,120	-
Total deferred outflows of resources	77,938	93	78,031	-
<b>Liabilities:</b>				
Accounts payable	6,312	3	6,315	6
Loan Payable	65	-	65	-
Accrued payroll	5,213	5	5,218	-
Interest payable	12	-	12	-
Noncurrent liabilities:				
Due within one year	26,330	3	26,333	-
Due in more than one year	54,821	16,009	70,830	-
Net pension liability	126,799	152	126,951	-
Net OPEB liability	268,150	322	268,472	-
Total liabilities	487,702	16,494	504,196	6
<b>Deferred inflows of resources</b>				
Deferred pensions	24,284	29	24,313	-
Deferred OPEB	31,354	38	31,392	-
Total deferred inflows of resources	55,638	67	55,705	-
<b>Net Position:</b>				
Net investment in capital assets	123,765	9,131	132,896	-
Restricted	125,959	3	125,962	4,525
Unrestricted	(378,258)	(7,785)	(386,043)	-
Total net position	\$ (128,534)	\$ 1,349	\$ (127,185)	\$ 4,525

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

**COUNTY OF IMPERIAL**  
**Statement of Activities**  
Year Ended June 30, 2018  
(amounts expressed in thousands)

Functions	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Children & Families First Commission
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities								
General Government	\$ 93,316	\$ 54,830	\$ 25,991	\$ 33,346	\$ 20,851	\$ -	\$ 20,851	\$ -
Public Protection	102,758	12,373	42,174	-	(48,211)	-	(48,211)	-
Health & Sanitation	66,361	18,958	58,685	-	11,282	-	11,282	-
Public Assistance	158,413	1,242	122,909	-	(34,262)	-	(34,262)	-
Public Ways & Facilities	14,081	1,203	10,871	-	(2,007)	-	(2,007)	-
Interest on long-term debt	22,983	-	-	-	(22,983)	-	(22,983)	-
Total Governmental Activities	457,912	88,606	260,630	33,346	(75,330)	-	(75,330)	-
Business-Type Activities								
Airport	1,297	761	-	-	-	(536)	(536)	-
Landfill	152	1,300	-	-	-	1,148	1,148	-
Other	7	13	-	-	-	6	6	-
Total Business Type Activities	1,456	2,074	-	-	-	618	618	-
Total Primary Government	\$ 459,368	\$ 90,680	\$ 260,630	\$ 33,346	(75,330)	618	(74,712)	-
Component Units:								
Children and Families First Commission	\$ 2,382	\$ -	\$ 2,029	\$ -	-	-	-	(353)
Total Component Units	\$ 2,382	\$ -	\$ 2,029	\$ -	-	-	-	(353)
General Revenues:								
Property Tax					22,179	-	22,179	-
Property Tax In Lieu					21,259	-	21,259	-
Sales Tax					18,456	-	18,456	-
Franchises Tax					275	-	275	-
Federal In-Lieu Taxes					3,482	-	3,482	-
Other					35,569	-	35,569	29
Unrestricted Investment Earnings					1,931	66	1,997	42
Gain on Sales of Fixed Assets					25	-	25	-
Total general revenues					103,176	66	103,242	71
Change in net position					27,846	684	28,530	(282)
Net position - beginning								
Net position - beginning					128,703	1,007	129,710	11,316
Prior period adjustment					(285,083)	(342)	(285,425)	(6,509)
Net position - beginning, as restated					(156,380)	665	(155,715)	4,807
Net position - ending					\$ (128,534)	\$ 1,349	\$ (127,185)	\$ 4,525

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

**COUNTY OF IMPERIAL**

**Balance Sheet**

**Governmental Funds**

June 30, 2018

(amounts expressed in thousands)

	<u>General</u>	<u>MHSA Act Prop #63</u>	<u>MHSA PEI</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>					
Assets:					
Cash and cash equivalents	\$ 21,941	\$ 5,746	\$ 4,371	\$ 58,752	\$ 90,810
Cash with Fiscal Agent	13,026	-	-	-	13,026
Deposits with Others	-	-	-	26	26
Receivables (net):					
Accounts	5,274	836	32	4,368	10,510
Interest	194	15	12	4,900	5,121
Loan	-	-	-	15,951	15,951
Taxes	1,860	-	-	465	2,325
Due from other funds	27,290	631	105	15,043	43,069
Due from other agencies	10,903	-	-	562	11,465
Inventories and Prepaid Expenditures	334	-	-	285	619
Total assets	<u>\$ 80,822</u>	<u>\$ 7,228</u>	<u>\$ 4,520</u>	<u>\$ 100,352</u>	<u>\$ 192,922</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 3,112	\$ 376	\$ 25	\$ 2,076	\$ 5,589
Accrued payroll	4,134	168	22	814	5,138
Due to other funds	1,861	1,478	105	39,735	43,179
Due to other agencies	7,925	-	-	3,552	11,477
Total Liabilities	<u>17,032</u>	<u>2,022</u>	<u>152</u>	<u>46,177</u>	<u>65,383</u>
<b>Fund Balances</b>					
Nonspendable	334	-	-	285	619
Restricted	32,045	5,206	4,517	84,191	125,959
Committed	4,448	-	-	16,961	21,409
Assigned	15,983	-	-	2,998	18,981
Unassigned	10,980	-	(149)	(50,260)	(39,429)
Total Fund Balances	<u>63,790</u>	<u>5,206</u>	<u>4,368</u>	<u>54,175</u>	<u>127,539</u>
Total Liabilities and Fund Balances	<u>\$ 80,822</u>	<u>\$ 7,228</u>	<u>\$ 4,520</u>	<u>\$ 100,352</u>	<u>\$ 192,922</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 Position**  
June 30, 2018  
(amounts expressed in thousands)

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

<b>Total fund balance - governmental funds</b>	\$ 127,539
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$306,242 and the accumulated depreciation is \$176,899.	129,343
Deferred outflows of resources reported in the Statement of Net Position	76,797
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 position.	41,975
Deferred inflows of resources reported in the Statement of Net Position	(54,823)
Net Pension Liability	(124,943)
Net OPEB Liability	(264,224)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(60,198)
<b>Total net position - governmental activities</b>	<u><u>\$ (128,534)</u></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, 2018  
(amounts expressed in thousands)

	<b>General</b>	<b>MHSA Act Prop #63</b>	<b>MHSA PEI</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues:</b>					
Taxes	\$ 36,843	\$ -	\$ -	\$ 4,427	\$ 41,270
Licenses and permits	1,743	-	-	2,998	4,741
Fines, Forfeitures & Penalties	4,135	-	-	1,019	5,154
Use of Money & Property	1,007	41	29	2,318	3,395
Intergovernmental Revenue	184,216	19,360	5,657	78,282	287,515
Charges for Services	32,040	4,050	550	12,061	48,701
Other Revenues	-	-	-	14,254	14,254
Total revenues	<u>259,984</u>	<u>23,451</u>	<u>6,236</u>	<u>115,359</u>	<u>405,030</u>
<b>Expenditures:</b>					
Current:					
General Government	20,771	-	-	3,132	23,903
Public Protection	76,242	-	-	26,161	102,403
Health & Sanitation	53,283	-	1,867	11,009	66,159
Public Assistance	105,002	18,267	-	34,960	158,229
Public Ways & Facilities	932	-	-	13,114	14,046
Debt Service:					
Principal	-	-	-	3,805	3,805
Interest	-	-	-	2,170	2,170
Capital Outlay	-	-	-	16,261	16,261
Total expenditures	<u>256,230</u>	<u>18,267</u>	<u>1,867</u>	<u>110,612</u>	<u>386,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,754</u>	<u>5,184</u>	<u>4,369</u>	<u>4,747</u>	<u>18,054</u>
<b>Fund balances - beginning</b>	<u>60,036</u>	<u>22</u>	<u>(1)</u>	<u>49,428</u>	<u>109,485</u>
<b>Fund balances - ending</b>	<u>\$ 63,790</u>	<u>\$ 5,206</u>	<u>\$ 4,368</u>	<u>\$ 54,175</u>	<u>\$ 127,539</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, 2018  
(amounts expressed in thousands)

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

<b>Net change in fund balances-total governmental funds</b>	<b>\$ 18,054</b>
Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$8 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	\$ 16,261
Loss on disposal of capital assets	408
Proceeds from sales of capital assets	25
Depreciation expense	<u>(6,841)</u>
	9,853
Additional accrued interest calculated on bonds payable	(2,294)
Long-term liabilities, including bonds payable, increased during the year in the amount of \$19,534.	3,646
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 decreased by (\$1,032).	
	488
Government funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	
County pension contributions	(9,502)
Cost of benefits earned net of employee contributions	17,525
Government funds report county OPEB contributions as expenditures. However in the Statement of Activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.	
County OPEB contributions	(15,088)
Cost of benefits earned net of employee contributions	6,319
Internal service funds are used by the County to charge the costs of motor pool, printing, mail system, communications, and insurance to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>(1,155)</u>
<b>Change in net position of governmental activities</b>	<b><u>\$ 27,846</u></b>

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

**COUNTY OF IMPERIAL**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2018  
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities
	Imperial Airport	Landfill	Other Enterprise Funds	Total	Internal Service Funds
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ -	\$ 8,622	\$ 24	\$ 8,646	\$ 64,954
Receivables (net):					
Accounts	41	-	-	41	-
Interest	-	20	-	20	181
Due from Other Funds	-	22	-	22	603
Due from Other Agencies	-	-	-	-	13
Inventories and Prepaid Expenses	-	-	-	-	43
Total Current Assets	41	8,664	24	8,729	65,794
Noncurrent Assets:					
Land	662	-	23	685	23
Structures & Improvements	23,627	-	50	23,677	242
Vehicles	-	-	-	-	9,857
Equipment	694	-	-	694	2,851
Accumulated Depreciation	(15,875)	-	(50)	(15,925)	(9,047)
Total Noncurrent Assets	9,108	-	23	9,131	3,926
Total Assets	9,149	8,664	47	17,860	69,720
<b>Deferred outflows of resources:</b>					
Deferred pensions	86	-	-	86	1,051
Deferred OPEB	7	-	-	7	90
Total deferred outflows of resources	93	-	-	93	1,141
<b>LIABILITIES:</b>					
Current Liabilities:					
Claims Payable	-	-	-	-	20,756
Accounts Payable	3	-	-	3	788
Accrued Payroll	5	-	-	5	75
Due to Other Funds	43	-	-	43	472
Current portion of compensated absences	3	-	-	3	13
Total Current Liabilities	54	-	-	54	22,104
Noncurrent Liabilities:					
Compensated Absences	9	-	-	9	185
Accrued Closure/Postclosure	-	16,000	-	16,000	-
Net pension liability	152	-	-	152	1,856
Net OPEB liability	322	-	-	322	3,926
Total Noncurrent Liabilities	483	16,000	-	16,483	5,967
Total Liabilities	537	16,000	-	16,537	28,071
<b>Deferred inflows of resources:</b>					
Deferred pensions	29	-	-	29	356
Deferred OPEB	38	-	-	38	459
Total deferred inflows of resources	67	-	-	67	815
<b>NET POSITION:</b>					
Net investment in capital assets	9,108	-	23	9,131	4,482
Restricted	2	-	1	3	370
Unrestricted	(472)	(7,336)	23	(7,785)	37,123
Total Net Position	\$ 8,638	\$ (7,336)	\$ 47	\$ 1,349	\$ 41,975

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

**COUNTY OF IMPERIAL**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Imperial Airport</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Operating Revenues:</b>					
Charges for Services	\$ 761	\$ -	\$ 13	\$ 774	\$ 51,279
Other Revenues	-	1,300	-	1,300	27
Total Operating Revenues	761	1,300	13	2,074	51,306
<b>Operating Expenses:</b>					
Salaries and Benefits	203	-	-	203	2,664
Services and Supplies	444	-	-	444	50,224
Depreciation	657	-	-	657	1,570
Total Operating Expenses	1,304	-	-	1,304	54,458
Operating Income (Loss)	(543)	1,300	13	770	(3,152)
<b>Non-operating Revenues (Expenses):</b>					
Other income/expense	7	(152)	(7)	(152)	1,389
Interest - Income	(1)	68	-	67	608
Total Non-Operating Revenue (Expenses)	6	(84)	(7)	(85)	1,997
<b>Change in Net Position</b>	(537)	1,216	6	685	(1,155)
Net Position - Beginning	9,517	(8,552)	41	1,006	47,296
Prior period adjustment	(342)	-	-	(342)	(4,166)
Net Position-Beginning, as restated	9,175	(8,552)	41	664	43,130
Net Position - Ending	\$ 8,638	\$ (7,336)	\$ 47	\$ 1,349	\$ 41,975

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, 2018  
(amounts expressed in thousands)

	<b>Business-type Activities-Enterprise Funds</b>				<b>Governmental Activities</b>
	<b>Imperial Airport</b>	<b>Landfill</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash flows from operating activities:</b>					
Cash received from users	\$ 761	\$ 1,300	\$ 13	\$ 2,074	\$ 51,307
Cash received from operating activities	30	145	-	175	659
Cash paid to suppliers	(444)	-	-	(444)	(50,223)
Cash paid to employees	(203)	-	-	(203)	(2,664)
Cash paid for operating activities	-	(174)	(8)	(182)	(1,737)
Net cash provided by (used) operating activities	144	1,271	5	1,420	(2,658)
<b>Cash flows from investing activities:</b>					
Interest received (paid)	(1)	68	-	67	608
Net increase (decrease) in cash and cash equivalents	143	1,339	5	1,487	(2,050)
<b>Cash and cash equivalents - beginning</b>	(143)	7,283	19	7,159	67,004
<b>Cash and cash equivalents - ending</b>	<u>\$ -</u>	<u>\$ 8,622</u>	<u>\$ 24</u>	<u>\$ 8,646</u>	<u>\$ 64,954</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ (543)	\$ 1,300	\$ 13	\$ 770	\$ (3,152)
Adj. to reconcile operating income (loss) to net cash					
Provided by (used in) operating activities:					
Depreciation expense	659	-	-	659	1,569
Decrease (Increase) in accounts receivable	(41)	-	-	(41)	12
Decrease (Increase) in interest receivable	-	(6)	-	(6)	(48)
Decrease (Increase) in prepaid expenses	-	-	-	-	(5)
Decrease (Increase) in due from other funds	49	-	-	49	119
Increase (Decrease) in accounts payable	(4)	-	-	(4)	(930)
Increase (Decrease) in accrued liabilities	-	-	-	-	(6)
Increase (Decrease) in due to other funds	21	(174)	(8)	(161)	(230)
Increase (Decrease) in postclosure costs liability	-	151	-	151	-
Increase (Decrease) in compensated absences	3	-	-	3	13
Total adjustments	687	(29)	(8)	650	494
Net cash provided (used) by operating activities	<u>\$ 144</u>	<u>\$ 1,271</u>	<u>\$ 5</u>	<u>\$ 1,420</u>	<u>\$ (2,658)</u>

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

**COUNTY OF IMPERIAL**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
June 30, 2018  
(amounts expressed in thousands)

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	<b>Investment Trust Funds</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash and investments	\$ 375,325	\$ 101,624
Deposits with Others	3,340	39,877
Accounts Receivable-Net	267	3,151
Interest Receivable	985	178
Due From County	13,112	5,460
	<hr/>	<hr/>
Total Assets	393,029	\$ 150,290
	<hr/>	<hr/>
<b>Liabilities :</b>		
Accounts Payable	1,478	20,702
Interest Payable	1,789	831
Due to County	13,107	9,237
Due to Other Governments	90	119,520
Deposits From Others	53	-
	<hr/>	<hr/>
Total Liabilities	16,517	\$ 150,290
	<hr/>	<hr/>
<b>Net Position :</b>		
Held in Trust for Pool Participants	376,512	
	<hr/>	
Total Net Position	\$ 376,512	
	<hr/>	

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

**COUNTY OF IMPERIAL**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2018**  
(amounts expressed in thousands)

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	<b>Investment Trust Funds</b>
<b>Additions:</b>	
Contributions to Pooled Investments	\$ 70,669
Contributions to Special/School District Trust	649,838
Interest Income	<u>105</u>
Total Additions	<u>720,612</u>
<b>Deductions:</b>	
Distributions from Pooled Investments	65,797
Distributions from Special/School District Trust	<u>686,213</u>
Total Deductions	<u>752,010</u>
Change in Net Position	<u>(31,398)</u>
Net Position - Beginning	1,071,930
Prior period adjustment	<u>(664,020)</u>
Net Position-Beginning, as restated	<u>407,910</u>
Net Position - Ending	<u><u>\$ 376,512</u></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, 2018**  
**(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) Discretely Presented Component Units**

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. The Commission issues a stand-alone financial report, which may be obtained by contacting the Commission at 1225 Main Street, Suite B, El Centro, CA 92243.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

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

**(a) Basis of Presentation**

Government-wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County 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 on fees charged to external parties.

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 is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary funds distinguish *operating* revenues, such as charges for services, results 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 accounts of the County are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

In accordance with GAAP, the County reports on each major governmental fund. By definition, the general fund is always considered a major fund. Governmental funds other than the general fund must be reported as major funds if they meet both the ten percent and five percent criterion, defined respectively, 1) An individual governmental fund reports at least ten percent of any of the following: a) total governmental fund assets, b) total governmental fund liabilities, c) total governmental fund



**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

revenues, or d) total governmental fund expenditures; 2) An individual governmental fund reports at least five percent of the aggregated total for both governmental funds and enterprise funds of any one of the items for which it met the ten percent criterion. In addition, a fund may be reported as major if it is believed to be of particular importance to financial statement users.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes activities such as public protection, public ways and facilities, health and sanitation, public assistance, and education.
- The *Mental Health Service Act (MHSA) Prop 63 Fund* is a special revenue fund used to account for a variety of mental health programs for all populations, as well as a wide range of prevention, early intervention, and treatment services. Revenue resources are primarily state and federal grants.
- The *Mental Health Service Act (MHSA) Prevention & Early Intervention (PEI) Fund* is a special revenue fund used to account for a variety of service that promote wellness, foster health, and prevent the suffering that can result from untreated mental illness. Revenue resources are primarily state and federal grants.

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 agribusiness, Federal Aviation Administration facilities (Flight Service Station), and public interest conveniences such as restaurants, motel and ground transportation.
- The *Solid Waste Landfill* 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.

*Internal Service Funds* account for the activities of the fleet maintenance, 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.

*Fiduciary funds* include all trust and agency funds, which account for assets held by the County as a trustee, or as an agency for individuals, private organizations, or other governments.

- 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.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

- *Agency Funds* are custodial in nature and do not involve measurement of results or operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the County in an agency capacity for individuals or other government units.

**(b) 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 60 days after the end of the accounting period so as to be both measurable and available. If intergovernmental revenues are expected to be received later than 60 days following the end of the fiscal year, then a receivable is recorded along with deferred inflows of resources. Once the grant reimbursement is received, revenue and cash are recorded, and the receivable and deferred inflows of resources are eliminated. 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.

**(c) 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. The County has stated required investments at fair value in the accompanying financial statements using the fair value measurement within the fair value hierarchy established by GAAP.

The Pool is not registered as an investment company with the Securities and Exchange Commission (SEC). California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer must follow.

Public schools districts, cemetery districts, fire protection districts and other special districts within the County are required by legal provisions to participate in the County's investment pool. The deposits held for these districts are included in the Investment Trust Fund.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**(d) Investments**

Statutes authorize the County to invest its surplus cash 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 fair value.

**(e) Inventories**

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

**(f) 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 2017-18, the County received \$22,728 in property taxes that were used to finance general government services.

**(g) Capital Assets**

Capital assets, including infrastructure, are recorded at historical cost if purchased. Contributed fixed assets are valued at their estimated acquisition 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 \$8 and an estimated useful life in excess of one year. Capital assets (assets under capital leases) used in operations are depreciated or amortized 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.

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.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

The estimated useful lives are as follows:

Buildings	40 years
Equipment	5 – 15 years
Office Furniture	5 years
Vehicles	3 – 5 years
Infrastructure	20 – 50 years

**(h) Deferred Outflows and Inflows of Resources**

The County recognizes deferred outflows and inflows of resources in the governmental fund, proprietary fund, and fiduciary fund statements.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time.

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

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

County policy states that unused vacation leave may be accumulated up to a specified maximum and is paid at the time of termination from County employment. Vacation leave may not be accumulated in excess of 30 days or 240 hours, except that employees and appointive officers who have completed 15 years of continuous service may accumulate 40 days, or 320 hours.

The County is not obligated to pay for unused sick leave if an employee terminates prior to retirement. However, under the 1937 Act County Employees' Retirement Law, 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 the employee's accumulated sick leave hours as retirement service credit.

The County accrues for compensated absences in the government-wide and proprietary fund financial statements 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, 2018**  
**(Dollars in Thousands)**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**(k) Pension**

In governmentwide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

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

For purposes of measuring the net pension liability, deferred outflows/inflows of resources relating to pension, and pension expense, information about the fiduciary net position of the County's pension plan with ICERS and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as it is reported by ICERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**(l) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by Imperial County Employees' Retirement System (ICERS). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**Note 2 – Summary of Significant Accounting Policies (Continued)**

**(m) Effects of New Pronouncements**

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

- Statement No. 75 – “Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans.” The provisions of this statement are effective for fiscal years beginning after June 15, 2017. The County implemented this statement as of July 1, 2017.
- Statement No. 81 – “Irrevocable Split-Interest Agreements.” The requirements of this Statement are effective for periods beginning after December 15, 2016. The County has determined that this statement is not applicable.
- Statement No. 85 – “Omnibus 2017.” The requirements of this Statement are effective for periods beginning after June 15, 2017. The County has determined that this statement is not applicable.
- Statement No. 86 – “Certain Debt Extinguishment Issues.” The requirements are effective for periods beginning after June 15, 2017. The County has determined that this statement is not applicable.

GASB Statements Numbers 83, 84, and 87-90 listed below will be implemented in future financial statements:

- Statement No. 83 – “Certain Asset Retirement Obligations.” The requirements of this Statement are effective for periods beginning after June 15, 2018.
- Statement No. 84 – “Fiduciary Activities.” The requirement of this Statement are effective for periods beginning after December 15, 2018.
- Statement No. 87 – “Leases.” The requirements of this Statement are effective for periods beginning after December 15, 2019.
- Statement No. 88 – “Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.” The requirements of this Statement are effective for periods beginning after June 15, 2018.
- Statement No. 89 – “Accounting for Interest Cost Incurred Before the End of a Construction Period.” The requirements of this Statement are effective for periods beginning after December 15, 2019.
- Statement No. 90- “Majority Equity Interests” The requirements of this Statement are effective for periods beginning after December 15, 2018.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**(Dollars in Thousands)**

**Note 3 – Cash and Investments**

The County maintains a Cash and Investment Pool (Pool) that is available for use by all 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	80
Checks for deposit	1,374
Outstanding warrants	2,461
Cash with Financial Institution	<u>167,727</u>
Total cash	<u>171,644</u>

*Investments:*

In Treasurer's pool	474,151
With Fiscal Agent	13,026
With others external to the Treasurer's Pool	<u>43,243</u>
Total investments	<u>530,420</u>
Total cash and investments	<u>\$ 702,064</u>

Cash and investments as of June 30, 2018 are classified in the accompanying financial statement as follows:

	Government-wide Statement of Net Position		Statement of Fiduciary Net Position		
	Primary Government	Component Unit	Investment Trust Fund	Agency Fund	Total
Cash and Investments	\$ 164,410	\$ 4,436	\$ 375,325	\$ 101,624	\$ 645,795
Cash with Fiscal Agent	13,026				13,026
Deposits with Others	<u>26</u>		<u>3,340</u>	<u>39,877</u>	<u>43,243</u>
Total Cash and Investments	<u>\$ 177,462</u>	<u>\$ 4,436</u>	<u>\$ 378,665</u>	<u>\$ 141,501</u>	<u>\$ 702,064</u>

**Investments**

Pursuant to California Government Code Section 53635, the County Treasurer prepares investment policy guidelines which are approved by the Board of Supervisors annually. The objectives of the policy are, in order of priority, safety of principal, liquidity, public trust and return on investment. All investments are made in accordance with the California Government Code Section 53601 and, in general, the Treasurer's policy is more restrictive than State law. Certain special districts and all public school districts are required by legal provisions to deposit their funds with the County Treasurer.

The County is a voluntary participant in the Local Agency Investment (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The County's investment in this pool is reported in the accompanying financial statements at fair value based upon the County's prorate share of the amortized cost basis provided

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 3 – Cash and Investments (Continued)**

by LAIF for the entire LAIF portfolio, in relation to the amortized cost of that portfolio. The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not registered with the Securities and Exchange Commission (SEC) and is not rated. Deposit and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value.

The following table identifies the investment types that are authorized by the California Government Code Section 53601 and the County's investment policy.

Investment Type	Maximum Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements
Local Agency Bonds	5 years	--	--
U.S. Treasury Obligations	5 years	--	--
State of California Obligations	5 years	--	--
CA Local Agency Obligations	5 years	--	--
U.S. Agency Obligations	5 years	--	--
Bankers' Acceptances	180 days	40%	--
Commercial Paper	270 days	40%	A-1, A
Negotiable Certificates of Deposit	5 years	30%	--
Placement Service Deposits	5 years	30%	--
Repurchase Agreements	1 year	--	--
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20% combined of base value	--
Medium-Term Notes	5 years	30 %	A rating
Mutual Funds	--	20%	Multiple
Money Market Mutual Funds	--	20%	Multiple
Collateralized Bank Deposit	5 years	--	--
Mortgage Pass-Through Securities	5 years	20%	AA rating
Time Deposits	5 years	--	--
County Pooled Investment Funds	--	--	--
Joint Powers Authority Pool	--	--	Multiple
Local Agency Investment Fund	--	--	--
Supranational Obligations	5 years	30%	AA rating

**Credit Risk and Concentration of Credit Risk**

Credit risk is the risk of loss due to an issuer of an investment not fulfilling its obligation to the holder of the investment. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The Treasurer mitigates these risks by holding a diversified portfolio of high quality investments.

The Treasurer's Investment Policy sets specific parameters by type of investment to be met at the time of purchase. U.S. Treasury and agency securities are considered to be of the best quality grade, as such there is no limitation on amounts invested in U.S. Treasury or agency securities per California Government Code.



**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 3 – Cash and Investments (Continued)**

The following is a summary of the credit quality distribution by investment type as a percentage of fair value at June 30, 2018:

	Credit Rating			% of Portfolio
	Moody's	S & P	Fitch	
Treasurer's Pooled Investment				
LAIF	NR	NR	NR	13.79%
Collateralized Certificates of Deposit	NR	NR	NR	2.09%
Negotiable Certificates of Deposit	P-1	A-1	NR	17.95%
U.S. Government Agencies	Aaa	AA+	AAA	66.17%
				<u>100.00%</u>

Investments in any one issuer (other than U.S. Treasury securities, money market mutual funds and external investment pools) that represent 5% or more of the total County investments are as follows:

Issuer Name	Investment Type	Amount
Federal Home Loan Bank	U.S. Government Agencies	\$145,799
Federal Farm Credit Bank	U.S. Government Agencies	\$163,774

**Custodial Credit Risk**

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counterparty (i.e. fiscal agent) to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government code and the County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secured deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. 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. California law also allows financial institutions to secure county deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2018, all of the County's investments were held by the County itself or by a fiscal agent other than the broker-dealer used by the County to purchase the securities.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Treasurer mitigates this risk by making longer-term investments only with funds that are not needed for current cash flow purposes and holding these securities to maturity. The Treasurer uses the weighted average maturity method to identify and manage interest rate risk. The weighted average maturity of the investments with the Treasury as of June 30, 2018 was 691 days.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**(Dollars in Thousands)**

**Note 3 – Cash and Investments (Continued)**

The following is a summary of investments held by the County as of June 30, 2018:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Maturity Ranges</b>	<b>Interest Rate Ranges</b>
LAIF	\$ 64,500	On Demand	1.90%
Collateralized Certificates of Deposit	9,793	7/13/18 - 6/7/20	1.00 – 2.35%
Negotiable Certificates of Deposit	85,455	7/6/18 – 5/30/23	1.00 – 3.05%
U.S. Government Agencies	314,403	7/6/18 – 2/16/23	1.01 – 2.80%
<b>Total County's Pooled Investments</b>	<b>474,151</b>		
<b>Investments Held Outside County Pool:</b>			
Tobacco Settlement	9,163		
Mutual Funds - OPEB	3,863		
Money Market	3,366		
Deferred Compensation	39,877		
<b>Total Investments Held Outside County Pool</b>	<b>56,269</b>		
<b>Total Investments</b>	<b>530,420</b>		
<b>Cash in banks:</b>			
Interest bearing deposits	167,727		
<b>Cash on hand:</b>	<b>3,917</b>		
<b>Total cash and investments</b>	<b>\$ 702,064</b>		

**Condensed Financial Information**

The County Treasurer does not issue separate financial statements. Condensed financial information for the Pool as of and for the fiscal year ended June 30, 2018 is as follows:

Statement of Net Position:

Equity of Internal Pool Participants	\$ 270,470
Equity of External Pool Participants	375,325
<b>Total Equity</b>	<b>\$ 645,795</b>

Statement of Change in Net Position:

Net Position at July 1, 2017	\$ 652,028
Prior Period Adjustment-Pension Trust	(5,760)
Net Change in Net Position for Pool Participants	(473)
<b>Net Position at June 30, 2018</b>	<b>\$ 645,795</b>

The condensed financial information of the Pool does not include the cash and investment held in outside accounts, which are included in the total cash and investments of the accompanying financial statements.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 3 – Cash and Investments (Continued)**

**Fair Value Measurements**

The Pool categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The Pool has the following recurring fair value measurements as of June 30, 2018:

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices In Active Markets for Identical Assets (Lever 1)	Significant Other Observable Inputs (Lever 2)	Significant Unobservable Inputs (Lever 3)
Debt Securities:				
Negotiable Certificates of Deposit	\$ 85,455	\$ -	\$ 85,455	\$ -
U.S. Government Agency	314,403	-	314,403	-
Total Investments Measured at Fair Value	399,858	\$ -	\$ 399,858	\$ -
Investments Measured Based on Uncategorized Inputs :				
LAIF	64,500			
Collateralized Certificates of Deposit	9,793			
Total Investments at Amortized Cost	74,293			
Total County's Pooled Investments	474,151			
Uncategorized Investments Held Outside County's Pool:				
Tobacco Settlement	9,163			
Mutual Funds – OPEB	3,863			
Money Market	3,336			
Deferred Compensation	39,877			
Total Uncategorized investments Held Outside County's Pool	56,269			
Total Investments	\$ 530,420			

**Note 4 – Receivables**

Accounts, interest, taxes and loan receivable balances of the General, MHSA Act Prop #63, MHSA PEI, Other Governmental Funds, and Proprietary funds at June 30, 2018 are as follows:

<b>Receivables- Governmental Activities</b>	<b>General Fund</b>	<b>MHSA Act Prop #63</b>	<b>MHSA PEI</b>	<b>Other Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Total Governmental Activities</b>
Accounts	\$ 5,274	\$ 836	\$ 32	\$ 4,368	\$ -	\$ 10,510
Interest	194	15	12	4,900	181	5,302
Taxes	1,860	-	-	465	-	2,325
Loans	-	-	-	15,951	-	15,951
Total receivables	\$ 7,328	\$ 851	\$ 44	\$ 25,684	\$ 181	\$ 34,088

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 4 – Receivables (Continued)**

<b><u>Receivables- Business-Type Activities</u></b>	<b><u>Imperial Airport</u></b>	<b><u>Landfill</u></b>	<b><u>Total Business-type Activities</u></b>
Accounts	\$ 41	\$ -	\$ 41
Interest	<u>-</u>	<u>20</u>	<u>20</u>
Total receivables	<u>\$ 41</u>	<u>\$ 20</u>	<u>\$ 61</u>

**Note 5 – Interfund Transactions**

The composition of inter fund balances as of June 30, 2018 are as follows:

Short-term inter fund borrowings between funds are reported as due to and due from other funds.

<b><u>Due from</u></b>	<b><u>Due to</u></b>						<b><u>Total</u></b>
	<b><u>General Fund</u></b>	<b><u>MHSA Act Prop #63</u></b>	<b><u>MHSA PEI</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Landfill</u></b>	<b><u>Internal Service Funds</u></b>	
General Fund	\$ -	\$ 567	\$ 93	\$ 810	\$ -	\$ 391	\$ 1,861
MHSA Act Prop #63	1,378	-	-	98	-	2	1,478
MHSA PEI	93	-	-	12	-	-	105
Other Governmental Funds	25,494	64	12	14,123	-	42	39,735
Imperial Airport	21	-	-	-	22	-	43
Internal Service	<u>304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168</u>	<u>472</u>
Total	<u>\$ 27,290</u>	<u>\$ 631</u>	<u>\$ 105</u>	<u>\$ 15,043</u>	<u>\$ 22</u>	<u>\$ 603</u>	<u>\$ 43,694</u>

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.”

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 6 – Capital Assets**

Capital assets activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,479	\$ -	\$ -	\$ 4,479
Construction in progress	24,131	13,642	(1)	37,772
Total capital assets, not being depreciated	<u>28,610</u>	<u>13,642</u>	<u>(1)</u>	<u>42,251</u>
Capital assets, being depreciated:				
Infrastructure	125,126	3	-	125,129
Structures & Improvements	84,321	297	(4)	84,614
Vehicles	15,539	1,733	(2,364)	14,908
Furniture and equipment	49,588	3,170	(446)	52,312
Total capital assets, being depreciated	<u>274,574</u>	<u>5,203</u>	<u>(2,814)</u>	<u>276,963</u>
Less accumulated depreciation for:				
Infrastructure	79,277	4,026	(101)	83,202
Structures & Improvements	46,984	1,448	(285)	48,147
Vehicles	11,493	1,753	(2,137)	11,109
Furniture and equipment	41,410	2,523	(446)	43,487
Total accumulated depreciation	<u>179,164</u>	<u>9,750</u>	<u>(2,969)</u>	<u>185,945</u>
Total capital assets, being depreciated, net	<u>95,409</u>	<u>(4,547)</u>	<u>260</u>	<u>91,018</u>
Governmental activities capital assets, net	<u>\$ 124,019</u>	<u>\$ 9,095</u>	<u>\$ 259</u>	<u>\$ 133,269</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 685	\$ -	\$ -	\$ 685
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	<u>685</u>	<u>-</u>	<u>-</u>	<u>685</u>
Capital assets, being depreciated:				
Structures & Improvements	23,676	-	-	23,676
Furniture and equipment	694	-	-	694
Total capital assets, being depreciated	<u>24,370</u>	<u>-</u>	<u>-</u>	<u>24,370</u>
Less accumulated depreciation for:				
Structures & Improvements	14,573	657	-	15,230
Furniture and equipment	694	-	-	694
Total accumulated depreciation	<u>15,267</u>	<u>657</u>	<u>-</u>	<u>15,924</u>
Total capital assets, being depreciated, net	<u>9,103</u>	<u>(657)</u>	<u>-</u>	<u>8,446</u>
Business-type activities capital assets, net	<u>\$ 9,788</u>	<u>\$ (657)</u>	<u>\$ -</u>	<u>\$ 9,131</u>

**Depreciation**

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 5,688
Public Protection	1,373
Health & Sanitation	267
Public Assistance	109
Public Ways & Facilities	743
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>1,570</u>
Total depreciation expense – governmental functions	<u>\$ 9,750</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 6 – Capital Assets (Continued)**

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

Airports	\$ 657
Total depreciation expense – business-type functions	<u>\$ 657</u>

**Construction in Progress**

Construction in Progress for governmental activities represents work being performed on the Oren R. Fox Detention Center, and a number of ongoing small projects.

**Note 7 – Leases**

**Operating Leases**

The County is committed under various noncancelable operating leases, primarily for office buildings and equipment. Lease payments for the fiscal year ended June 30, 2018 totaled \$114.

Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2019	\$ 114
2020	114
2021	114
2022	114
2023	<u>114</u>
Total	<u>\$ 570</u>

**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:

	<u>Governmental Activities</u>
Qty 62 Motorola MW810 Mobile Work	\$ 520
Qty 264 Motorola Consoles/Radios	1,883
Qty 1 Dominion Voting System	1,501
Qty 1 Pitney Bowes Connect Plus 3000	<u>37</u>
Less: Accumulated Depreciation	<u>\$ (1,081)</u>
Net	<u>\$ 2,860</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 7 – Leases (Continued)**

Future capital lease minimum payments are as follows:

<u>Year ending June 30,</u>	
2019	\$ 526
2020	526
2021	445
2022-25	<u>1,075</u>
	\$ 2,572
Less Interest	<u>(230)</u>
Net	<u>\$ 2,342</u>

**Note 8 – Long Term Debt**

The County has recognized a long term debt for compensated absences, capital lease obligations, pension obligation bonds, certificates of participation, and pending litigation payable to the State of California. Outstanding long term debt as of June 30, 2018 is recorded within governmental activities and payable from governmental funds.

The following is a schedule of long-term liabilities for Governmental Activities for the year ended June 30, 2018:

	<u>Balance</u>			<u>Balance</u>	<u>Amounts</u>
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2018</u>	<u>Due within</u>
					<u>One year</u>
Employee Compensated Absences	\$ 15,867	\$ 429	\$ -	\$ 16,296	\$ 488
Capital Lease Obligation	951	1,883	260	2,574	526
Claims Payables	21,967	17,222	18,433	20,756	20,756
Pension Funding Bonds 1997	11,120	-	2,500	8,620	2,680
Pension Funding Bonds 2002	27,010	-	1,305	25,705	1,380
State of California Child Support	360	-	90	270	90
Certificate of Participation 2010 Series	<u>7,325</u>	<u>-</u>	<u>395</u>	<u>6,930</u>	<u>410</u>
Governmental Activities Long					
Term Debt	<u>\$ 84,600</u>	<u>\$ 19,534</u>	<u>\$ 22,983</u>	<u>\$ 81,151</u>	<u>\$ 26,330</u>

**2010 Certificates of Participation**

On March 1, 2010, the County issued its \$9,465 Certificates of Participation 2010 Series A, for the Landfill Remediation and Closure Funding Program.

The proceeds of the County of Imperial Certificates of Participation, 2010 Series A (COPS) (Landfill Remediation and Closure Funding Program), together with other lawfully available funds of the County of Imperial, California, were used to finance a portion of the County's landfill closures and the construction and/or acquisition of certain improvements. The Certificates represent direct, undivided fractional interest in certain Lease Payments to be made by the County pursuant to a Lease Agreement, dated March 1, 2010, by and between the Imperial County Facilities Corporation and the County.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 8 – Long Term Debt (Continued)**

Interest with respect to the COPS is payable on each February 15 and August 15, commencing August 15, 2010. The Certificates will be initially registered in the name of Code & Co., as nominee of the Depository Trust Company, New York ("DTC"). DTC will act as securities depository of the Certificates. The Certificates are subject to prepayment prior to their stated maturity. The debt service requirements on the certificates to maturity, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2019	\$ 410	\$ 320	\$ 730
2020	425	306	731
2021	440	289	729
2022	460	271	731
2023	475	251	726
2024	500	230	730
2025-2029	2,865	776	3,641
2030-2031	<u>1,355</u>	<u>103</u>	<u>1,458</u>
Total	<u>\$ 6,930</u>	<u>\$ 2,546</u>	<u>\$ 9,476</u>

**Taxable Pension Funding Bonds 1997**

On November 19, 1997, the County issued \$35,175 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 24 years maturing in 2021. The bonds are not subject to optional redemption prior to their stated maturity date. The bond's debt service to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2019	\$ 2,680	\$ 496	\$ 3,176
2020	2,870	308	3,178
2021	<u>3,070</u>	<u>105</u>	<u>3,175</u>
Total	<u>\$ 8,620</u>	<u>\$ 909</u>	<u>\$ 9,529</u>



**County of Imperial**  
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**Note 8 – Long Term Debt (Continued)**

**Taxable Pension Funding Bonds 2002**

On September 17, 2002, the County issued \$33,265 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 4.710% to 5.715% and are payable over a period of 29 years maturing in 2031. The bonds are not subject to optional redemption prior to their stated maturity date. The bond's debt service to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2019	\$ 1,380	\$ 1,418	\$ 2,798
2020	1,460	1,339	2,799
2021	1,540	1,255	2,795
2022	1,630	1,167	2,797
2023	1,725	1,074	2,799
2024-2028	7,965	3,227	11,192
2029-2031	<u>10,005</u>	<u>1,184</u>	<u>11,189</u>
Total	<u>\$ 25,705</u>	<u>\$ 10,664</u>	<u>\$ 36,369</u>

**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. On February 21, 2006, a settlement was reached by the County of Imperial and the State of California. The County of Imperial is to pay \$1,350 to the State of California. The payments are to be made in 60 quarterly payments in the amount of \$23 per quarter beginning July 1, 2006.

The following is a schedule of long-term liabilities for Business-Type Activities for the year ended June 30, 2018:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Amounts</u> <u>Due within</u> <u>One year</u>
Employee Compensated Absences	\$ 9	\$ 3	\$ -	\$ 12	\$ 3
Landfill	<u>15,849</u>	<u>151</u>	<u>-</u>	<u>16,000</u>	<u>151</u>
Total	<u>\$ 15,858</u>	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 16,012</u>	<u>\$ 154</u>

**County of Imperial**  
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**Note 9 – 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 \$16,000 as of June 30, 2018 which is based on an average of 84.89% usage (filled) of the ten landfills operated by the County. It is estimated that an additional \$65,905 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 (\$30,426) 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, 2018. 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.

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, 2018, \$8,622 was held in the Landfill 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 10 – Employees' Retirement System**

**Plan Description**

The Imperial County Employees' Retirement System (ICERS) was established by the County of Imperial in 1951. ICERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). ICERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Imperial. ICERS also provides retirement benefits to the employee members of the Imperial County Courts, LAFCO, and ICTC.

The management of ICERS is vested with the Imperial County Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, one member and one alternate are elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with her term as County Treasurer.

The Imperial County Retirement System (ICERS) issues an audited stand-alone financial report, which may be obtained by contacting the Board of Retirement at 1221 W. State Street, El Centro, CA 92243

**County of Imperial**  
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**Note 10 – Employees’ Retirement System (Continued)**

***Summary of Plans and Eligible Participants***

Open for New Enrollment:

General Tier 3	General members hired on or after January 1, 2013 may continue in plan.
Safety Tier 3	(a) Law Enforcement, (b) fire suppression, and (c) certain probation officers hired on or after January 1, 2013 may continue in plan.

Closed to New Enrollment:

General Legacy	General members hired prior to January 1, 2013 may continue in plan.
Safety Legacy	(a) Law Enforcement, (b) fire suppression, and (c) certain probation officers hired prior to January 1, 2013 may continue in plan.

**Benefits Provided**

All regular full-time employees of the County of Imperial who work a minimum of 30 hours per week become members of ICERS effective on the first day of the first full pay period after employment. ICERS provides service retirement, disability, death and survivor benefits to eligible employees. The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier. There are separate retirement benefits for General and Safety member employees.

General member benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.14 for Regular and Regular plus Supplemental Benefits, respectively. The monthly allowance is equal to 1/60th of final compensation for Regular and Regular plus Supplemental Benefits, times years of accrued retirement service credit times age factor from either Section 31676.11 (Regular Benefit) or Section 31676.14 (Regular plus Supplemental Benefit). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Sections 31664 and 31664.1 for Regular and Regular plus Supplemental Benefits, respectively. The monthly allowance is equal to 1/50th (or 2%) of final compensation times years of accrued retirement service credit times age factor from Section 31664 (Regular Benefit) or 3% of final compensation times years of accrued retirement service credit times age factor from Section 31664.1 (Regular plus Supplemental Benefit). Safety member benefits for those first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation.

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**Note 10 – Employees’ Retirement System (Continued)**

Final average compensation consists of the highest 12 consecutive months for a General or Safety member and the highest 36 consecutive months for a PEPRA General and PEPRA Safety member.

ICERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Western Region, is capped at 2.0%.

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.

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.

**Contributions**

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General Legacy members and Safety Legacy members, respectively.

The basic contribution rate for the Regular benefit is determined so that the accumulation of a member’s basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/120 of Final Average Salary for General and 1/100 of Final Average Salary for Safety. That age is 55 for all General and 50 for all Safety.

It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions for the Regular benefit, members pay one-half of the total normal cost necessary to fund their cost-of-living Regular benefit. Accumulation includes semi-annual crediting of interest at the assumed investment earning rate.

Members pay the additional Normal Cost attributable to the difference between the Total (i.e., Regular plus Supplemental) and Regular benefits. In addition, members also pay for the cost of any unfunded actuarial accrued liability attributable to the difference between the Total and the Regular benefits.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**Note 10 – Employees’ Retirement System (Continued)**

Pursuant to Section 7522.30(a) of the Government Code, General Tier 3 and Safety Tier 3 members are required to contribute at least 50% of the Normal Cost rate. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of “similarly situated employees”, if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the Normal Cost rates in this report, we have assumed that exactly 50% of the Normal Cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not requirements of Section 7522.30(e).

Members also pay for the cost of any unfunded actuarial accrued liability for General Legacy and Safety Legacy Tiers attributable to the difference between the Total (i.e., Regular plus Supplemental) and the Regular benefits. Additional amounts required to finance any unfunded accrued liability are the responsibility of the plan sponsors. Contributions to the pension plans from the County were \$17,707 for the year ended June 30, 2018.

Employer and employee contribution rates and active members for each plan are as follows:

	<u>Employer</u> <u>Contribution Rates</u>	<u>Employee</u> <u>Contribution Rates</u>	<u>Active</u> <u>Members</u>
General Legacy	21.46%	8.56-12.40%	1,163
General Tier 3	16.21%	9.83%	654
Safety Legacy	30.69%	20.57-24.61%	243
Safety Tier 3	23.42%	18.69%	101

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2018, the County reported a liability of \$126,951 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2017, the County’s proportion was 94.669%, which was a decrease of 0.052% from its proportion measured as of June 30, 2016. For the year ended June 30, 2018, the County recognized pension expense of \$27,220. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**Note 10 – Employees’ Retirement System (Continued)**

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between employer's contributions and proportionate share of Contributions.	\$ 44,462	\$ 34
Changes of assumptions	178	-
Net difference between projected and actual earnings on pension plan investments	9,143	24,279
Difference between expected and actual experience	421	-
County contributions subsequent to the measurement date	17,707	-
	<u>\$ 71,911</u>	<u>\$ 24,313</u>

\$17,707 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension, will be recognized in pension expense as follows:

<u>Year Ending June 30:</u>	
2019	\$ 6,259
2020	15,197
2021	5,559
2022	(3,325)
2023	3,696
2024	<u>2,506</u>
	<u>\$ 29,892</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**Note 10 – Employees’ Retirement System (Continued)**

**Actuarial Assumptions**

The Total Pension Liability (TPLs) measured as of June 30, 2017, was determined using the following actuarial assumptions:

Inflation	3.00%
Salary increases	General: 4.75% to 8.25% and Safety: 4.75% to 11.50%, varying by service, including inflation.
Investment rate of return	7.25%, net of pension plan investment expense
Administrative expenses	1.80% of payroll allocated to both the employer and member based on the components of the total contribution rate for the employer and member

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Large Cap U.S. Equity	23%	5.61%
Small Cap U.S. Equity	6%	6.37%
Developed International Equity	17%	6.96%
Emerging Markets Equity	7%	9.28%
U.S. Core Fixed Income	22%	1.06%
TIPS	5%	0.94%
Real Estate	5%	4.37%
Value Added Real Estate	5%	6.00%
Private Credit	5%	5.10%
Private Equity	5%	8.70%
<b>Total</b>	<b>100%</b>	

**County of Imperial**  
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**Note 10 – Employees’ Retirement System (Continued)**

**Discount rate**

The discount rate used to measure the Total Pension Liability (TPL) was 7.25% as of June 30, 2017. For plan member contributions, the projection of cash flows used to determine the discount rate assumed employee contributions will be made at the current contribution rate for the Regular and PEPRA benefits and that the contributions will be made at rates equal to the actuarially determined contribution rates for the Supplemental benefits. For employer contributions, the projection of cash flow used to determine the discount rate assumed employer contributions will be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the Pension Plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as part of the June 30, 2017 measurement.

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the County’s share of the net pension liability calculated using the discount rate of 7.25%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	\$ 245,903	\$ 126,951	\$ 25,256

**Note 11 - Other Postemployment Employment Benefits (OPEB)**

**Plan Description**

County retirees who retire directly from the County are eligible for health coverage in the County self-funded health plans if they meet certain age and service eligibility requirements. The County’s self-funded medical and dental plans are administered by Blue Shield of California. In addition, the County contracts with Dental Health Service and Vision Service Plan (VSP) for dental and vision benefits.



**County of Imperial**  
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**Note 11 - Other Postemployment Employment Benefits (OPEB) (Continued)**

**Benefits Provided**

Employees are eligible for retiree health benefits if they retire from the County with at least 10 years of service, and are receiving retirement benefits from Imperial County employees' Retirement System (ICERS). Former County employees with at least 10 years of service who have not yet commenced retirement benefits with ICERS may apply for County retiree health plan coverage upon commencement of pension benefits from ICERS. Beginning in 2012, the County now requires all Medicare eligible retirees to enroll in a fully insured Medicare Supplement plan. Retirees may elect to cover spouses in their medical, dental, and vision coverage, however retirees are charged the full premium for spouses' medical, dental, and vision coverage. The County now contracts with United Health Care for Medicare Supplement coverage for its Medicare eligible retirees.

**Health Benefits**

Upon retirement, County employees who meet the eligibility requirements may elect medical, dental, and vision coverage through the County's health plan for their lifetime.

For County employees hired prior to January 1, 1989, the County will pay the full retiree-only premium each month toward the cost of retiree health coverage.

For County employees hired after December 31, 1988, the County will pay a portion of the cost of the retiree-only premium subject to the following vesting schedule:

<u>Years of Service</u>	<u>County Portion</u>	<u>Retiree Portion</u>
10 to 15 years	25%	75%
16 to 20 years	50%	50%
21 to 24 years	75%	25%
25 years or above	100%	0%

**Employees Covered**

At the OPEB liability measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	750
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	1,912
Total	<u>2,662</u>

Active Employees' Average Service at Valuation Date: 10.2

**Contribution**

The County has not established an ongoing funding policy of periodic contributions, but may consider making future contributions on an ad hoc basis. In the absence of a periodic funding policy and due to the size of the assets relative to plan liabilities, a discount rate of 3.58% based on the 20 Year Bond GO Index is used as of the measurement date of June 30, 2017.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**Note 11 - Other Postemployment Employment Benefits (OPEB) (Continued)**

**Net OPEB Liability**

At June 30, 2018, the County reported a net OPEB liability of \$268,472. The County's net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

**Actuarial Assumptions**

The total OPEB liability measured as of June 30, 2017 was determined using the following actuarial assumptions:

Discount rate	3.58%
Inflation	2.50%
Investment rate of return	5.90%
Healthcare Cost Trend Rate	We have assumed overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model developed by the Society of Actuaries. Under the Patient Protection and Affordable Care Act of 2010, including changes passed into law on December 18, 2015, a Federal excise tax will apply for high cost health benefits beginning in 2020.
Mortality rates	For General Male Members and all Male Beneficiaries: RP-2000 Combined Healthy Annuitant Mortality Table for males, projected with scale BB to 2019, set forward two years. For General Female Members and all Female Beneficiaries: RP-2000 Combined Healthy Annuitant Mortality Table for females, projected with scale BB to 2019, set forward one year. For Safety Members: RP-2000 Combined Healthy Annuitant Mortality Table, projected with scale BB to 2019, set forward one year for males and with no age adjustments for females. For General and Safety Disabled Male and Female Members: RP-2000 Disabled Annuitant Mortality Table, projected with scale BB to 2019, set back four years.
Future retiree plan election	We assumed 80% of future retirees are assumed to enroll in the County's medical plans of which 25% will enroll in Plan 1, and the other 75% will enroll in Plan 2. 50% of future retirees are assumed to enroll in the vision plan and 60% of male retirees are assumed to have a covered spouse, while 40% of female retirees are assumed to have a covered spouse upon retirement.

**Investment Rate of Return**

We have assumed an investment rate of return of 5.90%, net of investment expense. This is based on the investment policy set by the County for its OPEB trust where the County invests its assets in the Public Agency Retirement Services (PARS) Trust to fund its OPEB liabilities. The County's OPEB Irrevocable Trust assets are invested in the Public Agency Retirement Services' Highmark Diversified Portfolio. Based on the Trust's asset allocation (shown below) and capital market assumptions, the expected average return over the next 30 years is 5.90% with an inflation assumption of 2.50%.

**County of Imperial**  
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**Note 11 - Other Postemployment Employment Benefits (OPEB) (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
US Cash	3.5%	2.91%
US Core Fixed Income	46.6%	4.55%
US Large Caps	24.9%	7.36%
US Mid Caps	3.6%	7.93%
US Small Growth	3.8%	9.61%
US Small Value	3.7%	8.01%
Global Equity	9.2%	8.43%
Emerging Markets Equity	3.3%	10.68%
US Real Estate	1.4%	7.64%
Total	100.0%	
Expected Arithmetic Mean Annual Return (30 years)		6.24%
Expected Geometric Median Annual Return (30 years)		5.88%

**Discount Rate**

Under GASB 74 & 75, the discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax –exempt AA or higher Municipal Bonds as of the Measurement Date. At transition, GASB 75 also requires that the Total OPEB Liability as of the prior fiscal year end be estimated based on the 20 Year Bond GO Index as of the prior fiscal year end. We have estimated the TOL as of June 30, 2017 using a discount rate of 3.58%.

**Changes in the Net OPEB Liability**

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2017.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
<b>Balance as of June 30, 2016</b>	<b>\$ 288,487</b>	<b>\$ 3,652</b>	<b>\$ 284,835</b>
Changes in the year:			
Service cost	17,834	-	17,834
Interest on the total OPEB liability	8,639	-	8,639
Differences between actual and expected experience	-	-	-
Changes of assumptions	(36,107)	-	(36,107)
Contributions – employer	-	6,421	(6,421)
Net investment income	-	308	(308)
Benefit payments <sup>(1)</sup>	(6,421)	(6,421) <sup>(2)</sup>	-
Administrative expense	-	-	-
Net Changes	(16,055)	308	(16,363)
<b>Balance at June 30, 2017</b>	<b>\$ 272,432</b>	<b>\$ 3,960</b>	<b>\$ 268,472</b>

1. The benefit payment shown is computed based on claims experience from July 1, 2016 to June 30, 2017 as follows: \$5,125 claims and expenses, plus Medicare Supplement Plan Premium and Medicare Part A and B premium reimbursements of \$2,981 less retiree premium payments of \$(1,685) = \$6,421.

2. The amount shown above includes both the contributions made to the trust and the pay-as-you-go benefit payment cost.

**County of Imperial**  
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**Note 11 - Other Postemployment Employment Benefits (OPEB) (Continued)**

**Sensitivity of the Net OPEB Liability to changes in the discount rate and healthcare cost trend rates**

The first table shows what the County's Net OPEB Liability (NOL) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

The second table shows what the County's Net OPEB Liability (NOL) would be if it were calculated using Healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current Healthcare cost trend rates.

	1% Decrease 2.58%	Discount Rate 3.58%	1% Increase 4.58%
Net OPEB Liability	\$ 319,653	\$ 268,472	\$ 228,142

	Healthcare Cost Trend Rate		
	1% Decrease (9.85% decreasing to 3.25%)	Current Trend (10.85% decreasing to 4.25%)	1% Increase (11.85% decreasing to 5.25%)
Net OPEB Liability	\$ 219,842	\$ 268,472	\$ 333,024

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2018, the County recognized OPEB expense of \$15,330. As of June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ -	\$ (31,318)
Net difference between projected and actual earnings	-	(74)
Contributions made subsequent to measurement date	6,120	-
	<u>\$ 6,120</u>	<u>\$ (31,392)</u>

The amount of \$6,120 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June, 2019.

Amounts currently reported as deferred outflows of resources and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	Amount
2018	\$ (4,807)
2019	(4,807)
2020	(4,807)
2021	(4,807)
2022	(4,789)
Thereafter	(7,375)
	<u>\$ (31,392)</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
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**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.

The liability insurance has a self-insured retention per claim of \$200 with excess liability insurance of up to \$25,000 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 \$9,800 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:

	June 30, 2016	June 30, 2017	June 30, 2018
Liability at beginning of year	\$ 16,795	\$ 23,707	\$ 21,967
Current year claims and changes in estimates	31,068	20,253	17,222
Claim payments	<u>(24,156)</u>	<u>(21,993)</u>	<u>(18,433)</u>
Liability at end of year	<u>\$ 23,707</u>	<u>\$ 21,967</u>	<u>\$ 20,756</u>

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 13 – Fund Balances**

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable Fund Balance** – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed Fund Balance** – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned Fund Balance** – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- **Unassigned Fund Balance** – the residual classification for the County's General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies or rescinds fund balance assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 13 – Fund Balances (Continued)**

A detailed schedule of fund balances at June 30, 2018 is as follows:

	<u>General Fund</u>	<u>MHSA Act Prop #63</u>	<u>MHSA PEI</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Nonspendable:</u></b>					
Prepaid Items and Inventories	\$ 334	\$ -	\$ -	\$ 285	\$ 619
Total nonspendable fund balances	<u>334</u>	<u>-</u>	<u>-</u>	<u>285</u>	<u>619</u>
<b><u>Restricted for:</u></b>					
PARS OPEB	3,863	-	-	-	3,863
Law and Justice Realignment	6,475	-	-	-	6,475
Behavioral Health Realignment	1	-	-	-	1
CalWORKs Maintenance of Effort Real.	1,628	-	-	-	1,628
DA/Public Defender Realignment	29	-	-	-	29
Social Services Realignment	18,568	-	-	-	18,568
USDA Rural Development	-	-	-	43	43
ICCED Micro Lending Program	-	-	-	36	36
Heber Housing Rehabilitation	-	-	-	9,791	9,791
Public Works Roads	-	-	-	400	400
Criminal Justice Facilities	-	-	-	4	4
Community Development Block Grant	-	-	-	5,707	5,707
Substance Abuse Funds	-	-	-	29	29
Colonia III & IV Grant	-	-	-	85	85
WIA Funds	-	-	-	149	149
Home Funds 2001	-	-	-	429	429
First Time Homebuyers Program	-	-	-	1,428	1,428
Measure D LTA Road Funds	-	-	-	158	158
CalHOME Program	-	-	-	2,187	2,187
Neighborhood Stabilization Program	-	-	-	417	417
Probation Program	-	-	-	258	258
Palo Verde WW Treatment Program	-	-	-	184	184
Winterhaven County Loan	-	-	-	162	162
Homeland Security	-	-	-	283	283
District Attorney Program	-	-	-	471	471
Operation Stonegarden Program	-	-	-	555	555
OHS Grant Public Safety	-	-	-	1	1
FAA Grant	-	-	-	2	2
Jail Inmate Education	-	-	-	8	8
Sheriff Programs	-	-	-	317	317
Red Hill Marina Boat Launching	-	-	-	10	10
Renewal Energy	-	-	-	45	45
Victim Witness Assistance	-	-	-	50	50
Whitefly Management Comm.	-	-	-	67	67
Tens Grant	-	-	-	90	90
Social Services Programs	-	-	-	159	159
Mosquito Abate	-	-	-	211	211
Court Security	-	-	-	239	239
Tobacco Education	-	-	-	453	453
Tobacco Settlement Monies	1,481	-	-	-	1,481
Geothermal Administration	-	-	-	210	210
Gateway CSA CAO	-	-	-	410	410
Air Pollution Control	-	-	-	2,264	2,264
USDA Rural Development	-	-	-	399	399
Community Development Block Grant	-	-	-	66	66

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 13 – Fund Balances (Continued)**

	<u>General Fund</u>	<u>MHSA Act Prop #63</u>	<u>MHSA PEI</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
First Time Homebuyers Program	-	-	-	32	32
Seeley Community Improvement	-	-	-	8	8
Sunbeam Lake Boat Launch Grant	-	-	-	10	10
CalHOME	-	-	-	11	11
Palo Verde WWTP	-	-	-	16	16
Economic Development Administration	-	-	-	22	22
Heber Housing Rehabilitation	-	-	-	23	23
Mental Health Service Act	-	5,206	4,517	-	9,723
Neighborhood Stabilization Program	-	-	-	151	151
Operation Stonegarden Program	-	-	-	2,282	2,282
Measure D LTA Road Funds	-	-	-	6,369	6,369
Host/Public Benefits Fees	-	-	-	10,933	10,933
Substance Abuse Funds	-	-	-	63	63
IGT Intra Govern Transfer	-	-	-	718	718
Local Health Authority	-	-	-	8,077	8,077
WIA Funds	-	-	-	342	342
Cal-Met Grant	-	-	-	669	669
Wraparound Program Probation	-	-	-	864	864
Public Works Development Impact Fee	-	-	-	939	939
IHSS Public Authority	-	-	-	1,641	1,641
Medical/CMSP Fund	-	-	-	5,936	5,936
State/Federal Jail Improvement	-	-	-	17	17
APCD Ozone Operational Develop.	-	-	-	1,011	1,011
CCPIF Community Correction Perform.	-	-	-	1,173	1,173
Criminal Justice Facilities	-	-	-	4,021	4,021
Sunbeam Lake RV Parks	-	-	-	771	771
Service Authority Freeway	-	-	-	1,269	1,269
Debt Services	-	-	-	9,046	9,046
Total restricted fund balances	<u>32,045</u>	<u>5,206</u>	<u>4,517</u>	<u>84,191</u>	<u>125,959</u>
<b><u>Committed to:</u></b>					
General Reserves	4,448	-	-	-	4,448
County Library	-	-	-	31	31
Fire Protection	-	-	-	862	862
Public Works Roads	-	-	-	3,246	3,246
Public Works Solid Waste	-	-	-	6,664	6,664
Air Pollution Control	-	-	-	867	867
Probation Programs	-	-	-	31	31
Local Health Authority	-	-	-	15	15
Valley Games and Golf	-	-	-	300	300
Behavioral Health Programs	-	-	-	1	1
Community Benefit	-	-	-	60	60
Area Agency on Aging	-	-	-	109	109
Waste Management	-	-	-	3	3
State Asset Forfeiture	-	-	-	6	6
Sheriff Programs	-	-	-	651	651
Social Security Redaction Program	-	-	-	12	12
Fiber Optic Network	-	-	-	25	25
Geographic Information System	-	-	-	32	32
Public Health Programs	-	-	-	476	476
Fish and Game	-	-	-	71	71
CMAQ Program	-	-	-	75	75



**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 13 – Fund Balances (Continued)**

	<u>General Fund</u>	<u>MHSA Act Prop #63</u>	<u>MHSA PEI</u>	<u>Other Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Impact Fees	-	-	-	446	446
CNG Facility	-	-	-	108	108
ARID	-	-	-	154	154
Federal Asset Forfeiture	-	-	-	364	364
General Gov't Development Fees	-	-	-	494	494
Airport Operation	-	-	-	6	6
Gateway Public Safety	-	-	-	3	3
Tobacco Securitization	-	-	-	5	5
CEO Capital Improvement	-	-	-	8	8
Wiest Lake Construction Loan	-	-	-	62	62
Agricultural Commissioner	-	-	-	386	386
Sheriff Programs	-	-	-	184	184
Courthouse Capital Improvement	-	-	-	245	245
CSA Capital Improvement	-	-	-	959	959
Total committed fund balances	<u>4,448</u>	<u>-</u>	<u>-</u>	<u>16,961</u>	<u>21,409</u>
<b><u>Assigned to:</u></b>					
Next Year's Budget	1,087	-	-	-	1,087
FAA Grant	-	-	-	2,998	2,998
Tobacco Monies	7,682	-	-	-	7,682
Revenue Stabilization	2,466	-	-	-	2,466
Public Health Services	3,154	-	-	-	3,154
Capital Projects	<u>1,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,594</u>
Total assigned fund balances	<u>15,983</u>	<u>-</u>	<u>-</u>	<u>2,998</u>	<u>18,981</u>
<b><u>Unassigned</u></b>	<u>10,980</u>	<u>-</u>	<u>(149)</u>	<u>(50,260)</u>	<u>(39,429)</u>
Total fund balances	<u>\$ 63,790</u>	<u>\$ 5,206</u>	<u>\$ 4,368</u>	<u>\$ 54,175</u>	<u>\$ 127,539</u>

**Note 14 – Deficit Fund Net Position – Fund Balance**

Deficit fund net position or fund balances in the basic financial statements are as follows:

- Library Fund – Deficit fund balance of (\$420) is the result of revenues for taxes and grants being inadequate to cover expenses.
- Fire Protection Fund – Deficit fund balance of (\$3,977) is the result of revenues for taxes and grants being inadequate to cover expenses.
- Public Works Roads Fund – Deficit fund balance of (\$1,930) is the result of revenues for State grants and charges for services being inadequate to cover expenses.
- Economic Development Fund – Deficit fund balance of (\$1,626) is the result of revenues for State grants being inadequate to cover expenses.
- Police Protection Fund – Deficit fund balance of (\$546) is the result of revenues for State grants being inadequate to cover expenses.
- Sanitation Fund – Deficit fund balance of (21,632) is the result of revenues for charges for services being inadequate to cover expenses and for the removal of illegal dumpsites. Management is aware of the deficit and working on a cost recovery plan.
- Capital Project Fund – Deficit fund balance of (\$578) is the result of revenues for State and Federal grants being inadequate to cover expenses.
- Landfill Fund – Deficit net position of (\$7,336) is the result of revenues being inadequate to cover expenses.

**County of Imperial**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2018**  
**(Dollars in Thousands)**

**Note 14 – Deficit Fund Net Position – Fund Balance (Continued)**

- Centralized Mail System Fund – Deficit net position of (\$191) are the result of revenues being inadequate to cover expenditures. Management intends to fund deficit net position with adjusted future charges over the next four years.

**Note 15 – Prior Period Adjustments**

A prior period adjustment was made to the governmental and business-type activities' beginning net positions to reflect the prior period costs related to the implementation of GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For governmental activities, an adjustment for (\$590) was made due to retirement department balance that should have been transferred from fiduciary funds the prior year. For component unit activities, an adjustment for (\$6,509) was made to decrease net position due to IV Parks and ICTC balances that should have been transferred to agency funds in prior periods. For fiduciary activities, an adjustment for (\$664,610) was made to decrease net position due to the pension fund balance that should have been transferred in prior years and a second adjustment of \$590 was made due to retirement department balance that should have been transferred to governmental activities the prior year.

The restatement of beginning net position of the governmental activities is summarized as follows:

Governmental Activities	
Net Position at July 1, 2017 as previously stated	\$ 128,703
Net OPEB liability adjustment	(284,493)
Retirement department	(590)
Net Position at July 1, 2017 as restated	<u>\$ (156,380)</u>

The restatement of beginning net position of the business-type activities is summarized as follows:

Business-type Activities	
Net Position at July 1, 2017 as previously stated	\$ 1,007
Net OPEB liability adjustment	(342)
Net Position at July 1, 2017 as restated	<u>\$ 665</u>

The restatement of beginning net position of the component unit activities is summarized as follows:

Component Unit Activities	
Net Position at July 1, 2017 as previously stated	\$ 11,316
IV Parks and ICTC	(6,509)
Net Position at July 1, 2017 as restated	<u>\$ 4,807</u>

The restatement of beginning net position of the fiduciary activities is summarized as follows:

Fiduciary Activities	
Net Position at July 1, 2017 as previously stated	\$ 1,071,930
Pension Trust	(664,610)
Retirement department	590
Net Position at July 1, 2017 as restated	<u>\$ 407,910</u>



**Required Supplementary Information**



**COUNTY OF IMPERIAL**  
**Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2018**

**Retirement Plan**  
**Schedule of County's Proportionate Share of the**  
**Net Pension Liability**  
(amounts expressed in thousands)

Last 10 Fiscal Years <sup>(1)</sup>	<b>FY 2018</b>	<b>FY 2017</b>	<b>FY 2016</b>	<b>FY 2015</b>
County's proportion of the net pension liability	94.669%	94.721%	94.731%	95.103%
County's proportion share of the net pension liability	\$ 126,951	\$ 127,131	\$ 83,939	\$ 55,848
County's covered payroll	\$ 107,075	\$ 99,460	\$ 95,562	\$ 90,200
County's proportionate share of the net pension liability as a percentage of its covered payroll	118.56%	127.82%	87.84%	61.92%
Plan fiduciary net position as a percentage of the total pension liability	85.27%	83.81%	88.71%	92.12%

**Note to Schedule:**

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the information will be presented for those years for which information is available.

**COUNTY OF IMPERIAL**  
**Employees's Retirement System**  
**Schedule of County's Contribution**  
(amounts expressed in thousands)

Last 10 Fiscal Years <sup>(1)</sup>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Actuarially determined contribution	\$ 17,546	\$ 19,293	\$ 17,334	\$ 16,030
Contributions in relation to the actuarially determined contribution	(17,707)	(19,293)	(17,334)	(16,030)
Contribution deficiency (excess)	<u>\$ (161)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 107,075	\$ 99,460	\$ 95,562	\$ 90,200
Contributions as a percentage of covered payroll	16.39%	19.40%	18.14%	17.77%

**Note to Schedule:**

- <sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the information will be presented for those years for which information is available.

**COUNTY OF IMPERIAL**  
**Required Supplementary Information**

**Other Postemployment Benefits (OPEB) Plan**  
**Schedule of Changes in the County's Net OPEB Liability and Related Ratios**  
(amounts expressed in thousands)

Last 10 Fiscal Years <sup>(1)</sup>

	<u><b>FY 2018</b></u>
<b>Total OPEB liability</b>	
Service cost	\$ 17,834
Interest	8,639
Changes of assumptions	(36,107)
Benefit payments	<u>(6,421)</u>
<b>Net change in total OPEB liability</b>	<u>(16,055)</u>
<b>Total OPEB liability-beginning</b>	<u>288,487</u>
<b>Total OPEB liability-ending (a)</b>	<u><u>\$ 272,432</u></u>
<b>Plan fiduciary net position</b>	
Contributions-employer	\$ 6,421
Net investment income	308
Benefit payments	<u>(6,421)</u>
<b>Net change in plan fiduciary net position</b>	<u>308</u>
<b>Plan fiduciary net position-beginning</b>	<u>3,652</u>
<b>Plan fiduciary net position-ending (b)</b>	<u><u>\$ 3,960</u></u>
<b>County's net OPEB liability-ending (a)-(b)</b>	<u><u>\$ 268,472</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 1.48%
 Covered payroll	 \$ 107,075
 Net OPEB liability as a percentage of covered payroll	 250.73%

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the information will be presented for those years for which information is available.

**COUNTY OF IMPERIAL**  
**Required Supplementary Information**

**Other Postemployment Benefits (OPEB) Plan**  
**Schedule of the County's OPEB Contributions**  
(amounts expressed in thousands)

Last 10 Fiscal Years <sup>(1)</sup>

	<b>FY 2018</b>
Actuarially determined contribution	\$ 19,127
Contributions in relation to the actuarially determined contribution	6,120
Contribution deficiency (excess)	<u>\$ 13,007</u>
Covered payroll	\$ 106,108
Contributions as a percentage of covered payroll	5.77%

**Notes to the schedule:**

Valuation date	June 30, 2017
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal cost method (EAN)
Amortization method	Level percentage of payroll
Amortization period	15 years
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	We have assumed overall health costs of the medical benefits will increase according to the health cost inflation trend derived by using the "Getzen" model developed by the Society of Actuaries. A margin to reflect the impact of excise tax in future years is reflected in the assumed trend.
Investment rate of return	5.60%
Mortality	Pre-retirement mortality probability used in this valuation are the same as the assumptions used in the June 30, 2017 pension actuarial report from the Imperial County Employees' Retirement System (ICERS). Post-retirement mortality probability used in this valuation are the same as the assumptions used in the June 30, 2017 pension actuarial report from the Imperial County Employees' Retirement System (ICERS).

<sup>(1)</sup> Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the information will be presented for those years for which information is available.



**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
Year Ended June 30, 2018  
(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	\$ 40,895	\$ 40,895	\$ 36,843	\$ (4,052)
Licenses and permits	2,372	2,372	1,743	(629)
Fines, Forfeitures & Penalties	5,595	5,595	4,135	(1,460)
Use of Money & Property	788	788	1,007	219
Intergovernmental Aid	112,309	114,148	122,956	8,808
Federal aid	64,533	65,469	61,260	(4,209)
Charges for Services	28,398	28,814	32,040	3,226
Total revenues	254,890	258,081	259,984	1,903
<b>Expenditures:</b>				
Current:				
General Government	22,509	22,781	20,771	(2,010)
Public Protection	80,086	81,535	76,242	(5,293)
Health & Sanitation	55,885	58,494	53,283	(5,211)
Public Assistance	113,806	114,036	105,002	(9,034)
Public Ways & Facilities	893	895	932	37
Total expenditures	273,179	277,741	256,230	(21,511)
Excess of revenues over expenditures	(18,289)	(19,660)	3,754	(19,608)
<b>Fund balances - beginning</b>	60,036	60,036	60,036	-
<b>Fund balances - ending</b>	\$ 41,747	\$ 40,376	\$ 63,790	\$ (19,608)

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

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**MHSA Act Prop 63**  
**For the Fiscal Year Ended June 30, 2018**  
(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	\$ 41	\$ 26
Intergovernmental Revenue	8,148	8,587	19,360	10,773
Charges for Services	3,560	3,560	4,050	490
Other Revenues	6,060	6,060	-	(6,060)
Total revenues	17,783	18,222	23,451	5,229
<b>Expenditures:</b>				
Education:				
Salaries and Benefits	7,567	7,573	6,294	1,279
Services and Supplies	10,115	10,605	11,894	(1,289)
Other Charges	35	35	9	26
Other Financing	-	-	(83)	83
Intra Fund Transfers	66	66	153	(87)
Total expenditures	17,783	18,279	18,267	12
<b>Fund balances - beginning</b>	22	22	22	-
<b>Fund balances - ending</b>	<u>\$ 22</u>	<u>\$ (35)</u>	<u>\$ 5,206</u>	<u>\$ 5,217</u>

**COUNTY OF IMPERIAL**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual**  
**MHSA PEI**  
**For the Fiscal Year Ended June 30, 2018**  
(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	\$ 29	\$ 17
Intergovernmental Revenue	1,498	1,601	5,657	4,056
Charges for Services	450	450	550	100
Other Revenues	133	133	-	(133)
Total revenues	2,093	2,196	6,236	4,040
<b>Expenditures:</b>				
Education:				
Salaries and Benefits	1,000	1,000	784	216
Services and Supplies	1,076	1,107	1,121	(14)
Intra Fund Transfers	17	17	(38)	55
Total expenditures	2,093	2,124	1,867	257
<b>Fund balances - beginning</b>	(1)	(1)	(1)	-
<b>Fund balances - ending</b>	<u>\$ (1)</u>	<u>\$ 71</u>	<u>\$ 4,368</u>	<u>\$ 3,783</u>

**County of Imperial**  
**Notes to Required Supplementary Information**  
**Budget Comparisons**

June 30, 2018

**Budgetary Information**

In accordance with the provisions of Sections 29000-29143 of the Government Code of the State of California, commonly known as the County Budget Act, the County prepares and adopts a budget on or before August 30, for each fiscal year.

Expenditures are controlled on the object level except for fixed assets expenditures which are controlled on the sub-object level.

Encumbrances, which are commitments related to executor contracts for goods or services, are recorded for budgetary control purposes in the governmental and proprietary fund types. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are liquidated at year-end.

Amendments or transfers of appropriations between objects of expenditure within the same department or between departments within any fund must be approved by the County Executive Office.

Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. Any deficiency of budgeted revenues and other financing sources over expenditures and other financing uses is financed by beginning fund balances as provided for in the County Budget Act.

The budgetary comparison schedules are presented using the modified accrual basis of accounting.



**OTHER SUPPLEMENTAL  
INFORMATION**



## **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.

**Gateway County Service Area (CSA)** – This fund was established to identify and reimburse the County costs and departmental expenses related to formation of a County Service Area at the Gateway to the Americas Specific Planning Area. This budget unit reflects the costs of operation of the water and sewer facilities and other services provided by the County Service Area.

**Workforce Investment Act (WIA) Fund** – This budget unit was established to replace the former JTPA budget unit. The office of Employment Training administers funds under the Workforce Investment Act (WIA). WIA consists of the following Titles of this budget unit: Adult Programs, Youth Programs, Dislocated Worker Program, and Welfare-to-work Programs. The funds are used for activities related to training programs, job-hunting activities, inventory, equipment, and other related activities.

**Public Works 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.

**Federal Jail Improvement Fund** - The Federal Jail Improvement fund was 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**

**Geothermal Administration** - This budget unit funds the geothermal related activities within the County Departments. Geothermal administration encompasses reviewing geothermal applications, coordination of geothermal activities, providing information within the industry and to the general public and updating various policies and procedures as they relate to geothermal.

**Substance Abuse** – This budget unit was established for the prevention of alcohol and drug abuse and is under the direction of the Behavioral Health Director. The substance abuse program provides individual and group counseling, prevention, information and referral, education, and consultation.

**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.

**Air Pollution Control** – The purpose of the Imperial County Air Pollution Control District is to maintain and improve the quality of air in the County. This will be done by enforcing air pollution regulations and by educating the general public about the dangers of air pollution and ways to combat it. Air Pollution Control Districts are mandated under California law and service in a joint effort with State and Federal governments.

**Medi-Cal/CMSP** – The purpose of the budget unit is to account for the revenues and expenditures associated with the State of California Medi-Cal programs and the State of California Children Medical Services Program (CMSP). These programs are part administered by the Social Services Department.

**IHSS Public Authority** – This budget unit was established to record activity such as wages, benefits, training, office expenses and administrative costs of the program and the county's share of costs.

**Public Works Impact Fees** – This budget unit was established to account for Public Works share of Imperial County impact fees requiring new development in both the countywide and unincorporated areas of the county to supplement the fair share of the costs of public facilities, equipment and services necessitated by such new development

**Cal-MMET Grant** – This budget unit was established to account for the California Mult-Jurisdictional Methamphetamine (CAL-MMENT) Grant received by the Sheriff's Office. This grant focuses on methamphetamine producers and distributors by creating specialized investigative units at the Sheriff's Office.

**Ozone Operational Development** – Air Pollution Control office charges commercial and residential mitigation fee, this will allow the County to fund ozone projects.



## **Non-major Governmental Funds**

**Measure D LTA Road Funds** – This budget unit was established to account for revenues and expenditures of the County of Imperial's share of monies received from the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

- 1) City of Brawley
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of El Centro
- 5) City of Holtville
- 6) City of Imperial
- 7) City of Westmorland
- 8) County of Imperial

**Sunbeam Lake RV Park** - This budget unit was established to account for the revenues and expenditures associated with the County owned RV Park located at Sunbeam Lake. This park was purchased with Tobacco Settlement monies.

**Comm Cor Performance Incentive** – This budget unit was established to account for the revenues and expenditures associated with the Community Corrections Performance Incentive Act. The provisions of this act are intended to reduce crimes committed by probationers and the number of probationers revoked to prison by giving the probation departments a share of the savings to the state in reduced incarceration costs when they reduce both new offenses by probationers and revocations to prison.

**Public Benefit Fees** – This budget unit is used to receive funds paid by entities based on Host Entity Benefit Agreements or Public Benefit Agreements. Funds will then be transferred to the appropriate General Fund account based on time spent and/or Board direction.

**Wraparound Program** – Establish SR fund for Wraparound services achieving the ultimate goal to keep children with their birth families, relative caretakers, or in foster families by providing intensive, comprehensive, integrated, creative intervention and support services.

**Stonegarden** – This budget unit was established to account for federal grant received to fund increased border security activities.

## **Non-major Governmental Funds**

**Intra Governmental Transfer (IGT)** – The transition from Medi-Cal fee for service to Medi-Cal Managed Care has provided eligibility for a program called Medi-Cal Rate Range Intergovernmental Transfers (IGTs). The Public Health Department has been approved by the California Department of Healthcare Services to participate in the IGT program with both California Health and Wellness and Molina Healthcare of California. The department's combined participation with both health plans will result in the availability of federal funds to augment public health services for our low-income Medi-Cal population.

**Local Health Authority** – To reflect revenue and expenditures related to an agreement between California Health & Wellness and the County of Imperial entered into whereas CHW will compensate County at rate per member per month (PMPM) depending on aid code of member to be used to enhance the health of Members.

**Administration ICCED** – This budget unit was established to account for contributions received from other agencies, as well as special expenditures.

**Boating & Waterways** – To account for revenues and expenditures related to the design of Sunbeam Lake Park Boat Launch Facility and the rehabilitation of the boat launch ramp at Weist Lake County Park to increase public use of the recreational areas.

**Community Development Block Grant (CDBG)** – This program was established to facilitate the rehabilitation of sub-standard housing for low to moderate income persons in the unincorporated areas of Imperial County.

**Disaster Recovery** – To account for CDBG grants awarded for disasters including earthquakes and sanitation system which have occurred in the County of Imperial.

**Economic Development** – To account for CDBG grants awarded for help with the economic development of business in the County of Imperial.

**First Time Homebuyers** – Grant awarded by the State of California Department of Housing and Economic Development. It was awarded to establish a First Time Home Buyer Assistance Program. The funds will be utilized for down payments and gap financing relating to the purchase of homes located in the unincorporated areas of the Imperial County.

**Housing Rehabilitation** – To account for CDBG grants awarded for Homeowners to remodel or upgrade homes to industry standards.

**Water Treatment** – To account for development at the Mesquite Lake Specific Plan and Palo Verde water treatment and distribution plants to serve the Calipatria, Nilland and Palo Verde areas.

**Parks and Recreation** – The Per Capita Grant Program is intended to maintain a high quality of life for California's growing population by providing a continuing investment in parks and recreational facilities. Specifically it is for the acquisition and development of neighborhood, community, and regional parks and recreation lands and facilities in urban and rural areas.

## **Non-major Governmental Funds**

**Technical Assistance** – BECC provides technical assistance through grants or technical expertise that will promote the development of high-quality environmental infrastructure projects and initiatives that could access NADB funding or Border 2020 or other special grants.

**USDA** – USDA grants used to account for multiple types of programs for rural economic development. Funds used on projects that will create or retain rural jobs.

**Administration** – This account was established to account for the administration expense for our ICCED department to monitor and administer grants.

**Communications** – The purpose of this budget unit is to fund the County's membership and participation in the Imperial Valley Communications Authority (IVTA). The IVTA is a joint powers authority (JPA) organized to manage the construction, implementation and ongoing maintenance of a countywide fiber optic network for the benefit of all public agencies within Imperial County. This fund will also be used to pay the cost of "last mile" construction and equipment necessary to connect selected County Facilities to the network.

**Detention and Correction** – 1538 - The Local Law Enforcement Block Grant (LLEBG) was created in the Omnibus Fiscal Year 1996 Appropriations Act (P.L. 104-134) to provide local governments with funds to underwrite projects to reduce crime and improve public safety. 1558 – Probation Training – Probation\_This budget unit was created during 1982-83 to properly administer the funds associated with this program. All correctional personnel must receive 40 hours each year of Board of Corrections certified training. 1559 – Sheriff Standard Training - Sheriff This budget unit was created to administer the funds associated with this training program. These funds are utilized for training correctional and detention personnel to upgrade their ability to deal with problems associated with incarceration of prisoners.

**Fire Protection** – Fund was established to account for the costs associated with providing fire protection services to the City of Imperial as a result of a contractual agreement with the County. The City of Imperial has agreed to pay all direct costs for this service as provided for in the provisions of the agreement. Also, accounts were established Homeland Security Grant Program (HSGP) which play an important role in the implementation of the National Preparedness System by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal of a secure and resilient nation.

**Health** – The funds in this allocation were established to account for the revenues and expenditures pertaining to Public Health and Environmental Health grants. These grants consist of Tobacco Education, Mosquito Abatement and Environmental recovery and remediation.

**Judicial** – The funds in this allocation were established to account for revenues and expenditures for grants pertaining to the prosecution crimes under the grants for Violence Against Women, Drug Court, Statutory Rape Vertical Prosecution and Special Prosecution.

## **Non-major Governmental Funds**

**Legislative and Administration** – The funds in this allocation are for the Community Benefit Program is part of the Public Benefit Program for use with Solar Power Plants in Imperial County which was established by the Board of Supervisors on January 24, 2012. All utility-scale solar projects built in Imperial County since that time have entered into Public Benefit Agreements with the County and have been contributing funds into the Program, which includes the Community Benefit Program.

Imperial County receives funds from solar projects located in the unincorporated areas of the county. The Board of Supervisors has identified Goals and Objectives in order to maximize the benefits of these funds. Such benefits might include, but are not limited to, infrastructure improvement, job creation, economic development and enhancement to the quality of life in neighboring communities.

**Police Protection** – The funds in this allocation were established to account for the revenues and expenditures in grants for High Intensity Drug Traffic Area (HIDTA) grants and Off Highway Enforcement. The Off Highway Enforcements monies come from fines and fees charged to violators in the desert areas located in the County of Imperial.

**Property Management** – This fund was established to account for the revenues and expenditures pertaining to leased buildings and land owned by the County of Imperial to Valley Games and Golf. Also, to track a repayment of a loan given to Valley Games and Golf thru the Community Benefit program.

**Public Ways** – The funds in this allocation were established to account for various road projects thru out the unincorporated area of the County of Imperial. These are Keystone Road project, and SB1 Road Maintenance & Rehabilitation.

**Recreational Facilities** – The funds in this allocation were established to account for grants received for Boating. These grants are for Salton Sea and Red Hill Marina.

**Sanitation** – 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.

**Other Protection** – The funds in this allocation were established to account for grants received for various public protection grants not carried out by sworn law enforcement officers. Fish and Game, Bio Terrorism, Correctional Work Crews, Real Estate Fraud, Case Management, Help America Vote, and State and Federal Asset Forfeiture.

**Public Protection** – The funds in this allocation were established to account for grants received for various public protection grants carried out by sworn law enforcement officers. These grants consist of LLE Block Grants, Homeland Security grants, Stonegarden grants, JAG grants and Community Correction grants.

## **Non-major Governmental Funds**

**Other Assistance** – The funds in this allocation were established to account for impact fees which are used to account for Sheriff, General Government, Library, and Parks and Recreation, share of Imperial County impact fees requiring new development in both the countywide and unincorporated areas of the county to supplement the fair share of the costs of public facilities, equipment and services necessitated by such new development

**Public Assistance** – The funds in this allocation were established to account for grants pertaining to Child Abuse, Victim Witness Rights, Area Agency on Aging, Elder Abuse, Victim Services, and Renewal Energy grants.

**Education** – The funds in this allocation were established to account for grants pertaining to community education programs such as Proud Parenting Education, Federal IDEA Funds and GIS development.

### **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, 2018  
(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	\$ 49,742	\$ -	\$ 9,010	\$ 58,752
Deposits with Others	26	-	-	26
Receivables (net):				
Accounts	4,346	8	14	4,368
Interest	4,878	-	22	4,900
Taxes	465	-	-	465
Loan	15,951	-	-	15,951
Due from other funds	13,186	1,857	-	15,043
Due from other agencies	562	-	-	562
Inventories and Prepaid Expenses	285	-	-	285
Total assets	<u>\$ 89,441</u>	<u>\$ 1,865</u>	<u>\$ 9,046</u>	<u>\$ 100,352</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,989	\$ 22	\$ -	\$ 2,011
Loan payable	-	65	-	65
Accrued Payroll	814	-	-	814
Due to other funds	37,379	2,356	-	39,735
Due to other agencies	3,552	-	-	3,552
Total Liabilities	<u>43,734</u>	<u>2,443</u>	<u>-</u>	<u>46,177</u>
<b>Fund balances:</b>				
Nonspendable	285	-	-	285
Restricted	75,145	-	9,046	84,191
Committed	15,105	1,856	-	16,961
Assigned	-	2,998	-	2,998
Unassigned	(44,828)	(5,432)	-	(50,260)
Total fund balances	<u>45,707</u>	<u>(578)</u>	<u>9,046</u>	<u>54,175</u>
Total liabilities and fund balances	<u>\$ 89,441</u>	<u>\$ 1,865</u>	<u>\$ 9,046</u>	<u>\$ 100,352</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
For the Fiscal Year Ended June 30, 2018  
(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	\$ 4,427	\$ -	\$ -	\$ 4,427
Licenses & Permits	2,998	-	-	2,998
Fines, Forfeitures & Penalties	1,019	-	-	1,019
Use of Money & Property	2,233	21	64	2,318
State Aid	54,982	11,771	-	66,753
Federal Aid	10,644	885	-	11,529
Charges for Services	11,289	772	-	12,061
Other Revenues	7,599	319	6,336	14,254
Total Revenues	<u>95,191</u>	<u>13,768</u>	<u>6,400</u>	<u>115,359</u>
<b>Expenditures:</b>				
Current:				
General Government	3,132	16,261	5,975	25,368
Public Protection	26,161	-	-	26,161
Health & Sanitation	11,009	-	-	11,009
Public Assistance	34,960	-	-	34,960
Public Ways & Facilities	13,114	-	-	13,114
Total expenditures	<u>88,376</u>	<u>16,261</u>	<u>5,975</u>	<u>110,612</u>
Net change in fund balances	6,815	(2,493)	425	4,747
<b>Fund balances - beginning</b>	<u>38,892</u>	<u>1,915</u>	<u>8,621</u>	<u>49,428</u>
<b>Fund balances - ending</b>	<u>\$ 45,707</u>	<u>\$ (578)</u>	<u>\$ 9,046</u>	<u>\$ 54,175</u>



**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Library</b>	<b>Fire Protection</b>	<b>Gateway CSA CAO</b>	<b>WIA Funds</b>	<b>Public Works Roads</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ -	\$ 431	\$ 6	\$ -
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	252	3	-	9
Interest	-	-	1	-	-
Taxes	37	428	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	1	-	465	304
Due from other agencies	-	-	-	-	12
Inventories and Prepaid Expenses	-	-	-	-	285
<b>Total assets</b>	<b>\$ 37</b>	<b>\$ 681</b>	<b>\$ 435</b>	<b>\$ 471</b>	<b>\$ 610</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 7	\$ 93	\$ 23	\$ 53	\$ 90
Accrued Payroll	12	165	-	61	184
Interest Payable	1	-	-	-	8
Loan Payable	-	-	-	-	-
Due to other funds	437	4,400	-	15	2,258
Due to other agencies	-	-	3	-	-
<b>Total Liabilities</b>	<b>457</b>	<b>4,658</b>	<b>26</b>	<b>129</b>	<b>2,540</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	285
Restricted	-	-	409	342	-
Committed	8	193	-	-	3,246
Assigned	-	-	-	-	-
Unassigned	(428)	(4,170)	-	-	(5,461)
<b>Total fund balances</b>	<b>(420)</b>	<b>(3,977)</b>	<b>409</b>	<b>342</b>	<b>(1,930)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 37</b>	<b>\$ 681</b>	<b>\$ 435</b>	<b>\$ 471</b>	<b>\$ 610</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Federal Jail Improvements</b>	<b>Criminal Justice Facilities</b>	<b>Geothermal Admin.</b>	<b>Sub. Abuse</b>	<b>Authority Freeway Emerg.</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 17	\$ 137	\$ 210	\$ 2,215	\$ 1,258
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	32	-	10	16
Interest	-	10	1	4	3
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	3,845	-	147	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 17</b>	<b>\$ 4,024</b>	<b>\$ 211</b>	<b>\$ 2,376</b>	<b>\$ 1,277</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 46	\$ 7
Accrued Payroll	-	-	-	34	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	-	-	-	184	1
Due to other agencies	-	-	-	2,019	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,283</b>	<b>8</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	17	4,024	211	93	1,269
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>17</b>	<b>4,024</b>	<b>211</b>	<b>93</b>	<b>1,269</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17</b>	<b>\$ 4,024</b>	<b>\$ 211</b>	<b>\$ 2,376</b>	<b>\$ 1,277</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Pollution Control Special</b>	<b>Medi-Cal/ CMSP Fund</b>	<b>IHSS Public Authority</b>	<b>Public Works Impact Fees</b>	<b>Cal-Met Grant</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 195	\$ 7,626	\$ 2,069	\$ 937	\$ 717
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	20	-	-	-	-
Interest	8	-	-	3	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	2,250	-	13	-	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
Total assets	<u>\$ 2,473</u>	<u>\$ 7,626</u>	<u>\$ 2,082</u>	<u>\$ 940</u>	<u>\$ 717</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 30	\$ -	\$ (19)	\$ -	\$ 27
Accrued Payroll	83	-	8	-	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	10	1,691	452	-	-
Due to other agencies	-	-	-	-	-
Total Liabilities	<u>123</u>	<u>1,691</u>	<u>441</u>	<u>-</u>	<u>27</u>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	2,264	5,935	1,641	940	670
Committed	86	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	20
Total fund balances	<u>2,350</u>	<u>5,935</u>	<u>1,641</u>	<u>940</u>	<u>690</u>
Total liabilities and fund balances	<u>\$ 2,473</u>	<u>\$ 7,626</u>	<u>\$ 2,082</u>	<u>\$ 940</u>	<u>\$ 717</u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Ozone Operational Develop</b>	<b>Measure D LTA Road Funds</b>	<b>Sunbeam Lake RV Park</b>	<b>Com Cor Perform Incent</b>	<b>Public Benefit Fees</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 1,026	\$ 6,521	\$ 891	\$ 1,115	\$ 11,101
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	-	5	55	7
Interest	3	16	-	3	30
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,029</b>	<b>\$ 6,537</b>	<b>\$ 896</b>	<b>\$ 1,173</b>	<b>\$ 11,138</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 18	\$ 12	\$ 125	\$ -	\$ 205
Accrued Payroll	-	-	-	-	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>18</b>	<b>12</b>	<b>125</b>	<b>-</b>	<b>205</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	1,011	6,525	771	1,173	10,933
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances</b>	<b>1,011</b>	<b>6,525</b>	<b>771</b>	<b>1,173</b>	<b>10,933</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,029</b>	<b>\$ 6,537</b>	<b>\$ 896</b>	<b>\$ 1,173</b>	<b>\$ 11,138</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Wraparound Program Probation</b>	<b>Stonegarden 2015</b>	<b>Igt Intra Govern Transfe</b>	<b>Local Health Authosity</b>	<b>Admin ICCED</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 704	\$ -	\$ 638	\$ 8,465	\$ -
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	781	-	-	-
Interest	-	-	-	20	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	170	-	115	-	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
Total assets	<u>\$ 874</u>	<u>\$ 781</u>	<u>\$ 753</u>	<u>\$ 8,485</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5	\$ -	\$ -	\$ 243	\$ -
Accrued Payroll	2	-	-	-	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	3	115	35	150	1
Due to other agencies	-	-	-	-	-
Total Liabilities	<u>10</u>	<u>115</u>	<u>35</u>	<u>393</u>	<u>1</u>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	863	666	718	8,077	-
Committed	-	-	-	15	-
Assigned	-	-	-	-	-
Unassigned	1	-	-	-	(1)
Total fund balances	<u>864</u>	<u>666</u>	<u>718</u>	<u>8,092</u>	<u>(1)</u>
Total liabilities and fund balances	<u>\$ 874</u>	<u>\$ 781</u>	<u>\$ 753</u>	<u>\$ 8,485</u>	<u>\$ -</u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Boating &amp; Waterways</b>	<b>CDBG</b>	<b>Disaster Recovery</b>	<b>Economic Development</b>	<b>First Time Homebuyer</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 5	\$ 375	\$ -	\$ -	\$ 5
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	10	-	85	227
Interest	-	1,798	1,996	-	149
Taxes	-	-	-	-	-
Loan	-	4,454	3,561	-	1,615
Due from other funds	1	1,738	-	-	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6</b>	<b>\$ 8,375</b>	<b>\$ 5,557</b>	<b>\$ 85</b>	<b>\$ 1,996</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 23	\$ -	\$ 10	\$ -
Accrued Payroll	-	-	-	-	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	-	3	37	1,701	49
Due to other agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>26</b>	<b>37</b>	<b>1,711</b>	<b>49</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	58	8,388	5,580	22	1,947
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(52)	(39)	(60)	(1,648)	-
<b>Total fund balances</b>	<b>6</b>	<b>8,349</b>	<b>5,520</b>	<b>(1,626)</b>	<b>1,947</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6</b>	<b>\$ 8,375</b>	<b>\$ 5,557</b>	<b>\$ 85</b>	<b>\$ 1,996</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Housing Rehabilitation</b>	<b>Water Treatment</b>	<b>Parks and Recreation</b>	<b>Technical Assistance</b>	<b>USDA</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ -	\$ 16	\$ 8	\$ -	\$ -
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	-	-	-	396
Interest	4	795	-	-	26
Taxes	-	-	-	-	-
Loan	165	3,616	-	-	2,240
Due from other funds	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 169</b>	<b>\$ 4,427</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 2,662</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 12
Accrued Payroll	-	-	-	-	-
Interest Payable	-	-	-	-	3
Loan Payable	-	-	-	-	-
Due to other funds	25	-	-	-	993
Due to other agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,008</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	169	4,427	8	-	2,674
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(25)	-	-	-	(1,020)
<b>Total fund balances</b>	<b>144</b>	<b>4,427</b>	<b>8</b>	<b>-</b>	<b>1,654</b>
<b>Total liabilities and fund balances</b>	<b>\$ 169</b>	<b>\$ 4,427</b>	<b>\$ 8</b>	<b>\$ -</b>	<b>\$ 2,662</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<u>Administration</u>	<u>Communications</u>	<u>Detention and Correction</u>	<u>Fire Protection</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 817	\$ 25	\$ 213	\$ 253
Deposits with Others	26	-	-	-
Receivables (net):	-	-	-	-
Accounts	-	-	-	97
Interest	2	-	1	-
Taxes	-	-	-	-
Loan	-	-	-	-
Due from other funds	-	-	-	-
Due from other agencies	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-
	<u>845</u>	<u>25</u>	<u>214</u>	<u>350</u>
Total assets	<u>\$ 845</u>	<u>\$ 25</u>	<u>\$ 214</u>	<u>\$ 350</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 61	\$ -	\$ 11	\$ 8
Accrued Payroll	-	-	-	16
Interest Payable	-	-	-	-
Loan Payable	-	-	-	-
Due to other funds	240	-	2	1
Due to other agencies	-	-	-	-
	<u>301</u>	<u>-</u>	<u>13</u>	<u>25</u>
Total Liabilities	<u>301</u>	<u>-</u>	<u>13</u>	<u>25</u>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Restricted	149	-	-	90
Committed	781	25	201	235
Assigned	-	-	-	-
Unassigned	(386)	-	-	-
	<u>544</u>	<u>25</u>	<u>201</u>	<u>325</u>
Total fund balances	<u>544</u>	<u>25</u>	<u>201</u>	<u>325</u>
Total liabilities and fund balances	<u>\$ 845</u>	<u>\$ 25</u>	<u>\$ 214</u>	<u>\$ 350</u>



**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	Health	Judicial	Legislative and admin	Police Protection	Property Management
<b>Assets:</b>					
Cash and cash equivalents	\$ 299	\$ -	\$ -	\$ -	\$ -
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	174	305	-	278	-
Interest	6	-	-	-	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	300
Due from other funds	2,367	-	-	-	-
Due from other agencies	31	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 2,877</b>	<b>\$ 305</b>	<b>\$ -</b>	<b>\$ 278</b>	<b>\$ 300</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4	\$ -	\$ -	\$ 8	\$ -
Accrued Payroll	58	17	-	20	-
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	434	237	69	796	-
Due to other agencies	1,530	-	-	-	-
<b>Total Liabilities</b>	<b>2,026</b>	<b>254</b>	<b>69</b>	<b>824</b>	<b>-</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	664	149	-	134	-
Committed	480	-	134	-	300
Assigned	-	-	-	-	-
Unassigned	(293)	(98)	(203)	(680)	-
<b>Total fund balances</b>	<b>851</b>	<b>51</b>	<b>(69)</b>	<b>(546)</b>	<b>300</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,877</b>	<b>\$ 305</b>	<b>\$ -</b>	<b>\$ 278</b>	<b>\$ 300</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Public Ways</b>	<b>Recreational Facilities</b>	<b>Sanitation</b>	<b>Other Protection</b>	<b>Public Protection</b>
<b>Assets:</b>					
Cash and cash equivalents	\$ 663	\$ -	\$ -	\$ 81	\$ -
Deposits with Others	-	-	-	-	-
Receivables (net):	-	-	-	-	-
Accounts	-	-	-	352	984
Interest	3	-	-	2	3
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	1,264	6
Due from other agencies	-	-	-	11	497
Inventories and Prepaid Expenses	-	-	-	-	-
<b>Total assets</b>	<b>\$ 666</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,710</b>	<b>\$ 1,490</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 286	\$ -	\$ 149	\$ 241	\$ 99
Accrued Payroll	-	-	22	42	74
Interest Payable	-	-	-	-	-
Loan Payable	-	-	-	-	-
Due to other funds	260	58	21,461	218	999
Due to other agencies	-	-	-	-	-
<b>Total Liabilities</b>	<b>546</b>	<b>58</b>	<b>21,632</b>	<b>501</b>	<b>1,172</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	-
Restricted	400	9	-	630	824
Committed	-	-	6,816	1,041	314
Assigned	-	-	-	-	-
Unassigned	(280)	(67)	(28,448)	(462)	(820)
<b>Total fund balances</b>	<b>120</b>	<b>(58)</b>	<b>(21,632)</b>	<b>1,209</b>	<b>318</b>
<b>Total liabilities and fund balances</b>	<b>\$ 666</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,710</b>	<b>\$ 1,490</b>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**

For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Other Assistance</b>	<b>Public Assistance</b>	<b>Education</b>	<b>Special Revenue Total</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 471	\$ 232	\$ -	\$ 49,742
Deposits with Others	-	-	-	26
Receivables (net):	-	-	-	
Accounts	-	167	81	4,346
Interest	3	-	-	4,890
Taxes	-	-	-	465
Loan	-	-	-	15,951
Due from other funds	499	1	-	13,186
Due from other agencies	-	-	11	562
Inventories and Prepaid Expenses	-	-	-	285
	<u>\$ 973</u>	<u>\$ 400</u>	<u>\$ 92</u>	<u>\$ 89,453</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 75	\$ 37	\$ 1,989
Accrued Payroll	-	16	-	814
Interest Payable	-	-	-	12
Loan Payable	-	-	-	-
Due to other funds	-	28	16	37,379
Due to other agencies	-	-	-	3,552
	<u>-</u>	<u>119</u>	<u>53</u>	<u>43,746</u>
<b>Fund balances:</b>				
Nonspendable	-	-	-	285
Restricted	-	255	16	75,145
Committed	973	227	30	15,105
Assigned	-	-	-	-
Unassigned	-	(201)	(7)	(44,828)
	<u>973</u>	<u>281</u>	<u>39</u>	<u>45,707</u>
Total fund balances	<u>973</u>	<u>281</u>	<u>39</u>	<u>45,707</u>
Total liabilities and fund balances	<u>\$ 973</u>	<u>\$ 400</u>	<u>\$ 92</u>	<u>\$ 89,453</u>

**COUNTY OF IMPERIAL**  
**Combining Balance Sheet**  
**Nonmajor Funds**

For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Capital Project Total</b>	<b>Debt Service Total</b>	<b>Total</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ -	\$ 9,010	\$ 58,752
Deposits with Others	-	-	26
Receivables (net):			-
Accounts	8	14	4,368
Interest	-	22	4,912
Taxes	-	-	465
Loan	-	-	15,951
Due from other funds	1,857	-	15,043
Due from other agencies			562
Inventories and Prepaid Expenses	-	-	285
	<u>\$ 1,865</u>	<u>\$ 9,046</u>	<u>\$ 100,364</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 22	\$ -	\$ 2,011
Accrued Payroll	-	-	814
Interest Payable	-	-	12
Loan Payable	65	-	65
Due to other funds	2,356	-	39,735
Due to other agencies	-	-	3,552
	<u>2,443</u>	<u>-</u>	<u>46,189</u>
<b>Fund balances:</b>			
Nonspendable	-	-	285
Restricted	-	9,046	84,191
Committed	1,856	-	16,961
Assigned	2,998	-	2,998
Unassigned	(5,432)	-	(50,260)
	<u>(578)</u>	<u>9,046</u>	<u>54,175</u>
Total fund balances			
	<u>\$ 1,865</u>	<u>\$ 9,046</u>	<u>\$ 100,364</u>
Total liabilities and fund balances			
	<u>\$ 1,865</u>	<u>\$ 9,046</u>	<u>\$ 100,364</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Library</b>	<b>Fire Protection</b>	<b>Gateway CSA CAO</b>	<b>WIA Funds</b>
<b>Revenues:</b>				
Taxes	\$ 443	\$ 3,984	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	(4)	-	4	488
Intergovernmental	96	73	-	(209)
Federal Aid	-	36	-	3,444
Charges for Services	28	2,208	499	3
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	1	1	-
Total Revenues	<u>563</u>	<u>6,302</u>	<u>504</u>	<u>3,726</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	8,595	-	-
Health & Sanitation	-	-	-	-
Public Assistance	624	-	1,357	3,772
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>624</u>	<u>8,595</u>	<u>1,357</u>	<u>3,772</u>
Net change in fund balances	(61)	(2,293)	(853)	(46)
<b>Fund balances - beginning</b>	(359)	(1,684)	1,262	388
Prior period adjustment	(751)	(9,097)	-	(4,366)
<b>Fund balances, as restated</b>	<u>(1,110)</u>	<u>(10,781)</u>	<u>1,262</u>	<u>(3,978)</u>
<b>Fund balances - ending</b>	<u>\$ (420)</u>	<u>\$ (3,977)</u>	<u>\$ 409</u>	<u>\$ 342</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Public Works Roads</b>	<b>State/ Federal Jail Improvements</b>	<b>Criminal Justice Facilities</b>	<b>Geothermal Admin.</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	179	-	-	-
Fines, Forfeitures & Penalties	-	-	475	-
Use of Money & Property	(22)	-	37	2
Intergovernmental	9,138	-	-	64
Federal Aid	-	-	-	87
Charges for Services	670	-	-	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	6	-	-	-
Total Revenues	<u>9,971</u>	<u>-</u>	<u>512</u>	<u>153</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	11	591	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	-	97
Public Ways & Facilities	10,302	-	-	-
Total expenditures	<u>10,302</u>	<u>11</u>	<u>591</u>	<u>97</u>
Net change in fund balances	(331)	(11)	(79)	56
<b>Fund balances - beginning</b>	(1,599)	28	4,103	155
Prior period adjustment	(10,666)	-	-	-
<b>Fund balances, as restated</b>	<u>(12,265)</u>	<u>28</u>	<u>4,103</u>	<u>155</u>
<b>Fund balances - ending</b>	<u>\$ (1,930)</u>	<u>\$ 17</u>	<u>\$ 4,024</u>	<u>\$ 211</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Sub. Abuse</b>	<b>Serv. Authority Freeway Emerg.</b>	<b>Air Pollution Control Special</b>	<b>Medi-Cal CMSP Fund</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	1,549	-
Fines, Forfeitures & Penalties	-	-	45	-
Use of Money & Property	8	11	23	-
Intergovernmental	1,792	189	165	8,744
Federal Aid	151	-	404	-
Charges for Services	540	3	92	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>2,491</u>	<u>203</u>	<u>2,278</u>	<u>8,744</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Health & Sanitation	2,491	-	2,237	-
Public Assistance	-	-	-	7,576
Public Ways & Facilities	-	117	-	-
Total expenditures	<u>2,491</u>	<u>117</u>	<u>2,237</u>	<u>7,576</u>
Net change in fund balances	-	86	41	1,168
<b>Fund balances - beginning</b>	93	1,183	2,309	4,767
Prior period adjustment	(2,256)	-	(3,342)	-
<b>Fund balances, as restated</b>	<u>(2,163)</u>	<u>1,183</u>	<u>(1,033)</u>	<u>4,767</u>
<b>Fund balances - ending</b>	<u>\$ 93</u>	<u>\$ 1,269</u>	<u>\$ 2,350</u>	<u>\$ 5,935</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>IHSS Public Authority</b>	<b>Public Works Impact Fees</b>	<b>Cal-Met Grant</b>	<b>APCD Ozone Operational Develop</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	-	9	-	9
Intergovernmental	13,050	-	496	-
Federal Aid	-	-	-	-
Charges for Services	97	29	-	27
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>13,147</u>	<u>38</u>	<u>496</u>	<u>36</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	497	18
Health & Sanitation	-	-	-	-
Public Assistance	13,146	-	-	-
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>13,146</u>	<u>-</u>	<u>497</u>	<u>18</u>
Net change in fund balances	1	38	(1)	18
<b>Fund balances - beginning</b>	1,640	902	691	993
Prior period adjustment	(380)	-	-	-
<b>Fund balances, as restated</b>	<u>1,260</u>	<u>902</u>	<u>691</u>	<u>993</u>
<b>Fund balances - ending</b>	<u>\$ 1,641</u>	<u>\$ 940</u>	<u>\$ 690</u>	<u>\$ 1,011</u>



**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Measure D LTD Road Funds</b>	<b>Sunbeam Lake RV Park</b>	<b>CCPIF Com Cor Perform Incent</b>	<b>Host Public Benefit Fees</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	47	865	10	134
Intergovernmental	2,742	-	220	-
Federal Aid	-	-	-	-
Charges for Services	-	-	-	333
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	173	-	4,583
Total Revenues	<u>2,789</u>	<u>1,038</u>	<u>230</u>	<u>5,050</u>
<b>Expenditures:</b>				
Current:				
General Government	915	-	-	2,131
Public Protection	-	-	67	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Public Ways & Facilities	-	1,043	-	-
Total expenditures	<u>915</u>	<u>1,043</u>	<u>67</u>	<u>2,131</u>
Net change in fund balances	1,874	(5)	163	2,919
<b>Fund balances - beginning</b>	4,651	776	1,010	8,014
Prior period adjustment	-	-	-	-
<b>Fund balances, as restated</b>	<u>4,651</u>	<u>776</u>	<u>1,010</u>	<u>8,014</u>
<b>Fund balances - ending</b>	<u>\$ 6,525</u>	<u>\$ 771</u>	<u>\$ 1,173</u>	<u>\$ 10,933</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Wraparound Program Probation</b>	<b>Stonegarden 2015</b>	<b>Igt Intra Govern Transfer</b>	<b>Local Health Authority</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	-	(3)	-	64
Intergovernmental	-	1,190	-	-
Federal Aid	-	-	-	-
Charges for Services	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	2,473
Total Revenues	-	1,187	-	2,537
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	519	-	-
Health & Sanitation	-	-	121	627
Public Assistance	(217)	-	-	-
Public Ways & Facilities	-	-	-	-
Total expenditures	(217)	519	121	627
Net change in fund balances	217	668	(121)	1,910
<b>Fund balances - beginning</b>	647	(2)	839	6,182
Prior period adjustment	-	-	-	-
<b>Fund balances, as restated</b>	647	(2)	839	6,182
<b>Fund balances - ending</b>	\$ 864	\$ 666	\$ 718	\$ 8,092

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Admin ICCED</b>	<b>Boating &amp; Waterways</b>	<b>CDBG</b>	<b>Disaster Recovery</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	-	-	-	-
Intergovernmental	-	-	1,551	1,123
Federal Aid	-	-	-	-
Charges for Services	-	-	63	14
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	(405)	(61)
Total Revenues	-	-	1,209	1,076
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	590	(6)
Public Ways & Facilities	-	-	-	-
Total expenditures	-	-	590	(6)
Net change in fund balances	-	-	619	1,082
<b>Fund balances - beginning</b>	(1)	6	7,730	4,438
Prior period adjustment	-	-	-	-
<b>Fund balances, as restated</b>	(1)	6	7,730	4,438
<b>Fund balances - ending</b>	\$ (1)	\$ 6	\$ 8,349	\$ 5,520

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<u>Economic Development</u>	<u>First Time Homebuyer</u>	<u>Housing Rehabilitation</u>	<u>Water Treatment</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	-	2	-	-
Intergovernmental	18	628	-	477
Federal Aid	95	-	-	-
Charges for Services	-	3	-	2
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	245	(16)	80
Total Revenues	<u>113</u>	<u>878</u>	<u>(16)</u>	<u>559</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	-
Health & Sanitation	-	-	-	-
Public Assistance	87	586	-	-
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>87</u>	<u>586</u>	<u>-</u>	<u>-</u>
Net change in fund balances	26	292	(16)	559
<b>Fund balances - beginning</b>	(1,652)	1,655	160	3,868
Prior period adjustment	-	-	-	-
<b>Fund balances, as restated</b>	<u>(1,652)</u>	<u>1,655</u>	<u>160</u>	<u>3,868</u>
<b>Fund balances - ending</b>	<u>\$ (1,626)</u>	<u>\$ 1,947</u>	<u>\$ 144</u>	<u>\$ 4,427</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Parks and Recreation</b>	<b>Technical Assistance</b>	<b>USDA</b>	<b>Administration</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	-	-	(5)	6
Intergovernmental	-	-	935	(64)
Federal Aid	-	-	-	1,573
Charges for Services	-	-	21	487
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	391	-
Total Revenues	-	-	1,342	2,002
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	2	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	971	1,900
Public Ways & Facilities	-	-	-	-
Total expenditures	-	-	973	1,900
Net change in fund balances	-	-	369	102
<b>Fund balances - beginning</b>	8	-	1,285	442
Prior period adjustment	-	-	-	-
<b>Fund balances, as restated</b>	8	-	1,285	442
<b>Fund balances - ending</b>	\$ 8	\$ -	\$ 1,654	\$ 544

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<u>Communications</u>	<u>Detention and Correction</u>	<u>Fire Protection</u>	<u>Health</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	1,270
Fines, Forfeitures & Penalties	-	-	-	19
Use of Money & Property	-	2	1	13
Intergovernmental	-	-	906	390
Federal Aid	-	-	-	593
Charges for Services	-	90	107	749
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	2
Total Revenues	<u>-</u>	<u>92</u>	<u>1,014</u>	<u>3,036</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	101	982	-
Health & Sanitation	-	-	-	2,025
Public Assistance	-	-	-	826
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>-</u>	<u>101</u>	<u>982</u>	<u>2,851</u>
Net change in fund balances	-	(9)	32	185
<b>Fund balances - beginning</b>	25	210	293	666
Prior period adjustment	-	-	(1,158)	(3,338)
<b>Fund balances, as restated</b>	<u>25</u>	<u>210</u>	<u>(865)</u>	<u>(2,672)</u>
<b>Fund balances - ending</b>	<u>\$ 25</u>	<u>\$ 201</u>	<u>\$ 325</u>	<u>\$ 851</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<u>Judicial</u>	<u>Legislative and admin</u>	<u>Police Protection</u>	<u>Property Management</u>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	11	-
Use of Money & Property	-	2	-	-
Intergovernmental	-	-	-	-
Federal Aid	732	-	1,263	-
Charges for Services	2	-	2	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	(2)
Total Revenues	<u>734</u>	<u>2</u>	<u>1,276</u>	<u>(2)</u>
<b>Expenditures:</b>				
Current:				
General Government	-	86	-	-
Public Protection	543	-	1,213	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	-	-
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>543</u>	<u>86</u>	<u>1,213</u>	<u>-</u>
Net change in fund balances	191	(84)	63	(2)
<b>Fund balances - beginning</b>	(140)	15	(609)	302
Prior period adjustment	(1,472)	-	(1,193)	-
<b>Fund balances, as restated</b>	<u>(1,612)</u>	<u>15</u>	<u>(1,802)</u>	<u>302</u>
<b>Fund balances - ending</b>	<u>\$ 51</u>	<u>\$ (69)</u>	<u>\$ (546)</u>	<u>\$ 300</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Public Ways</b>	<b>Recreational Facilities</b>	<b>Sanitation</b>	<b>Other Protection</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	469
Use of Money & Property	4	-	-	508
Intergovernmental	1,745	-	-	936
Federal Aid	-	-	-	194
Charges for Services	-	-	1,158	1,457
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	6	122
Total Revenues	<u>1,749</u>	<u>-</u>	<u>1,164</u>	<u>3,686</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	-	-	-	2,577
Health & Sanitation	-	-	3,427	-
Public Assistance	-	-	-	-
Public Ways & Facilities	1,652	-	-	-
Total expenditures	<u>1,652</u>	<u>-</u>	<u>3,427</u>	<u>2,577</u>
Net change in fund balances	97	-	(2,263)	1,109
<b>Fund balances - beginning</b>	23	(58)	(19,369)	100
Prior period adjustment	-	-	(1,098)	(1,605)
<b>Fund balances, as restated</b>	<u>23</u>	<u>(58)</u>	<u>(20,467)</u>	<u>(1,505)</u>
<b>Fund balances - ending</b>	<u>\$ 120</u>	<u>\$ (58)</u>	<u>\$ (21,632)</u>	<u>\$ 1,209</u>



**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Public Protection</b>	<b>Other Assistance</b>	<b>Public Assistance</b>	<b>Education</b>
<b>Revenues:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	8	9	1	-
Intergovernmental	8,195	-	216	176
Federal Aid	869	-	1,203	-
Charges for Services	2,399	33	173	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	-
Total Revenues	<u>11,471</u>	<u>42</u>	<u>1,593</u>	<u>176</u>
<b>Expenditures:</b>				
Current:				
General Government	-	-	-	-
Public Protection	10,250	-	58	137
Health & Sanitation	-	-	81	-
Public Assistance	2,077	6	1,529	39
Public Ways & Facilities	-	-	-	-
Total expenditures	<u>12,327</u>	<u>6</u>	<u>1,668</u>	<u>176</u>
Net change in fund balances	(856)	36	(75)	-
<b>Fund balances - beginning</b>	1,174	937	356	39
Prior period adjustment	(4,719)	-	(617)	-
<b>Fund balances, as restated</b>	<u>(3,545)</u>	<u>937</u>	<u>(261)</u>	<u>39</u>
<b>Fund balances - ending</b>	<u>\$ 318</u>	<u>\$ 973</u>	<u>\$ 281</u>	<u>\$ 39</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Special Revenue Total</b>	<b>Capital Projects Total</b>	<b>Debt Services Total</b>	<b>Total</b>
<b>Revenues:</b>				
Taxes	\$ 4,427	\$ -	\$ -	\$ 4,427
Licenses & Permits	2,998	-	-	2,998
Fines, Forfeitures & Penalties	1,019	-	-	1,019
Use of Money & Property	2,233	21	64	2,318
Intergovernmental	54,982	11,771	-	66,753
Federal Aid	10,644	885	-	11,529
Charges for Services	11,289	772	-	12,061
Sale of Fixed Assets	-	-	-	-
Other Revenues	7,599	319	6,336	14,254
Total Revenues	<u>95,191</u>	<u>13,768</u>	<u>6,400</u>	<u>115,359</u>
<b>Expenditures:</b>				
Current:				
General Government	3,132	16,261	5,975	25,368
Public Protection	26,161	-	-	26,161
Health & Sanitation	11,009	-	-	11,009
Public Assistance	34,960	-	-	34,960
Public Ways & Facilities	13,114	-	-	13,114
Total expenditures	<u>88,376</u>	<u>16,261</u>	<u>5,975</u>	<u>110,612</u>
Net change in fund balances	6,815	(2,493)	425	4,747
<b>Fund balances - beginning</b>	38,892	1,915	8,621	49,428
Prior period adjustment	(30,858)	-	-	(67,068)
<b>Fund balances, as restated</b>	<u>8,034</u>	<u>1,915</u>	<u>8,621</u>	<u>(17,640)</u>
<b>Fund balances - ending</b>	<u>\$ 45,707</u>	<u>\$ (578)</u>	<u>\$ 9,046</u>	<u>\$ 54,175</u>



## **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.

**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.

## **Internal Service Funds**

**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.

**Information Systems** – This fund provides computer hardware and software related expertise including operational planning and support to all County departments. One of the department's objectives is to ensure that state-of-the-art technology will guide the County into the future. The budget unit was established to account for the development of new systems, the maintenance of existing systems and operation of the computer center as an Internal Service Fund. This budget includes a \$50,000 contingency reserve for equipment replacement reserve.

**Workers Comp Court Tail Claims** – This fund was established to track workers compensation claims for court employees prior to the Courts separation from the County.

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2018  
(amounts expressed in thousands)

	<b>Garage Operating</b>	<b>Central. Mail System</b>	<b>Flood Control</b>	<b>Comm. Services</b>	<b>Liability Insurance</b>
<b>ASSETS:</b>					
Current Assets:					
Cash and cash equivalents	\$ 908	\$ -	\$ 25	\$ 23	\$ 4,807
Receivables (net):					
Interest	3	-	-	-	13
Due from Other Funds	363	28	-	4	-
Due from Other Agencies	2	1	-	-	-
Inventories and Prepaid Expenses	37	6	-	-	-
Total Current Assets	<u>1,313</u>	<u>35</u>	<u>25</u>	<u>27</u>	<u>4,820</u>
Noncurrent Assets:					
Land	23	-	-	-	-
Structures & Improvements	242	-	-	-	-
Vehicles	9,857	-	-	-	-
Equipment	101	37	-	2,408	-
Accumulated Depreciation	(7,163)	(8)	-	(1,738)	-
Total Noncurrent Assets	<u>3,060</u>	<u>29</u>	<u>-</u>	<u>670</u>	<u>-</u>
Total Assets	<u>4,373</u>	<u>64</u>	<u>25</u>	<u>697</u>	<u>4,820</u>
Deferred outflows of resources					
Deferred pensions	232	-	-	-	-
Deferred OPEB	20	-	-	-	-
Total deferred outflows of resources	<u>252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>					
Current Liabilities:					
Claims Payable	-	-	-	-	284
Accounts Payable	287	46	-	-	8
Accrued Payroll	17	-	-	-	-
Due to Other Funds	2	179	-	-	61
Current portion of compensated absences	4	-	-	-	-
Total Current Liabilities	<u>310</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>353</u>
Long Term Liabilities:					
Compensated Absences	37	-	-	-	-
Net pension liability	410	-	-	-	-
Net OPEB liability	868	-	-	-	-
Total Noncurrent Liabilities	<u>1,315</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>1,625</u>	<u>225</u>	<u>-</u>	<u>-</u>	<u>353</u>
Deferred inflows of resources					
Deferred pensions	79	-	-	-	-
Deferred OPEB	101	-	-	-	-
Total deferred inflows of resources	<u>180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>					
Net investment in capital assets	3,060	30	-	1,226	-
Restricted	-	-	-	-	-
Unrestricted	(240)	(191)	25	(529)	4,467
Total Net Position	<u>\$ 2,820</u>	<u>\$ (161)</u>	<u>\$ 25</u>	<u>\$ 697</u>	<u>\$ 4,467</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2018  
(amounts expressed in thousands)

	<b>Workers' Comp. Benefits</b>	<b>Unemp. Insurance</b>	<b>Medical Plan</b>	<b>Dental/ Vision Plan</b>	<b>Medical Malpractice</b>	<b>Auto</b>
<b>ASSETS:</b>						
Current Assets:						
Cash and cash equivalents	\$ 42,210	\$ 2,555	\$ 9,298	\$ 1,175	\$ 1,039	\$ 908
Receivables (net):						
Interest	115	7	25	3	3	3
Due from Other Funds	-	-	-	-	-	-
Due from Other Agencies	-	-	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-	-
Total Current Assets	<u>42,325</u>	<u>2,562</u>	<u>9,323</u>	<u>1,178</u>	<u>1,042</u>	<u>911</u>
Noncurrent Assets:						
Land	-	-	-	-	-	-
Structures & Improvements	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-
Equipment	-	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>42,325</u>	<u>2,562</u>	<u>9,323</u>	<u>1,178</u>	<u>1,042</u>	<u>911</u>
Deferred outflows of resources						
Deferred pensions	-	-	-	-	-	-
Deferred OPEB	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES:</b>						
Current Liabilities:						
Claims Payable	17,214	-	-	163	-	-
Accounts Payable	-	-	-	13	-	-
Accrued Payroll	-	-	-	-	-	-
Due to Other Funds	75	23	-	20	10	17
Current portion of compensated absences	-	-	-	-	-	-
Total Current Liabilities	<u>17,289</u>	<u>23</u>	<u>-</u>	<u>196</u>	<u>10</u>	<u>17</u>
Long Term Liabilities:						
Compensated Absences	-	-	-	-	-	-
Net pension liability	-	-	-	-	-	-
Net OPEB liability	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>17,289</u>	<u>23</u>	<u>-</u>	<u>196</u>	<u>10</u>	<u>17</u>
Deferred inflows of resources						
Deferred pensions	-	-	-	-	-	-
Deferred OPEB	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>						
Net investment in capital assets	-	-	-	-	-	-
Restricted	-	-	35	-	-	-
Unrestricted	25,036	2,539	9,288	982	1,032	894
Total Net Position	<u>\$ 25,036</u>	<u>\$ 2,539</u>	<u>\$ 9,323</u>	<u>\$ 982</u>	<u>\$ 1,032</u>	<u>\$ 894</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
June 30, 2018  
(amounts expressed in thousands)

	<b>Information Systems</b>	<b>Case Management Systems</b>	<b>Total</b>
<b>ASSETS:</b>			
Current Assets:			
Cash and cash equivalents	\$ 1,095	\$ 911	\$ 64,954
Receivables (net):			
Interest	2	7	181
Due from Other Funds	208	-	603
Due from Other Agencies	10	-	13
Inventories and Prepaid Expenses	-	-	43
Total Current Assets	<u>1,315</u>	<u>918</u>	<u>65,794</u>
Noncurrent Assets:			
Land	-	-	23
Structures & Improvements	-	-	242
Vehicles	-	-	9,857
Equipment	305	-	2,851
Accumulated Depreciation	(138)	-	(9,047)
Total Noncurrent Assets	<u>167</u>	<u>-</u>	<u>3,926</u>
Total Assets	<u>1,482</u>	<u>918</u>	<u>69,720</u>
Deferred outflows of resources			
Deferred pensions	819	-	1,051
Deferred OPEB	70	-	90
Total deferred outflows of resources	<u>889</u>	<u>-</u>	<u>1,141</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Claims Payable	-	3,095	20,756
Accounts Payable	396	38	788
Accrued Payroll	58	-	75
Due to Other Funds	1	84	472
Current portion of compensated absences	9	-	13
Total Current Liabilities	<u>464</u>	<u>3,217</u>	<u>22,104</u>
Long Term Liabilities:			
Compensated Absences	148	-	185
Net pension liability	1,446	-	1,856
Net OPEB liability	3,058	-	3,926
Total Noncurrent Liabilities	<u>4,652</u>	<u>-</u>	<u>5,967</u>
Total Liabilities	<u>5,116</u>	<u>3,217</u>	<u>28,071</u>
Deferred inflows of resources			
Deferred pensions	277	-	356
Deferred OPEB	358	-	459
Total deferred inflows of resources	<u>635</u>	<u>-</u>	<u>815</u>
<b>NET POSITION:</b>			
Net investment in capital assets	166	-	4,482
Restricted	335	-	370
Unrestricted	(3,881)	(2,299)	37,123
Total Net Position	<u>\$ (3,380)</u>	<u>\$ (2,299)</u>	<u>\$ 41,975</u>



**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Garage Operating</b>	<b>Centralized Mail System</b>	<b>Flood Control</b>	<b>Comm. Services</b>	<b>Liability Insurance</b>
<b>Operating Revenues:</b>					
Charges for Services	\$ 2,556	\$ 404	\$ -	\$ 249	\$ 3,035
Other Revenues	125	-	-	-	-
Total Operating Revenues	<u>2,681</u>	<u>404</u>	<u>-</u>	<u>249</u>	<u>3,035</u>
<b>Operating Expenses:</b>					
Salaries and Benefits	583	-	-	-	-
Services and Supplies	3,273	447	-	69	2,118
Depreciation	1,213	8	-	332	-
Total Operating Expenses	<u>5,069</u>	<u>455</u>	<u>-</u>	<u>401</u>	<u>2,118</u>
Operating Income (Loss)	<u>(2,388)</u>	<u>(51)</u>	<u>-</u>	<u>(152)</u>	<u>917</u>
<b>Non-operating Revenues (Expenses):</b>					
Interest - Income	14	-	-	(1)	35
Other	1,245	(27)	-	-	-
Total Non-Operating Rev (Exp)	<u>1,259</u>	<u>(27)</u>	<u>-</u>	<u>(1)</u>	<u>35</u>
<b>Change in Net Position</b>	<u>(1,129)</u>	<u>(78)</u>	<u>-</u>	<u>(153)</u>	<u>952</u>
Net Position - Beginning	4,870	(83)	25	850	3,515
Prior period adjustment	(921)	-	-	-	-
<b>Net Position - Beginning, as restated</b>	<u>3,949</u>	<u>(83)</u>	<u>25</u>	<u>850</u>	<u>3,515</u>
Net Position - Ending	<u>\$ 2,820</u>	<u>\$ (161)</u>	<u>\$ 25</u>	<u>\$ 697</u>	<u>\$ 4,467</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Workers' Compensation Benefits</b>	<b>Unemployment Insurance</b>	<b>Medical Plan</b>	<b>Dental/ Vision Plan</b>	<b>Medical Malpractice</b>
<b>Operating Revenues:</b>					
Charges for Services	\$ 6,757	\$ 487	\$ 13,685	\$ 1,463	\$ 151
Other Revenues	-	-	8	-	-
Total Operating Revenues	<u>6,757</u>	<u>487</u>	<u>13,693</u>	<u>1,463</u>	<u>151</u>
<b>Operating Expenses:</b>					
Salaries and Benefits	-	-	-	-	-
Services and Supplies	6,595	330	13,051	1,335	197
Depreciation	-	-	-	-	-
Total Operating Expenses	<u>6,595</u>	<u>330</u>	<u>13,051</u>	<u>1,335</u>	<u>197</u>
Operating Income (Loss)	<u>162</u>	<u>157</u>	<u>642</u>	<u>128</u>	<u>(46)</u>
<b>Non-operating Revenues (Expenses):</b>					
Interest - Income	387	22	105	10	9
Other	-	-	-	-	-
Total Non-Operating Rev (Exp)	<u>387</u>	<u>22</u>	<u>105</u>	<u>10</u>	<u>9</u>
<b>Change in Net Position</b>	<u>549</u>	<u>179</u>	<u>747</u>	<u>138</u>	<u>(37)</u>
Net Position - Beginning	24,487	2,360	8,576	843	1,069
Prior period adjustment	-	-	-	-	-
<b>Net Position - Beginning, as restated</b>	<u>24,487</u>	<u>2,360</u>	<u>8,576</u>	<u>844</u>	<u>1,069</u>
Net Position - Ending	<u>\$ 25,036</u>	<u>\$ 2,539</u>	<u>\$ 9,323</u>	<u>\$ 982</u>	<u>\$ 1,032</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Auto</b>	<b>Information Systems</b>	<b>Case Management Systems</b>	<b>Total</b>
<b>Operating Revenues:</b>				
Charges for Services	\$ 482	\$ 2,862	\$ 19,148	\$ 51,279
Other Revenues	(127)	(4)	25	27
Total Operating Revenues	<u>355</u>	<u>2,858</u>	<u>19,173</u>	<u>51,306</u>
<b>Operating Expenses:</b>				
Salaries and Benefits	-	2,081	-	2,664
Services and Supplies	80	1,247	21,482	50,224
Depreciation	-	17	-	1,570
Total Operating Expenses	<u>80</u>	<u>3,345</u>	<u>21,482</u>	<u>54,458</u>
Operating Income (Loss)	<u>275</u>	<u>(487)</u>	<u>(2,309)</u>	<u>(3,152)</u>
<b>Non-operating Revenues (Expenses):</b>				
Interest - Income	8	9	10	608
Other	-	171	-	1,389
Total Non-Operating Rev (Exp)	<u>8</u>	<u>180</u>	<u>10</u>	<u>1,997</u>
<b>Change in Net Position</b>	<u>283</u>	<u>(307)</u>	<u>(2,299)</u>	<u>(1,155)</u>
Net Position - Beginning	611	172	-	47,295
Prior period adjustment	-	(3,245)	-	(4,166)
<b>Net Position - Beginning, as restated</b>	<u>611</u>	<u>(3,073)</u>	<u>-</u>	<u>43,130</u>
Net Position - Ending	<u>\$ 894</u>	<u>\$ (3,380)</u>	<u>\$ (2,299)</u>	<u>\$ 41,975</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Garage Operating</b>	<b>Centralized Mail System</b>	<b>Flood Control</b>
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 2,681	\$ 404	\$ -
Cash received from operating activities	1,169	232	-
Cash paid to suppliers	(3,273)	(447)	-
Cash paid to employees	(583)	-	-
Cash paid for operating activities	(1,380)	(8)	-
Net cash provided by (used) operating activities	(1,386)	181	-
<b>Cash flows from investing activities:</b>			
Interest received	14	-	-
Net increase (decrease) in cash and cash equivalents	(1,372)	181	-
<b>Cash and cash equivalents - beginning</b>	2,280	(181)	25
<b>Cash and cash equivalents - ending</b>	\$ 908	\$ -	\$ 25
 Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (2,388)	\$ (51)	\$ -
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	1,213	7	-
Decrease (Increase) in accounts receivable	-	3	-
Decrease (Increase) in interest receivable	1	-	-
Decrease (Increase) in prepaid expenses	(5)	-	-
Decrease (Increase) in due from other funds	91	167	-
Increase (Decrease) in accounts payable	(100)	43	-
Increase (Decrease) in accrued liabilities	(2)	-	-
Increase (Decrease) in due to other funds	(200)	12	-
Increase (Decrease) in compensated absences	4	-	-
Total adjustments	1,002	232	-
Net cash provided by (used) operating activities	\$ (1,386)	\$ 181	\$ -

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Comm. Services</b>	<b>Liability Insurance</b>	<b>Workers' Compensation Benefits</b>
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 249	\$ 3,035	\$ 6,758
Cash received from operating activities	324	(366)	(203)
Cash paid to suppliers	(69)	(2,118)	(6,594)
Cash paid to employees	-	-	-
Cash paid for operating activities	(332)	-	-
Net cash provided by (used) operating activities	172	551	(39)
<b>Cash flows from investing activities:</b>			
Interest received	(1)	35	387
Net increase (decrease) in cash and cash equivalents	171	586	348
<b>Cash and cash equivalents - beginning</b>	(148)	4,221	41,862
<b>Cash and cash equivalents - ending</b>	<u>\$ 23</u>	<u>\$ 4,807</u>	<u>\$ 42,210</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (152)	\$ 917	\$ 162
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	332	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	-	(5)	(32)
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	(4)	44	8
Increase (Decrease) in accounts payable	(4)	(398)	(171)
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	-	(7)	(6)
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	324	(366)	(201)
Net cash provided by (used) operating activities	<u>\$ 172</u>	<u>\$ 551</u>	<u>\$ (39)</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Unemployment Insurance</b>	<b>Medical Plan</b>	<b>Dental/ Vision Plan</b>
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 487	\$ 13,693	\$ 1,463
Cash received from operating activities	(5)	(3,796)	(1)
Cash paid to suppliers	(330)	(13,051)	(1,335)
Cash paid to employees	-	-	-
Cash paid for operating activities	-	-	-
Net cash provided by (used) operating activities	152	(3,154)	127
<b>Cash flows from investing activities:</b>			
Interest received	22	105	10
Net increase (decrease) in cash and cash equivalents	174	(3,049)	137
<b>Cash and cash equivalents - beginning</b>	<b>2,381</b>	<b>12,347</b>	<b>1,038</b>
<b>Cash and cash equivalents - ending</b>	<b>\$ 2,555</b>	<b>\$ 9,298</b>	<b>\$ 1,175</b>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 157	\$ 642	\$ 128
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	8	-
Decrease (Increase) in interest receivable	(1)	(2)	(1)
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	-	-	-
Increase (Decrease) in accounts payable	-	(3,727)	(14)
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	(4)	(75)	14
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	(5)	(3,796)	(1)
Net cash provided by (used) operating activities	\$ 152	\$ (3,154)	\$ 127

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Medical Malpractice</b>	<b>Auto</b>	<b>Information Systems</b>
<b>Cash flows from operating activities:</b>			
Cash received from users	\$ 151	\$ 355	\$ 2,858
Cash received from operating activities	(11)	(44)	150
Cash paid to suppliers	(197)	(80)	(1,247)
Cash paid to employees	-	-	(2,081)
Cash paid for operating activities	-	-	(17)
Net cash provided by (used) operating activities	(57)	231	(337)
<b>Cash flows from investing activities:</b>			
Interest received	9	8	9
Net increase (decrease) in cash and cash equivalents	(48)	239	(328)
<b>Cash and cash equivalents - beginning</b>	1,087	669	1,423
<b>Cash and cash equivalents - ending</b>	<u>\$ 1,039</u>	<u>\$ 908</u>	<u>\$ 1,095</u>
 Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (46)	\$ 275	\$ (487)
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	-	-	17
Decrease (Increase) in accounts receivable	-	1	-
Decrease (Increase) in interest receivable	(1)	(1)	-
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	-	-	(187)
Increase (Decrease) in accounts payable	(6)	-	315
Increase (Decrease) in accrued liabilities	-	-	(4)
Increase (Decrease) in due to other funds	(4)	(44)	-
Increase (Decrease) in compensated absences	-	-	9
Total adjustments	(11)	(44)	150
Net cash provided by (used) operating activities	<u>\$ (57)</u>	<u>\$ 231</u>	<u>\$ (337)</u>

**COUNTY OF IMPERIAL**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Fiscal Year Ended June 30, 2018  
(amounts expressed in thousands)

	<b>Case Management Systems</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>		
Cash received from users	\$ 19,173	\$ 51,307
Cash received from operating activities	3,210	659
Cash paid to suppliers	(21,482)	(50,223)
Cash paid to employees	-	(2,664)
Cash paid for operating activities	-	(1,737)
Net cash provided by (used) operating activities	901	(2,658)
<b>Cash flows from investing activities:</b>		
Interest received	10	387,608
Net increase (decrease) in cash and cash equivalents	911	384,950
<b>Cash and cash equivalents - beginning</b>	-	67,004
<b>Cash and cash equivalents - ending</b>	<u>\$ 911</u>	<u>\$ 64,954</u>
Reconciliation of operating income (loss) to net cash		
Provided by operating activities:		
Operating Income (Loss)	\$ (2,309)	\$ (3,152)
Adjustments to reconcile operating income (loss) to net		
Cash provided by (used) operating activities:		
Depreciation expense	-	1,569
Decrease (Increase) in accounts receivable	-	12
Decrease (Increase) in interest receivable	(6)	(48)
Decrease (Increase) in prepaid expenses	-	(5)
Decrease (Increase) in due from other funds	-	119
Increase (Decrease) in accounts payable	3,132	(930)
Increase (Decrease) in accrued liabilities	-	(6)
Increase (Decrease) in due to other funds	84	(230)
Increase (Decrease) in compensated absences	-	13
Total adjustments	3,210	494
Net cash provided by (used) operating activities	<u>\$ 901</u>	<u>\$ (2,658)</u>





**OTHER INFORMATION  
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, 2018**  
(amounts expressed in thousands)

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Governmental fund capital assets:

Land	\$ 4,456
Construction in progress	37,772
Infrastructure	125,129
Structures and Improvements	84,372
Vehicles	5,051
Furniture and Equipment	<u>49,462</u>
Total governmental funds capital assets	<u><u>\$ 306,242</u></u>

Investments in governmental funds capital assets by source:

General Fund	\$ 240,121
Special Revenue Funds	33,044
Capital Projects	<u>33,077</u>
Total governmental funds capital assets	<u><u>\$ 306,242</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 position.

**COUNTY OF IMPERIAL**  
**Capital Assets Used in the Operation of Government Funds**  
**Schedule by Function and Activity\***  
**June 30, 2018**  
(amounts expressed in thousands)

	Land	Construction in Progress	Infrastructure	Structures & Improvements	Vehicles	Furniture & Equipment	Total
General Government	\$ 4,332	\$ 5,244	\$ 125,129	\$ 55,409	\$ 47	\$ 8,613	\$ 198,774
Public Protection	15	31,929	-	24,314	2,018	21,506	79,782
Public Ways & Facilities	39	261	-	786	1,588	11,797	14,471
Health & Sanitation	14	338	-	2,778	962	4,659	8,751
Public Assistance	-	-	-	999	436	2,842	4,277
Education	56	-	-	86	-	45	187
Total government funds capital assets	<u>\$ 4,456</u>	<u>\$ 37,772</u>	<u>\$ 125,129</u>	<u>\$ 84,372</u>	<u>\$ 5,051</u>	<u>\$ 49,462</u>	<u>\$ 306,242</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\***  
**June 30, 2018**  
(amounts expressed in thousands)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
General Government	\$ 197,072	\$ 2,228	\$ 523	\$ 198,777
Public Protection	65,558	14,467	243	79,782
Public Ways and Facilities	14,500	-	29	14,471
Health and Sanitation	8,457	396	104	8,749
Public Assistance	4,198	98	20	4,276
Education	197	-	10	187
Total governmental funds capital assets	\$ 289,982	\$ 17,189	\$ 929	\$ 306,242

\* 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.





**STATISTICAL SECTION**





# STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

<b><u>CONTENTS</u></b>	<b><u>PAGE</u></b>
<b>FINANCIAL TRENDS</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	<b>126-131</b>
<b>REVENUE CAPACITY</b> These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	<b>132-135</b>
<b>DEBT CAPACITY</b> These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	<b>136-137</b>
<b>ECONOMIC AND DEMOGRAPHIC INFORMATION</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	<b>138-139</b>
<b>OPERATING INFORMATION</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	<b>140-141</b>

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

County of Imperial  
Net Position By Component (Unaudited)  
Last Ten Fiscal Years (In Thousands)  
(Accrual Basis of Accounting)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Governmental activities</b>										
Net investment in capital assets	\$ 88,479	\$ 83,157	\$ 83,109	\$ 94,202	\$ 98,638	\$ 102,522	108,279	102,517	115,742	123,765
Restricted	31,457	37,241	36,084	40,192	76,918	90,134	53,096	62,326	(13,988)	125,959
Unrestricted	28,470	34,417	43,268	38,374	(164)	19,757	(39,317)	(46,205)	26,949	(378,258)
Total governmental activities net position	148,406	154,815	162,461	172,768	175,392	212,413	122,058	118,638	128,703	(128,534)
<b>Business-type activities</b>										
Net investment in capital assets	10,061	10,645	11,183	11,751	11,009	10,094	9,176	10,473	9,789	9,131
Restricted	878	(6)	34	332	2	12	(2)	(1)	1	3
Unrestricted	(1,073)	(628)	(2,356)	(3,502)	(12,899)	(13,029)	(9,088)	(8,682)	(8,783)	(7,785)
Total business type activities net position	9,866	10,011	8,861	8,581	(1,888)	(2,923)	86	1,790	1,007	1,349
<b>Primary government</b>										
Net investment in capital assets	98,540	93,802	94,292	105,953	109,647	112,616	117,455	112,990	125,531	132,896
Restricted	32,335	37,235	36,118	40,524	76,920	90,146	53,094	62,325	(13,987)	125,962
Unrestricted	27,397	33,789	40,912	34,872	(13,063)	6,728	(48,405)	(54,887)	18,166	(386,043)
Total primary government net position	\$ 158,272	\$ 164,826	\$ 171,322	\$ 181,349	\$ 173,504	\$ 209,490	122,144	120,428	129,710	(127,185)

**Notes:**

- (1) Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is considered restricted when 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 2

County of Imperial  
Changes in Net Position (Unaudited)  
Last Ten Fiscal Years (In thousands)  
(Accrual Basis of Accounting)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Program Revenues</b>										
Governmental Activities										
Charges for services										
General Government	\$ 42,535	\$ 49,753	\$ 44,795	\$ 40,684	\$ 40,405	\$ 42,224	\$ 44,536	\$ 49,934	\$ 58,526	\$ 54,830
Public Protection	8,276	7,135	20,391	17,755	15,558	11,582	11,447	12,162	11,389	12,373
Health & Sanitation	6,898	9,411	9,257	10,031	10,751	12,517	14,457	15,392	17,308	18,958
Public Assistance	2,559	7,970	8,535	8,862	869	1,093	983	1,066	1,058	1,242
Public Ways & Facilities	1,527	7,222	675	1,063	1,254	1,222	1,176	1,122	1,334	1,203
Total Charges for services	61,795	81,491	83,653	78,395	68,837	68,638	72,598	79,676	89,615	88,606
Operating grants and contributions	185,253	171,476	184,597	191,429	189,758	211,437	207,137	204,452	254,378	293,976
Total governmental activities program revenues	247,048	252,967	268,250	269,824	258,595	280,075	279,735	284,128	343,993	382,582
Business Activities										
Charges for services										
Airport	728	641	628	636	660	485	569	1,321	654	761
Landfill	200	287	-	5	-	-	1,106	-	-	1,300
County Services Areas, other	682	504	245	156	26	9	13	13	12	13
Total Charges for services	1,610	1,432	873	797	686	494	1,687	1,334	666	2,074
Operating grants and contributions	4,359	4,504	9	18	28	68	-	-	1	0
Total business-type activities program revenues	5,969	5,936	882	815	714	562	1,687	1,334	667	2,074
Total primary government program revenues	\$ 253,017	\$ 258,903	\$ 269,132	\$ 270,639	\$ 259,309	\$ 280,637	\$ 281,422	\$ 285,462	344,660	384,656
Net (Expense) Revenue										
Governmental activities	(60,245)	(68,673)	(69,454)	(72,572)	(96,669)	(72,261)	(119,301)	(125,006)	(103,363)	(75,330)
Business-type activities	(220)	(1,156)	(2,421)	(1,588)	(10,641)	(1,059)	3,074	(1,150)	(833)	618
Total primary government net expenses	\$ (60,465)	\$ (69,829)	\$ (71,875)	\$ (74,160)	\$ (107,310)	\$ (73,320)	\$ (116,227)	\$ (126,157)	\$ (104,196)	\$ (74,712)

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 3

County of Imperial  
Fund Balances of Governmental Funds (Unaudited)  
Last Ten Fiscal Years (In thousands)  
(Modified Accrual Basis of Accounting)

	2008-09	2009-10
<b>General Fund</b>		
Reserved for:		
Encumbrances	\$ 1,673	\$ 1,865
Inventories	287	295
Capital Outlay	3,023	3,023
COPS	1,818	1,527
Endowment Op Funds	20,113	20,850
Other Purposes	5,089	8,189
Unreserved:		
Designated	-	-
Undesignated	14,237	11,269
Total General Fund	<u>46,240</u>	<u>47,018</u>
<b>All Other Governmental Funds:</b>		
Reserved for:		
Encumbrances	2,330	3,469
Inventories	339	395
Debt Service	5,524	6,335
Loan	13,172	13,670
Other Purposes	20	(44)
Unreserved:		
Special Revenue Funds	27,766	27,544
Capital Project/Debt Service Funds	214	733
Total Other Governmental Funds	<u>49,365</u>	<u>52,102</u>
<b>Total Governmental Fund Balances</b>	<u><u>\$ 95,605</u></u>	<u><u>\$ 99,120</u></u>

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>General Fund (1)</b>								
Nonspendable	\$ 388	\$ 517	\$ 475	\$ 443	465	502	371	334
Restricted	10,099	7,671	7,151	6,962	3,589	1,464	1,469	32,045
Committed	5,974	7,744	8,896	20,411	22,287	27,473	27,793	4,448
Assigned	15,298	17,722	15,988	16,852	27,311	26,920	19,156	15,983
Unassigned	12,846	11,307	15,845	24,393	13,479	10,106	11,247	10,980
Total General Fund	<u>44,605</u>	<u>44,961</u>	<u>48,355</u>	<u>69,061</u>	<u>67,131</u>	<u>66,465</u>	<u>60,036</u>	<u>63,790</u>
<b>All Other Governmental Funds</b>								
Nonspendable	456	908	722	329	211	287	173	285
Restricted	24,087	30,136	23,946	28,330	29,391	44,541	63,191	93,914
Committed	18,047	16,354	18,597	25,530	22,976	7,806	26,435	16,961
Assigned	18,935	18,392	54,408	54,097	15,880	20,060	20,260	2,998
Unassigned	(2,716)	(12,540)	(51,761)	(53,202)	(23,520)	(25,923)	(60,610)	(50,409)
Total Other Governmental Funds	<u>58,809</u>	<u>53,250</u>	<u>45,912</u>	<u>55,084</u>	<u>44,939</u>	<u>46,771</u>	<u>49,449</u>	<u>63,749</u>
<b>Total Governmental Fund Balances</b>	<u><u>\$ 103,414</u></u>	<u><u>\$ 98,211</u></u>	<u><u>\$ 94,267</u></u>	<u><u>\$ 124,145</u></u>	<u><u>112,070</u></u>	<u><u>113,236</u></u>	<u><u>109,485</u></u>	<u><u>127,539</u></u>

**Notes:**

(1) In FY 2010-11 the County implemented GASB 54 under which Governmental Fund Balances are reported as Nonspendable, Restricted, Committed, Assigned, and Unassigned.

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 4

County of Imperial  
Changes in Fund Balances of Governmental Funds (Unaudited)  
Last Ten Fiscal Years (In thousands)  
(Modified Accrual Basis of Accounting)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenues (by source):</b>										
Taxes	\$ 31,034	\$ 27,326	\$ 26,312	\$ 29,194	\$ 37,161	\$ 45,005	45,964	43,412	41,399	41,270
Licenses and permits	3,611	3,539	4,542	4,666	6,006	4,939	5,070	4,988	4,745	4,741
Fines, Forfeitures & Penalties	7,179	6,146	7,767	6,239	5,911	6,770	6,821	7,172	5,879	5,154
Use of Money & Property	3,449	2,315	1,641	5,176	2,917	2,477	5,829	4,601	3,144	3,395
Intergovernmental Aid	116,440	126,906	140,453	141,029	138,879	153,697	155,876	167,205	186,487	287,515
Federal Aid	63,566	68,169	72,292	64,413	62,071	70,866	68,043	63,805	69,285	-
Charges for Services	40,648	41,991	43,464	42,041	46,566	45,412	43,890	58,260	53,393	48,701
Other	6,797	7,522	8,792	6,667	12,247	11,593	11,269	9,234	15,545	14,254
Total revenues	272,724	283,914	305,263	299,425	311,758	340,759	342,762	358,677	379,877	405,030
<b>Expenditures (by function):</b>										
Current:										
General Government	31,576	27,709	25,912	31,553	36,640	35,606	44,668	41,802	54,117	23,903
Public Protection	76,278	79,071	83,815	84,648	87,133	88,999	96,538	98,626	103,278	102,403
Health & Sanitation	40,142	41,648	42,828	42,954	44,512	49,550	51,672	57,289	79,588	66,159
Public Assistance	104,080	114,371	127,896	120,267	123,266	120,521	138,643	142,135	132,132	158,229
Public Ways & Facilities	13,648	18,524	18,221	23,998	19,736	17,227	17,560	15,998	16,012	14,046
Debt Services										5,975
Capital Outlay										16,261
Total expenditures	265,724	281,323	298,672	303,420	311,287	311,903	349,081	355,850	385,127	386,976
Excess (deficiency) of revenues over (under) expenditures	7,000	2,591	6,591	(3,995)	471	28,856	(6,319)	2,827	(5,250)	18,054
<b>Other financing sources (uses):</b>										
Changes in Reserves	192	490	264	790	809	900	(1,603)	384	66	-
Transfers	268	(21)	(15)	(289)	(1,967)	70	10	80	262	-
Proceeds of Endowment Funds	(462)	455	(1,702)	(2,553)	(3,257)	53	(4,164)	(2,126)	1,173	-
Total other financing sources and uses	(2)	924	(1,453)	(2,052)	(4,415)	1,023	(5,756)	(1,662)	1,501	-
<b>Net Change in Fund Balances</b>	6,998	3,515	5,138	(6,047)	(3,944)	29,879	(12,075)	1,165	(3,749)	18,054
Fund Balances - beginning	89,496	96,494	99,120	104,258	98,211	94,266	124,146	112,069	113,234	109,485
Prior period adjustment	-	(889)	-	-	-	-	-	-	-	-
Fund Balances - beginning restated	89,496	95,605	99,120	104,258	98,211	94,266	124,146	112,069	113,234	109,485
<b>Fund Balances - ending</b>	<u>\$ 96,494</u>	<u>\$ 99,120</u>	<u>\$ 104,258</u>	<u>\$ 98,211</u>	<u>\$ 94,267</u>	<u>\$ 124,145</u>	<u>112,070</u>	<u>113,234</u>	<u>109,485</u>	<u>127,539</u>

**Notes:**

(1) By State Controller function.

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 5

County of Imperial  
Expenses by Function (Unaudited)  
Last Ten Fiscal Years (In thousands)  
(Accrual Basis of Accounting)

Expenses	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Governmental Activities										
General Government	\$ 70,541	\$ 66,558	\$ 62,708	\$ 67,435	\$ 75,050	\$ 72,633	\$ 94,036	\$ 90,154	102,646	93,316
Public Protection	76,276	79,071	83,815	84,648	87,132	88,998	95,155	99,049	107,246	102,758
Health & Sanitation	40,142	41,649	42,828	42,955	44,515	49,550	50,974	57,534	81,860	66,361
Public Assistance	104,080	114,372	127,895	120,267	123,267	120,522	137,838	142,358	134,216	158,413
Public Ways & Facilities	13,648	18,524	18,221	23,998	19,738	17,227	17,425	16,036	16,381	14,081
Interest on long-term liabilities	2,606	1,466	2,237	3,093	5,562	3,406	3,610	4,003	5,007	22,983
Total governmental activities expenses	<u>307,293</u>	<u>321,640</u>	<u>337,704</u>	<u>342,396</u>	<u>355,264</u>	<u>352,336</u>	<u>399,036</u>	<u>409,134</u>	<u>447,356</u>	<u>457,912</u>
Business Activities										
Airport	1,189	1,481	1,475	2,156	1,567	1,458	1,390	2,197	1,196	1,297
Landfill	682	-	36	118	9,723	84	(2,818)	285	296	152
County Services Areas, other	4,318	5,611	1,792	129	65	79	40	2	8	7
Total business-type activities expenses	<u>6,189</u>	<u>7,092</u>	<u>3,303</u>	<u>2,403</u>	<u>11,355</u>	<u>1,621</u>	<u>(1,387)</u>	<u>2,484</u>	<u>1,500</u>	<u>1,456</u>
Total primary government	<u>\$ 313,482</u>	<u>\$ 328,732</u>	<u>\$ 341,007</u>	<u>\$ 344,799</u>	<u>\$ 366,619</u>	<u>\$ 353,957</u>	<u>\$ 397,649</u>	<u>\$ 411,618</u>	<u>448,856</u>	<u>459,368</u>

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 6

County of Imperial  
Net Expense By Function (Unaudited)  
Last Ten Fiscal Years (In thousands)  
(Accrual Basis of Accounting)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Net (Expense) Revenue										
Governmental activities	\$ (60,245)	\$ (68,673)	\$ (69,454)	\$ (72,572)	\$ (96,669)	\$ (72,261)	\$ (119,301)	\$ (125,006)	(103,363)	(75,330)
Business-type activities	(220)	(1,156)	(2,421)	(1,588)	(10,641)	(1,059)	3,074	(1,150)	(1,833)	618
Total primary government net expenses	\$ (60,465)	\$ (69,829)	\$ (71,875)	\$ (74,160)	#####	\$ (73,320)	\$ (116,227)	\$ (126,156)	(105,196)	(74,712)
General Revenues and Other Changes in Net Assets:										
<b>Governmental activities:</b>										
Taxes										
Property	19,358	16,543	14,838	16,072	17,632	21,098	21,306	23,083	22,728	22,179
Sales tax	12,237	10,826	11,271	12,099	18,418	22,199	19,818	20,927	21,341	18,456
Franchises tax	429	245	284	294	266	23,374	23,477	19,765	18,246	275
Motor Vehicle in-lieu tax	18,760	18,221	18,245	17,877	18,006	229	313	270	336	21,259
Federal in-lieu	2,923	3,164	3,156	3,201	3,291	326	3,403	3,322	3,371	3,482
Grants and other governmental revenues not restricted to specific programs	11,230	24,437	28,458	29,146	39,718	40,682	35,672	50,394	43,593	35,569
Unrestricted investment earnings	5,478	2,627	1,938	4,509	2,063	1,348	4,353	3,770	1,454	1,931
Gain/(Loss) on sale of capital assets	-	248	110	92	40	26	23	55	416	25
Other	-	-	-	-	-	-	-	-	-	-
Transfers	287	(1,229)	(1,200)	(1,255)	(141)	-	-	-	-	-
Total governmental activities	70,702	75,082	77,100	82,035	99,293	109,282	108,365	121,586	111,485	103,176
<b>Business-type activities:</b>										
Unrestricted investment earnings	214	138	70	53	31	24	31	46	50	66
Other	2,619	(66)	-	-	-	-	-	-	-	-
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	(287)	1,229	1,200	1,255	141	-	-	2,808	-	-
Total business-type activities	2,546	1,301	1,270	1,308	172	24	31	2,854	50	66
Total primary government	\$ 73,248	\$ 76,383	\$ 78,370	\$ 83,343	\$ 99,465	\$ 109,306	\$ 108,396	\$ 124,440	111,535	103,242
<b>Changes in Net Assets:</b>										
Governmental activities	10,457	6,409	7,646	9,463	2,624	37,021	(10,936)	(3,420)	8,122	27,846
Business-type activities	2,326	145	(1,151)	(280)	(10,469)	(1,035)	3,105	1,704	(1,783)	684
Total primary government	\$ 12,783	\$ 6,554	\$ 6,495	\$ 9,183	\$ (7,845)	\$ 35,986	\$ (7,830)	\$ (1,716)	6,339	28,530

**Source:**

Imperial County Auditor-Controller's Comprehensive Annual Financial Reports for the relevant year.

Table 7

County of Imperial  
Assessed Value of Taxable Property (Unaudited)  
Last Ten Fiscal Years (Dollars amounts in thousands)

Fiscal Year	(1) Secured	(2) Unsecured	(3) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
2008-09	10,416,842,369	786,667,943	(276,531,982)	10,926,978,330	1.00%
2009-10	10,130,772,556	831,793,452	(332,015,592)	10,630,550,416	1.00%
2010-11	10,005,666,039	780,152,807	(349,970,576)	10,435,848,270	1.00%
2011-12	9,738,658,570	758,555,464	(350,052,798)	10,147,161,236	1.00%
2012-13	9,968,342,036	1,145,137,280	(400,302,403)	10,713,176,913	1.00%
2013-14	10,190,447,988	1,289,213,609	(413,840,163)	11,065,821,434	1.00%
2014-15	10,946,559,575	1,277,585,294	(419,664,282)	11,804,480,587	1.00%
2015-16	11,257,809,345	1,282,424,481	(442,810,899)	12,097,422,927	1.00%
2016-17	11,537,060,844	1,351,234,719	(512,114,118)	12,376,181,445	1.00%
2017-18	12,173,498,293	1,236,019,921	(525,590,722)	12,883,927,492	1.00%

**Notes:**

- (1) Secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (2) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (3) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- (4) Article XIII A, added to the California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value which appeared on the Assessor's 1975/76 assessment roll. Thereafter, full cash value can be increased to reflect:
- a) annual inflation up to 2%; or
  - b) market value at the time of ownership change; or
  - c) market value for new construction
- Estimated actual value of taxable property cannot easily be determined as the property in the County is not reassessed annually. Reassessment normally occurs when ownership changes.

**Source:**

Imperial County Auditor-Controller Office



Table 8

County of Imperial  
Property Tax Rates - Direct and Overlapping Governments (Unaudited)  
Last Ten Fiscal Years

	<u>County Direct Rates</u>	<u>Overlapping Rates</u>		
<u>Fiscal Year</u>	<u>Imperial County General</u>	<u>Cities</u>	<u>Schools (1)</u>	<u>Total</u>
2008-09	1.000000%	0.005490%	0.037340%	1.042830%
2009-10	1.000000%	0.094886%	0.040747%	1.135633%
2010-11	1.000000%	0.066760%	0.050788%	1.117548%
2011-12	1.000000%	0.062261%	0.044380%	1.106641%
2012-13	1.000000%	0.066508%	0.040713%	1.107221%
2013-14	1.000000%	0.065508%	0.032116%	1.097624%
2014-15	1.000000%	0.061190%	0.031979%	1.093169%
2015-16	1.000000%	0.059712%	0.032158%	1.091870%
2016-17	1.000000%	0.089098%	0.026324%	1.115421%
2017-18	1.000000%	0.081455%	0.043465%	1.124920%

**Notes:**

(1) Rates shown represent a weighted average of the various school district tax rate areas within the County of Imperial.

**Source:**

Imperial County Auditor-Controller Office

Table 9

County of Imperial  
Principal Revenue Taxpayers (Unaudited)  
June 30, 2018 and June 30, 2004

Taxpayer	Fiscal year Ended June 30, 2018			Fiscal year Ended June 30, 2004		
	Net Assesed Value	Rank	Percentage of Net Assesed Value	Net Assesed Value	Rank	Percentage of Net Assesed Value
San Diego Gas & Electric Company	\$ 438,497,922	1	3.54%	\$		
Magma Power Company	143,366,767	3	1.16%	377,331,616	1	5.42%
Alphabet Farms LLC	176,771,270	2	1.43%			
Hudson Ranch Power I LLC	119,518,000	4	0.97%			
National Beef California LP				306,926,474	2	4.41%
United States Gypsum Co.	117,450,337	5	0.95%			
OWB Real Estate Holdings LLC				122,131,309	4	1.75%
Gran Plaza LP	45,881,142	10	0.37%			
ORCAL Geothermal Inc	61,546,846	7	0.50%			
Imperial Valley Mall II, LP	47,302,738	9	0.38%			
Southern California Gas Co.	73,879,348	6	0.60%			
RJFP LLC	56,590,721	8	0.46%			
MFC Imperial LLC						
Zinc Field				201,202,582	3	2.89%
Gold Fields Operating Co.-Mesquite				121,679,775	5	1.75%
B P Joint Venture LLC				101,540,378	6	1.46%
Cal Energy DBA Salton Sea Unit 4				82,509,975	7	1.19%
US Trust Company of California				76,650,830	8	1.10%
Vulcan Power Co.				42,210,702	9	0.61%
Del Ranch LTD				39,638,609	10	0.57%
Ten Largest Taxpayers	<u>\$ 1,280,805,091</u>		<u>10.35%</u>	<u>\$ 1,471,822,250</u>		<u>21.14%</u>

**Source:**

Imperial County Auditor-Controller Office

Table 10

County of Imperial  
Property Tax Levies and Collections (Unaudited)  
Last Ten Fiscal Years

Fiscal Year	Total Secured Levy	Collections within the fiscal year of the Levy		Delinquent Tax Collections*	Amount	% of Levy
		Amount	% of Levy			
2008-09	125,490,813	114,054,899	90.89%	9,637,163	123,692,062	98.57%
2009-10	123,870,158	113,260,128	91.43%	8,362,115	121,622,243	98.19%
2010-11	122,533,735	113,756,355	92.84%	7,653,485	121,409,840	99.08%
2011-12	122,980,247	114,519,810	93.12%	6,247,357	120,767,167	98.20%
2012-13	120,745,974	113,774,746	94.23%	5,720,116	119,494,862	98.96%
2013-14	125,354,592	120,630,164	96.23%	7,224,924	127,855,088	101.99%
2014-15	129,111,365	124,139,440	96.15%	4,235,421	128,374,861	99.43%
2015-16	140,013,734	135,153,886	96.53%	4,631,467	139,785,353	99.84%
2016-17	144,312,538	139,069,022	96.37%	3,411,430	142,480,453	98.73%
2017-18	149,494,731	144,740,575	96.82%	2,909,326	147,649,902	98.77%

\* Delinquent taxes reported by year of collection; data by levy year unavailable

**Source:**

Imperial County Auditor-Controller Office

Table 11

County of Imperial  
Ratios of Outstanding Debt by Type (Unaudited)  
Last Ten Fiscal Years  
(in thousands, except per capita amount)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Governmental Activities:</b>										
Certificates of Participation	\$ 3,750	\$ 13,215	\$ 11,960	\$ 11,370	\$ 8,795	\$ 8,445	\$ 8,085	\$ 7,710	\$ 7,325	\$ 6,930
Pension Obligation Bonds	59,355	57,890	56,325	53,940	51,160	48,205	45,055	41,705	38,130	34,325
Notes and Loans	1,080	990	900	810	720	630	540	450	360	270
<b>Business-Type Activities:</b>										
Capital Lease Obligations	370	443	154	127	10	20	536	1,852	955	2,574
Total Primary Government	\$ 64,555	\$ 72,538	\$ 69,339	\$ 66,247	\$ 60,685	\$ 57,300	\$ 54,216	\$ 51,717	\$ 46,770	\$ 44,099
Percentage of Personal income (1)	1.79%	2.11%	2.11%	1.31%	1.11%	1.01%	0.93%	0.85%	0.76%	0.67%
Per Capita (1)	376	448	448	371	343	325	301	285	259	241

(1) See table 13 Demographic and Economic Statistics

**Source:**

Imperial County Auditor-Controller Office

Table 12

County of Imperial  
 Legal Debt Margin as Percentage of Debt Limit (Unaudited)  
 Last Ten Fiscal Years  
 (in thousands)

<u>Fiscal Year</u>	<u>Assessed Value (1)</u>	<u>Legal Debt Limit (2)</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin (3)</u>	<u>Legal Debt Margin/Debt Limit</u>
2008-09	10,926,978	136,587	-	136,587	100%
2009-10	10,630,550	132,882	-	132,882	100%
2010-11	10,435,848	130,448	-	130,448	100%
2011-12	10,147,161	126,840	-	126,840	100%
2012-13	10,713,177	133,915	-	133,915	100%
2013-14	11,065,821	138,323	-	138,323	100%
2014-15	11,804,481	147,556	-	147,556	100%
2015-16	11,257,809	140,723	-	140,723	100%
2016-17	11,537,061	144,213	-	144,213	100%
2017-18	12,173,498	152,169	-	152,169	100%

**Notes:**

- (1) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value of Taxable Property" schedule.
- (2) California Government Code Section 29909 read in conjunction with Revenue and Taxation Code Section 13: imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash value.
- (3) The legal debt margin is the County's available borrowing authority under state finance statutes and is calculated by subtracting the debt applicable to the legal debt limit from the legal debt limit.

Table 13

County of Imperial  
Demographics and Economic Statistics (Unaudited)  
Last Ten Fiscal Years

Calendar Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2008	176,158	4,288,576	26,742	22.90%
2009	179,428	4,671,150	28,641	25.10%
2010	183,029	4,786,081	28,681	26.80%
2011	175,712	5,019,684	28,351	28.90%
2012	179,138	5,466,646	30,894	28.10%
2013	179,527	5,690,414	32,225	25.20%
2014	180,998	5,802,217	32,398	23.70%
2015	184,500	6,051,569	33,584	21.80%
2016	186,080	6,172,007	34,122	19.80%
2017	187,921	6,619,469	36,206	19.20%

**Sources:**

- (1) State Department of Finance
- (2) & (3) U.S. Bureau of Economic Analysis - Local Data
- (4) State of California, Employment Development Department

Table 14

County of Imperial  
Employment by Industry (Unaudited)  
2017 Annual Averages

Industry	Percentage of County Employment
Services	26.60%
Retail Trade	13.07%
Manufacturing	1.98%
Government	28.72%
Mining and Construction	2.74%
Finance, Insurance and Real Estate	2.43%
Wholesale Trade	3.04%
Agriculture	18.24%
Transportation and Public Utilities	3.19%
Total	100.00%

(1) Does not total, due to rounding.

Source: State of California Employment Development Department.

Table 15

County of Imperial  
Full-time Equivalent County Employees by Function (Unaudited)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways &amp; Facilities</u>	<u>Health &amp; Sanitation</u>	<u>Public Assistance</u>	<u>Education</u>	<u>Recreation</u>	<u>Special District</u>
2008-09	240	714	103	446	506	21	6	21
2009-10	240	719.5	103	437	519	18.5	6	25
2010-11	239	744.5	103	458	527	18.5	6	25
2011-12	242	749.5	103	459	524	18.5	6	25
2012-13	240	754.5	108	469	520	18.5	6	25
2013-14	239	707	109	475	595.5	18.5	6	25
2014-15	242	725	130	489	619	18.5	6	25
2015-16	245	833	110	566	577	19.5	6	33
2016-17	248.5	841	110	625	588	19.5	6	33
2017-18	250.5	851	110	681.75	590	21.5	6	34



Table 16

County of Imperial  
Capital Assets Statistics by Function (Unaudited)  
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Protection</u>	<u>Public Ways &amp; Facilities</u>	<u>Health &amp; Sanitation</u>	<u>Public Assistance</u>	<u>Education</u>
2008-09	642	1326	32	138	110	6
2009-10	579	821	53	46	45	6
2010-11	578	829	53	43	47	6
2011-12	735	847	102	46	44	6
2012-13	762	864	75	42	38	6
2013-14	787	856	62	39	36	4
2014-15	490	985	41	41	37	6
2015-16	364	1017	466	41	46	6
2016-17	813	1118	562	54	39	6
2017-18	786	1121	540	58	40	5