

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

Imperial County, California



Photo Provided by Darrell Cornett

Josue G. Mercado, CPA
County Auditor-Controller

COUNTY OF IMPERIAL
STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2019



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

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INTRODUCTORY SECTION

- Letter of Transmittal
- Organizational Chart
- Directory of Public Officials



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AUDITOR-CONTROLLER

May 4, 2020

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

Honorable Board Members:

The Comprehensive Annual Financial Report (CAFR) of the County of Imperial for the fiscal year ended June 30, 2019, 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 also 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 CAFR 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 Basic Financial Statements, as well as the Independent Auditor's 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 Basic 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 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 Funds. 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.

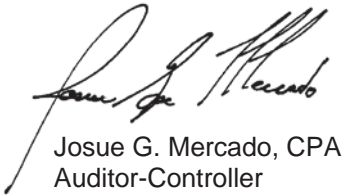
INDEPENDENT AUDIT

State statutes require an annual audit by a Certified Public Accountant. The firm of Eide Bailly 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 independent auditor's report on the financial statement is included in these financial statements.

ACKNOWLEDGEMENTS

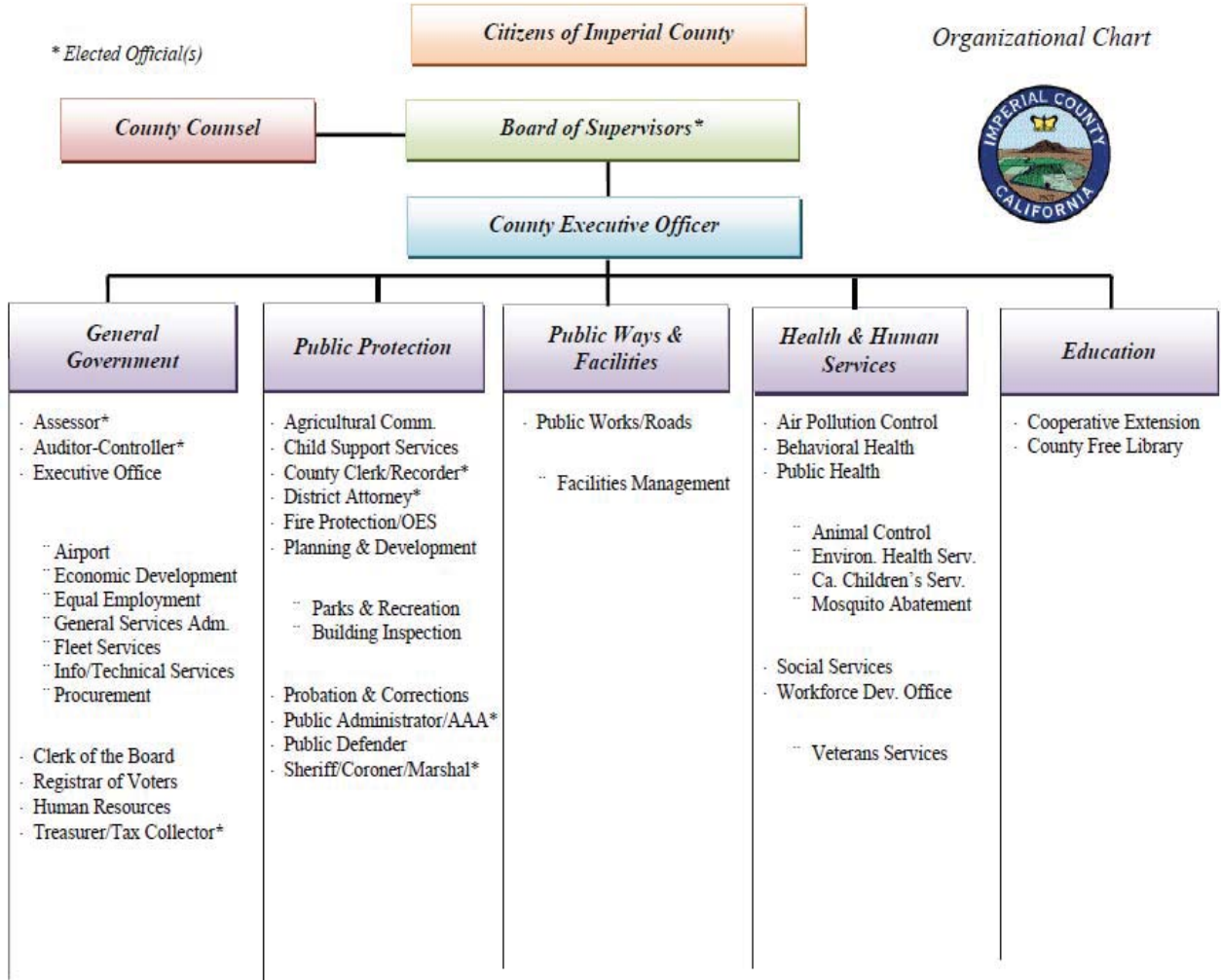
I wish to express my appreciation to the entire Auditor/Controller staff, the County departments which participated and our independent auditors, Eide Bailly LLP, for their assistance in the report preparation.

Respectfully submitted,



Josue G. Mercado, CPA
Auditor-Controller

Organizational Chart



Directory of Public Officials

(as of 3/31/20)

Elected Officials

Supervisor 1 st District	Luis E. Escobar	
Supervisor 2 nd District	Luis A. Plancarte	
Supervisor 3 rd District	Michael W. Kelley	
Supervisor 4 th District	Ryan E. Kelley	
Supervisor 5 th District	Ray Castillo	
Judge, Superior Court Dept. 1	Poli Flores Jr.	
Judge, Superior Court Dept. 2	Marco Nunez	
Judge, Superior Court Dept. 3	William D. Lehman	
Judge, Superior Court Dept. 4	Eran M. Bermudez	
Judge, Superior Court Dept. 5	Juan Ulloa	
Judge, Superior Court Dept. 7	Jeffery B. Jones	
Judge, Superior Court Dept. 8	Monica Lepe-Negrete	
Judge, Superior Court Dept. 9	Brooks Anderholt	
Judge, Superior Court Brawley	Christopher J. Plourd	
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	Adam Crook	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	Janette Angulo	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	Veronica E. Rodriguez	Public Assistance





FINANCIAL SECTION

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Information and other Supplementary Information





Independent Auditor's Report

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 aggregate 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's 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 5 Commission (Commission), which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the discretely present 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 reports 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability, the schedule of the County's pension contributions, the schedule of changes in the County's net OPEB liability and related ratios, schedule of the County's OPEB contributions, the schedule of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund and each major special revenue fund and the related note 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 or 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 financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory 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 May 14, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

San Diego, California
May 14, 2020



Management's Discussion and Analysis For the Year Ended June 30, 2019

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, 2019. 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 2018-2019 fiscal year by (\$172,494) (*Net Position*). (\$345,136) is *Unrestricted Net Position*. Of this amount (\$375,401) may be used to meet the county's ongoing obligations to citizens and the creditors, (\$30,265) is related to the obligation for Pension Bonds and \$37,722 (*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 (\$45,308) during the current fiscal year. Governmental activities decreased the County's net position by (\$35,753); and, business-type activities net position increased by (\$9,555).
- As of June 30, 2019, the County's governmental funds reported total ending fund balances of \$123,570, a decreased of 2.9% in comparison with the prior year. Approximately 17.03% or (\$21,067) is available for appropriation (*Unassigned fund balance*). See further discussion in Financial Analysis of the County's Funds on pages 10-14.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$28,938 or 14.37% of total General Fund expenditures.
- The County's total long-term debt increased in the amount of (\$9,433) in comparison with the prior year. Compensated absences increased by \$651 and existing long-term debt decreased (\$8,782) in 2018-2019.

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 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 deferred outflows of resources and liabilities, and deferred inflows of resources with the difference 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 18-19 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 the 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 five 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 20-23 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, Auto Liability, Information Systems and Case Management Systems. 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 24-26 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 27-28 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 29-65 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 and deferred inflows of resources exceeded assets and deferred outflows of resources by (\$172,494) (see Table 1) at the close of the current fiscal year.

The largest portion of the County's net position, \$134,920 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, \$37,722, 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 (\$345,136).

Management's Discussion and Analysis (Continued)

Table 1 – County of Imperial's Net Position
June 30, 2019 and June 30, 2018 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Assets:						
Current Assets and Other Assets	\$ 199,304	\$ 203,599	\$ 9,238	\$ 8,686	\$208,542	\$212,285
Capital Assets	<u>135,868</u>	<u>133,269</u>	<u>8,400</u>	<u>9,131</u>	<u>144,268</u>	<u>142,400</u>
Total Assets	<u>335,172</u>	<u>336,868</u>	<u>17,638</u>	<u>17,817</u>	<u>352,810</u>	<u>354,685</u>
Deferred outflows of Resources:						
Deferred amounts from pension	61,165	71,825	73	86	61,238	71,911
Deferred amounts from OPEB	<u>10,695</u>	<u>6,113</u>	<u>13</u>	<u>7</u>	<u>10,708</u>	<u>6,120</u>
Total Deferred outflows of Resources	<u>71,860</u>	<u>77,938</u>	<u>86</u>	<u>93</u>	<u>71,946</u>	<u>78,031</u>
Liabilities:						
Current and Other Liabilities	17,580	11,602	19	8	17,599	11,610
Long-Term Liabilities	<u>492,701</u>	<u>476,100</u>	<u>25,839</u>	<u>16,486</u>	<u>518,540</u>	<u>492,586</u>
Total Liabilities	<u>510,281</u>	<u>487,702</u>	<u>25,858</u>	<u>16,494</u>	<u>536,139</u>	<u>504,196</u>
Deferred inflows of Resources:						
Deferred amounts from pension	21,127	24,284	25	29	21,152	24,313
Deferred amounts from OPEB	<u>39,911</u>	<u>31,354</u>	<u>48</u>	<u>38</u>	<u>39,959</u>	<u>31,392</u>
Total Deferred inflows of Resources	<u>61,038</u>	<u>55,638</u>	<u>73</u>	<u>67</u>	<u>61,111</u>	<u>55,705</u>
Net Position:						
Net investment in capital assets	126,520	123,765	8,400	9,131	134,920	132,896
Restricted	37,721	55,733	1	3	37,722	55,736
Unrestricted	<u>(328,528)</u>	<u>(308,032)</u>	<u>(16,608)</u>	<u>(7,785)</u>	<u>(345,136)</u>	<u>(315,817)</u>
Total Net Position	<u>\$(164,287)</u>	<u>\$(128,534)</u>	<u>\$ (8,207)</u>	<u>\$ 1,349</u>	<u>\$(172,494)</u>	<u>\$(127,185)</u>

As of June 30, 2019, the County's total assets and deferred outflows of resources decreased by 1.84% or \$7,960 during the current fiscal year. Deferred outflows of resources related to OPEB increased by 74.97% or \$4,588 due to GASB 75 was implemented in 2018 so it would have the same types of deferred outflows.

Total liabilities and deferred inflows of resources for FY 2018-19 decrease by 6.67% or \$37,349. Long-term liabilities decreased by 5.27% or \$25,954 primarily as a result of the County's proportionate share of the net pension liability. Deferred inflows of resources related to OPEB decreased \$8,567 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 (\$27,918).

Management's Discussion and Analysis (Continued)

Table 2 - County of Imperial's Changes in Net Position
For the Years Ended June 30, 2019 and June 30, 2018 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$ 60,973	\$ 88,606	\$ 962	\$ 2,074	\$ 61,935	\$ 90,680
Operating Grants and Contributions	254,871	260,630	-	-	254,871	260,630
Capital Grants and Contributions	13,708	33,346	-	-	13,708	33,346
General Revenues:						
Property Taxes	23,730	22,179	-	-	23,730	22,179
Property Tax In-Lieu Taxes	22,151	21,259	-	-	22,151	21,259
Sales Taxes	19,297	18,456	-	-	19,297	18,456
Franchise Taxes	262	275	-	-	262	275
Federal In-Lieu Taxes	3,077	3,482	-	-	3,077	3,482
Unrestricted Investment Earnings	3,358	1,931	125	66	3,483	1,997
Gain on Sales of Fixed Assets	18	25	-	-	10	25
Other	39,214	35,569	-	-	39,214	35,569
Total Revenues	<u>440,659</u>	<u>485,758</u>	<u>1,087</u>	<u>2,140</u>	<u>441,738</u>	<u>487,898</u>
Expenses:						
General Government	89,002	93,316	-	-	89,002	93,316
Public Protection	107,187	102,758	-	-	107,187	102,758
Health and Sanitation	57,123	66,361	-	-	57,123	66,361
Public Assistance	185,666	158,413	-	-	185,666	158,413
Public Ways and Facilities	20,871	14,081	-	-	20,871	14,081
Interest on Long-Term Liabilities	7,861	22,983	-	-	7,861	22,983
Airport	-	-	1,293	1,297	1,293	1,297
Closure/Postclosure Waste	-	-	653	152	653	152
County Service Areas, other	-	-	8	7	8	7
Total Expenses	<u>467,710</u>	<u>457,912</u>	<u>1,954</u>	<u>1,456</u>	<u>469,664</u>	<u>459,368</u>
Increase (Decrease) in Net Position	<u>\$ (27,051)</u>	<u>\$ 27,846</u>	<u>\$ (867)</u>	<u>\$ 684</u>	<u>\$(27,918)</u>	<u>\$ 28,530</u>

Governmental Activities

Governmental activities decreased the County's net position by \$(27,051) for the year ended June 30, 2019. Key elements of this decrease include:

- Total revenue for the County's governmental activities decreased 9.29%.
- The County's long-term debt increased by 11.62%.
- As an arm of the state government, operating grants and contributions serve multiple programs, representing 57.84% 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 decreased 2.21% 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 increased 5.62% 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 2.14% with decreases in all major functions with the greatest increase in Public Assistance, which increased 17.20%.
- The County recorded \$38,389 in revenue for the current fiscal year, which is classified as another item. This amount includes \$5,015 in other taxes and \$33,374 in other contributions.

Business-type Activities

Business-type activities' net position decreased the County's net position by (\$867). The main reason for this is a decrease in charges for services in the amount of \$962, a 53.62% decrease 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, 2019, The County's governmental funds reported total fund balances of \$123,570, a 3.11% decrease 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*, \$435, are amounts that are not spendable inform, or are legally or contractually required to abe maintained intact, and are made up of prepaid items and inventories of \$435.
- *Restricted Fund Balance*, \$114,226, 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 public benefit fees of \$16,115, public health programs of \$11,165, measure D LTA road funds of \$9,173, housing-comm development of \$7,700, debt services \$7,348, medical/CMSF of \$7,252, and various other restricted funds less than \$7,000.
- *Committed Fund Balance*, \$18,418, consists of amounts for specific purposes determined by the County Board of Supervisors, which includes general reserves of \$4,448, OPEB of \$4,403, and various other commitments less than \$4,000.
- *Assigned Fund Balance*, \$11,558, 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 \$7,470, realignment/rev. stabilization for \$2,467 and correctional facility of \$27s.
- *Unassigned Fund Balance*, (\$21,067), 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, 2019, unassigned fund balance of the General Fund was \$28,938. 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 14.37% of total General Fund expenditures, while total fund balance represents 26.32% of total General Fund expenditures.

Revenues for governmental functions totaled \$377,141 at June 30, 2019 which represents an decrease of 6.89% from fiscal year 2017-2018. The largest decrease in revenues was in Intergovernmental Revenue, which decreased 11.15% and was primarily due to a decrease in reimbursements from state agencies.

Expenditures for governmental functions totaled \$386,146 at June 30, 2019, which represents an decrease of 0.21% from fiscal year 2017-2018. The largest decrease occurred in Capital Outlay, which decreased 91% and Health and Sanitation decreased by approximately 20.18%.

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 decreased by (\$9,555). The main reason for this is a decrease in the revenue from other revenue in the amount of (\$1,252).

The internal service funds carried \$17,785 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 \$33,844 at June 30, 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$2,680 increase in appropriations that is briefly summarized as follows:

- \$990 increase in the County's Public Assistance appropriations represents increase program costs for various social services programs.
- \$2,350 increase in the County's Public Protection appropriations was the result of unanticipated grants for initiatives.
- \$141 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, 2019, the County's investment in capital assets for its governmental and business-type activities amounted to \$144,268 (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.

Table 3 –County of Imperial's Capital Assets (Net of accumulated depreciation) (In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 4,479	\$ 4,479	\$ 685	\$ 685	\$ 5,164	\$ 5,164
Construction in Progress	42,272	37,772	-	-	42,272	37,772
Infrastructure	38,204	41,927	-	-	38,204	41,927
Structures and Improvements	35,385	36,467	7,715	8,446	43,100	44,913
Vehicles	4,595	3,799	-	-	4,595	3,799
Furniture and Equipment	10,933	8,825	-	-	10,933	8,825
Total	\$ 135,868	\$ 133,269	\$ 8,400	\$ 9,131	\$144,268	\$142,400

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 \$90,596. This amount is comprised of \$6,520 of certificates of participation, \$30,265 represents debt outstanding for the pension obligation bond. \$16,959 in earned compensated absences, \$180 State of California Child Support claim, and \$2,828 capital lease obligations.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Employee Compensated Absences	\$ 16,945	\$ 16,296	\$ 14	\$ 12	\$ 16,959	\$ 16,308
Capital Lease Obligation	2,828	2,574	-	-	2,828	2,574
St. of California Child Support Claim	180	270	-	-	180	270
Pension Funding Bonds 1997	5,940	8,620	-	-	5,940	8,620
Pension Funding Bonds 2002	24,325	25,705	-	-	24,325	25,705
2010 Certificates of Participation	6,520	6,930	-	-	6,520	6,930
Claims Payable	33,844	20,756	-	-	33,844	20,756
Total	\$ 90,582	\$ 81,151	\$ 14	\$ 12	\$90,596	\$ 81,163

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.

COUNTY OF IMPERIAL
Statement of Net Position
June 30, 2019
(amounts expressed in thousands)

	Governmental Activities	Business-Type Activities	Total	Children & Families First Commission
Assets:				
Cash and cash equivalents	\$ 142,569	\$ 9,191	\$ 151,760	\$ 4,278
Cash with fiscal agent	13,374	-	13,374	-
Deposits with others	10	-	10	-
Receivables (net):				
Accounts	18,694	3	18,697	-
Interest	6,058	44	6,102	21
Loans	15,863	-	15,863	-
Taxes	2,260	-	2,260	-
Inventories and prepaid expenses	476	-	476	-
Capital assets, not being depreciated:				
Land	4,479	685	5,164	-
Construction in progress	42,272	-	42,272	-
Capital assets, net of accumulated depreciation:				
Structures & improvements-net	35,385	7,715	43,100	-
Vehicles-net	4,595	-	4,595	-
Furniture & equipment-net	10,933	-	10,933	-
Infrastructure-net	38,204	-	38,204	-
Total assets	<u>335,172</u>	<u>17,638</u>	<u>352,810</u>	<u>4,299</u>
Deferred outflows of resources:				
Deferred pensions	61,165	73	61,238	-
Deferred OPEB	10,695	13	10,708	-
Total deferred outflows of resources	<u>71,860</u>	<u>86</u>	<u>71,946</u>	<u>-</u>
Liabilities:				
Accounts payable	12,047	14	12,061	17
Loan payable	65	-	65	-
Accrued payroll	5,426	5	5,431	-
Interest payable	42	-	42	-
Noncurrent liabilities:				
Due within one year	40,031	1	40,032	-
Due in more than one year	50,551	25,355	75,906	-
Net pension liability	126,283	152	126,435	-
Net OPEB liability	275,836	331	276,167	-
Total liabilities	<u>510,281</u>	<u>25,858</u>	<u>536,139</u>	<u>17</u>
Deferred inflows of resources:				
Deferred pensions	21,127	25	21,152	-
Deferred OPEB	39,911	48	39,959	-
Total deferred inflows of resources	<u>61,038</u>	<u>73</u>	<u>61,111</u>	<u>-</u>
Net position:				
Net investment in capital assets	126,520	8,400	134,920	-
Restricted	37,721	1	37,722	-
Unrestricted	(328,528)	(16,608)	(345,136)	4,282
Total net position	<u>\$ (164,287)</u>	<u>\$ (8,207)</u>	<u>\$ (172,494)</u>	<u>\$ 4,282</u>

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

COUNTY OF IMPERIAL
Statement of Activities
Year Ended June 30, 2019
(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	\$ 89,002	\$ 37,465	\$ 5,037	\$ 13,708	\$ (32,792)	\$ -	\$ (32,792)	\$ -
Public protection	107,187	10,490	28,996	-	(67,701)	-	(67,701)	-
Health & sanitation	57,123	8,563	65,965	-	17,405	-	17,405	-
Public assistance	185,666	2,728	137,338	-	(45,600)	-	(45,600)	-
Public ways & facilities	20,871	1,727	17,535	-	(1,609)	-	(1,609)	-
Interest on long-term debt	7,861	-	-	-	(7,861)	-	(7,861)	-
Total governmental activities	<u>467,710</u>	<u>60,973</u>	<u>254,871</u>	<u>13,708</u>	<u>(138,158)</u>	<u>-</u>	<u>(138,158)</u>	<u>-</u>
Business type activities								
Airport	\$ 1,293	\$ 904	\$ -	\$ -	\$ -	\$ (389)	\$ (389)	\$ -
Landfill	653	46	-	-	-	(607)	(607)	-
Other	8	12	-	-	-	4	4	-
Total business type activities	<u>1,954</u>	<u>962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(992)</u>	<u>(992)</u>	<u>-</u>
Total primary government	<u>\$ 469,664</u>	<u>\$ 61,935</u>	<u>\$ 254,871</u>	<u>\$ 13,708</u>	<u>\$ (138,158)</u>	<u>\$ (992)</u>	<u>\$ (139,150)</u>	<u>\$ -</u>
Component units:								
Children and families first commission	2,334	-	2,012	-	-	-	-	(322)
Total component units	<u>\$ 2,334</u>	<u>\$ -</u>	<u>\$ 2,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (322)</u>
General revenues:								
Property tax					\$ 23,730	\$ -	\$ 23,730	\$ -
Property tax in- lieu					22,151	-	22,151	-
Sales tax					19,297	-	19,297	-
Franchises tax					262	-	262	-
Federal in-lieu taxes					3,077	-	3,077	-
Other					39,214	-	39,214	17
Unrestricted investment earnings					3,358	125	3,483	62
Gain on sales of fixed assets					18	-	18	-
Total general revenues					<u>111,107</u>	<u>125</u>	<u>111,232</u>	<u>79</u>
Change in net position					(27,051)	(867)	(27,918)	(243)
Net position - beginning					(128,534)	1,348	(127,186)	4,525
Prior period adjustment					(8,702)	(8,688)	(17,390)	-
Net position - beginning, as restated					<u>(137,236)</u>	<u>(7,340)</u>	<u>(144,576)</u>	<u>4,525</u>
Net position - ending					<u>\$ (164,287)</u>	<u>\$ (8,207)</u>	<u>\$ (172,494)</u>	<u>\$ 4,282</u>

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

COUNTY OF IMPERIAL
Balance Sheet
Governmental Funds
June 30, 2019
(amounts expressed in thousands)

	General	Behavioral Health Services	Fire Protection	Public Works Roads	Host Public Benefit Fees	Other Governmental Funds	Total Governmental Funds
Assets:							
Assets:							
Cash and cash equivalents	\$ 56	\$ -	\$ -	\$ -	\$ 16,047	\$ 69,177	\$ 85,280
Cash with fiscal agent	13,374	-	-	-	-	-	13,374
Deposits with others	-	-	-	-	-	10	10
Receivables (net):							
Accounts	3,251	3,067	185	626	19	10,546	17,694
Interest	326	14	-	-	76	5,359	5,775
Loan	-	-	-	-	-	15,863	15,863
Taxes	1,783	-	442	-	-	35	2,260
Due from other funds	41,046	-	-	-	-	2,638	43,684
Inventories and prepaid expenses	306	-	-	119	-	10	435
Total assets	\$ 60,142	\$ 3,081	\$ 627	\$ 745	\$ 16,142	\$ 103,638	\$ 184,375
Liabilities and fund balances:							
Liabilities:							
Accounts payable	\$ 3,835	\$ 1,406	\$ 155	\$ 493	\$ 78	\$ 5,766	\$ 11,733
Accrued payroll	3,306	716	164	173	-	992	5,351
Interest payable	-	-	-	22	-	15	37
Due to other funds	-	559	4,183	4,692	-	34,250	43,684
Total liabilities	7,141	2,681	4,502	5,380	78	41,023	60,805
Fund balances (Note 13)							
Nonspendable	306	-	-	119	-	10	435
Restricted	3,375	704	175	2,627	16,115	91,230	114,226
Committed	8,851	-	-	-	-	9,567	18,418
Assigned	11,531	-	-	-	-	27	11,558
Unassigned	28,938	(304)	(4,050)	(7,381)	(51)	(38,219)	(21,067)
Total fund balances	53,001	400	(3,875)	(4,635)	16,064	62,615	123,570
Total liabilities and fund balances	\$ 60,142	\$ 3,081	\$ 627	\$ 745	\$ 16,142	\$ 103,638	\$ 184,375

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, 2019
(amounts expressed in thousands)

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

Total fund balance - governmental funds	\$	123,570
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$311,470 and the accumulated depreciation is \$179,867.		131,603
Deferred outflows of resources reported in the Statement of Net Position		70,807
Internal service funds are used by management to charge the costs of motor pool, printing, mail system, communications, information systems, case management systems, medical malpractice, and insurance to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		22,643
Deferred inflows of resources reported in the Statement of Net Position		(60,145)
Net pension liability		(124,434)
Net OPEB liability		(271,797)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(56,534)
Total net position - governmental activities	\$	<u><u>(164,287)</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, 2019
(amounts expressed in thousands)

	General	Behavioral Health Services	Fire Protection	Public Works Roads	Host Public Benefit Fees	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 38,835	\$ -	\$ 5,312	\$ -	\$ -	\$ 422	\$ 44,569
Licenses and permits	1,261	-	-	124	-	2,727	4,112
Fines, forfeitures & penalties	4,335	-	-	-	-	1,266	5,601
Use of money & property	1,650	29	-	(52)	267	2,142	4,036
Intergovernmental revenue	125,008	30,675	75	9,286	-	90,402	255,446
Charges for services	19,457	4,701	3,437	467	270	17,150	45,482
Other revenues	3	3,936	-	119	6,236	7,601	17,895
Total revenues	<u>190,549</u>	<u>39,341</u>	<u>8,824</u>	<u>9,944</u>	<u>6,773</u>	<u>121,710</u>	<u>377,141</u>
Expenditures:							
Current:							
General government	21,329	-	-	-	1,642	1,393	24,364
Public protection	73,553	-	8,722	-	-	17,374	99,649
Health & sanitation	-	-	-	-	-	52,809	52,809
Public assistance	105,658	38,941	-	-	-	37,111	181,710
Public ways & facilities	798	-	-	12,648	-	6,727	20,173
Debt services:							
Principal	-	-	-	-	-	3,408	3,408
Interest	-	-	-	-	-	2,570	2,570
Capital outlay	-	-	-	-	-	1,463	1,463
Total expenditures	<u>201,338</u>	<u>38,941</u>	<u>8,722</u>	<u>12,648</u>	<u>1,642</u>	<u>122,855</u>	<u>386,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,789)</u>	<u>400</u>	<u>102</u>	<u>(2,704)</u>	<u>5,131</u>	<u>(1,145)</u>	<u>(9,005)</u>
Fund balances - beginning	63,790	-	(3,977)	(1,931)	10,933	58,646	127,461
Prior period adjustment	-	-	-	-	-	5,114	5,114
Fund balances - beginning, as restated	<u>63,790</u>	<u>-</u>	<u>(3,977)</u>	<u>(1,931)</u>	<u>10,933</u>	<u>63,760</u>	<u>132,575</u>
Fund balances - ending	<u>\$ 53,001</u>	<u>\$ 400</u>	<u>\$ (3,875)</u>	<u>\$ (4,635)</u>	<u>\$ 16,064</u>	<u>\$ 62,615</u>	<u>\$ 123,570</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, 2019
(amounts expressed in thousands)

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

Net change in fund balances-total governmental funds	\$	(9,005)
<p>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.</p>		
Capital outlays	\$	1,463
Loss on disposal of capital assets		(143)
Proceeds from sales of capital assets		18
Depreciation expense		<u>(7,053)</u>
Depreciation expense		(5,715)
Change in accrued interest calculated on bonds payable		6,333
Long-term liabilities, including bonds payable, increased during the year in the amount of \$4,588.		4,588
<p>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.</p> <p>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 (\$642).</p>		
		642
<p>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.</p>		
County pension contributions		(24,313)
Cost of benefits earned net of employee contributions		17,427
<p>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.</p>		
County pension contributions		(17,514)
Cost of benefits earned net of employee contributions		6,023
<p>Internal service funds are used by the County to charge the costs of motor pool, printing, mail system, communications, information systems, case management systems, medical malpractice, and insurance to individual funds. The net loss of the internal service funds is reported with governmental activities.</p>		
		<u>(5,517)</u>
Change in net position of governmental activities	\$	<u>(27,051)</u>

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

COUNTY OF IMPERIAL
Statement of Net Position
Proprietary Funds
June 30, 2019
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental
	Imperial Airport	Landfill	Other		Internal
			Enterprise Funds	Total	Service Funds
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 372	\$ 8,791	\$ 28	\$ 9,191	\$ 57,289
Receivables (net):					
Accounts	3	-	-	3	1,000
Interest	2	42	-	44	283
Due from other funds	-	-	-	-	967
Inventories and prepaid expenses	-	-	-	-	41
Total current assets	377	8,833	28	9,238	59,580
Noncurrent assets:					
Land	662	-	23	685	23
Structures & improvements	23,626	-	50	23,676	242
Vehicles	-	-	-	-	9,964
Equipment	694	-	-	694	3,075
Accumulated depreciation	(16,605)	-	(50)	(16,655)	(9,039)
Total noncurrent assets	8,377	-	23	8,400	4,265
Total assets	8,754	8,833	51	17,638	63,845
Deferred outflows of resources:					
Deferred pensions	73	-	-	73	896
Deferred OPEB	13	-	-	13	157
Total deferred outflows of resources	86	-	-	86	1,053
LIABILITIES:					
Current liabilities:					
Claims payable	-	-	-	-	33,844
Accounts payable	14	-	-	14	379
Interest payable	-	-	-	-	5
Accrued payroll	5	-	-	5	75
Due to other funds	-	-	-	-	967
Current portion of compensated absences	1	-	-	1	7
Total current liabilities	20	-	-	20	35,277
Noncurrent liabilities:					
Compensated absences	13	-	-	13	197
Accrued closure/postclosure	-	25,342	-	25,342	-
Net pension liability	152	-	-	152	1,849
Net OPEB liability	331	-	-	331	4,039
Total noncurrent liabilities	496	25,342	-	25,838	6,085
Total liabilities	516	25,342	-	25,858	41,362
Deferred inflows of resources:					
Deferred pensions	25	-	-	25	309
Deferred OPEB	48	-	-	48	584
Total deferred inflows of resources	73	-	-	73	893
NET POSITION:					
Net investment in capital assets	8,377	-	23	8,400	4,819
Restricted	-	-	1	1	39
Unrestricted	(126)	(16,509)	27	(16,608)	17,785
Total net position	\$ 8,251	\$ (16,509)	\$ 51	\$ (8,207)	\$ 22,643

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
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Business-type Activities-Enterprise Funds</u>				<u>Governmental Activities</u>
	<u>Imperial Airport</u>	<u>Landfill</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
Operating revenues:					
Charges for services	\$ 902	\$ -	\$ 12	\$ 914	\$ 47,938
Other revenues	2	46	-	48	647
Total operating revenues	<u>904</u>	<u>46</u>	<u>12</u>	<u>962</u>	<u>48,585</u>
Operating expenses:					
Salaries and benefits	208	-	-	208	2,645
Services and supplies	332	-	8	340	52,375
Depreciation	731	-	-	731	307
Total operating expenses	<u>1,271</u>	<u>-</u>	<u>8</u>	<u>1,279</u>	<u>55,327</u>
Operating income (loss)	<u>(367)</u>	<u>46</u>	<u>4</u>	<u>(317)</u>	<u>(6,742)</u>
Non-operating revenues (expenses):					
Other income/expense	(22)	(653)	-	(675)	370
Interest - income	3	122	-	125	855
Total non-operating rev (exp)	<u>(19)</u>	<u>(531)</u>	<u>-</u>	<u>(550)</u>	<u>1,225</u>
Change in net position	<u>(386)</u>	<u>(485)</u>	<u>4</u>	<u>(867)</u>	<u>(5,517)</u>
Net position - beginning	<u>8,637</u>	<u>(7,336)</u>	<u>47</u>	<u>1,348</u>	<u>41,976</u>
Prior period adjustment		<u>(8,688)</u>	<u>-</u>	<u>(8,688)</u>	<u>(13,816)</u>
Net position - beginning, as restated	<u>8,637</u>	<u>(16,024)</u>	<u>47</u>	<u>(7,340)</u>	<u>28,160</u>
Net position - ending	<u>\$ 8,251</u>	<u>\$ (16,509)</u>	<u>\$ 51</u>	<u>\$ (8,207)</u>	<u>\$ 22,643</u>

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

COUNTY OF IMPERIAL
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental
	Imperial Airport	Closure/ Postclosure	Other	Total	Internal
			Enterprise Funds		Service Funds
Cash flows from operating activities:					
Cash received from users	\$ 904	\$ 46	\$ 12	\$ 962	\$ 48,585
Cash received from operating activities	5	1	-	6	2,549
Cash paid to suppliers	(332)	-	(8)	(340)	(52,375)
Cash paid to employees	(208)	-	-	(208)	(2,645)
Cash paid for operating activities	-	-	-	-	(4,634)
Net cash provided by (used) operating activities	369	47	4	420	(8,520)
Cash flows from investing activities:					
Interest received (paid)	3	122	-	125	855
Net increase (decrease) in cash and cash equivalents	372	169	4	545	(7,665)
Cash and cash equivalents - beginning	-	8,622	24	8,646	64,954
Cash and cash equivalents - ending	\$ 372	\$ 8,791	\$ 28	\$ 9,191	\$ 57,289
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating Income (Loss)	\$ (367)	\$ 46	\$ 4	\$ (317)	\$ (6,742)
Adj. to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	731	-	-	731	307
Decrease (Increase) in accounts receivable	38	-	-	38	(1,000)
Decrease (Increase) in interest receivable	(2)	(21)	-	(23)	(101)
Decrease (Increase) in due from other funds	-	22	-	22	(335,315)
Increase (Decrease) in accounts payable	11	-	-	11	(1,140)
Increase (Decrease) in interest payable	-	-	-	-	5
Increase (Decrease) in accrued liabilities	-	-	-	-	1
Increase (Decrease) in due to other funds	(43)	-	-	(43)	335,460
Increase (Decrease) in compensated absences	1	-	-	1	7
Total adjustments	736	1	-	737	(1,778)
Net cash provided (used) by operating activities	\$ 369	\$ 47	\$ 4	\$ 420	\$ (8,520)

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, 2019
(amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets:		
Cash and investments	\$ 423,280	\$ 117,286
Deposits with others	3,143	40,500
Accounts receivable-net	3,768	3,253
Interest receivable	1,823	428
Total assets	432,014	\$ 161,467
Liabilities:		
Accounts payable	1,856	25,959
Interest payable	3,318	-
Due to other governments	129	135,508
Deposits from others	53	-
Total liabilities	5,356	\$ 161,467
Net position:		
Held in trust for pool participants	426,658	
Total net position	\$ 426,658	

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
Year Ended June 30, 2019
(amounts expressed in thousands)

	Investment Trust
Additions:	
Contributions to pooled investments	\$ 76,069
Contributions to special/school district trust	770,596
Interest and Income	107
Total additions	846,772
Deductions:	
Distributions from pooled investments	76,151
Distributions from special/school district trust	715,364
Total deductions	791,515
Change in net position	55,257
Net position - beginning	376,515
Prior period adjustment	(5,114)
Net position - beginning, as restated	371,401
Net position - ending	\$ 426,658

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

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(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 Unit

The Children and Families First Commission (Commission) was established in March 1999 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the Commission's governing body is not substantially the same as that of the County and the Commission does not provide services entirely or almost entirely to the County. 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
Year Ended June 30, 2019
(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
Year Ended June 30, 2019
(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 *Behavioral Health Service Fund* contains the community Mental Health portion of the County's total Mental Health program. Various community programs are funded within this budget including inpatient, outpatient, partial day, diagnostic evaluations, children services, aftercare, conservatorship services, continuing care, community client contact, mental health promotion, and social service. Following is a list of the programs and services provided: Administration, Community Services, Continuing Care Program, 24-Hour Care, Outpatient Care, Day-Care Treatment, Aftercare/Conservatorship, and Children's Service.
- The *Fire Protection* 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.
- The *Public Works Roads 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.
- The *Host Public Benefit Fees 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.

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.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 2 – Summary of Significant Accounting Policies (Continued)

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, auto, case management and information systems 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.
- *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.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 2 – Summary of Significant Accounting Policies (Continued)

(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 County Pool (mutual funds set up by the government for investing excess money) 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.

(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 2018-19, the County received \$23,730 in property taxes that were used to finance general government services.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 2 – Summary of Significant Accounting Policies (Continued)

(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.

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

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

(k) Pension

In government wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the 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 inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows 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
Year Ended June 30, 2019
(Dollars in Thousands)

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. 83 – “Certain Asset Retirement Obligations.” The requirements of this Statement are effective for periods beginning after June 15, 2018. The County has determined that this statement is not applicable.
- 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. The County implemented this statement as of July 1, 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. The County has determined that this statement is not applicable.

GASB Statements Numbers 84, 87, 90, 91, 92, 93 and 94 listed below will be implemented in future financial statements:

- 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. 90 - “Majority Equity Interests.” The requirements of this Statement are effective for periods beginning after December 15, 2018.
- Statement No. 91 - “Conduit Debt Obligations.” The requirements of this statement are effective for periods beginning after December 15, 2020.
- Statement No. 92 – “Omnibus.” The requirement of this Statement are effective for periods beginning after June 15, 2020.
- Statement No. 93 – “Replacement of Interbank Offered Rates.” The requirement of this Statement are effective for periods beginning after June 15, 2020.
- Statement No. 94 - “Public-Private and Public-Public Partnership and Availability Payment Arrangements.” The requirement of this Statement are effective for periods beginning after June 15, 2022.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(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.

Cash and investments as of June 30, 2019 are classified in the accompanying financial statement as follows:

	Government-wide Statement of Net Position		Statement of Fiduciary Net Position		Total
	Primary Government	Component Unit	Investment Trust Fund	Agency Fund	
Cash and Investments	\$ 151,760	\$ 4,278	\$ 423,280	\$ 117,286	\$ 696,604
Cash with Fiscal Agent	13,374				13,374
Deposits with Others	10		3,143	40,500	43,653
Total Cash and Investments	\$ 165,144	\$ 4,278	\$ 426,423	\$ 157,786	\$ 753,631

Total County cash and investments are as follows:

Cash:

Cash on hand	\$ 2
Imprest Cash	79
Checks for deposit	1,461
Outstanding warrants	6,961
Cash with Financial Institution	<u>142,235</u>
Total cash	<u>150,738</u>

Investments:

In Treasurer's pool	545,866
With Fiscal Agent	13,374
With others external to the Treasurer's Pool	<u>43,653</u>
Total investments	<u>602,893</u>
Total cash and investments	<u>\$ 753,631</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 or 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
Year Ended June 30, 2019
(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
Commercial Paper Non Pooled	270 days	25%	--
Negotiable Certificates of Deposit	5 years	30%	--
Non-negotiable Certificates of Deposit	5 years	--	--
Placement Service Deposits	5 years	30%	--
Placement Service Certificates of Deposit	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 and Money Market Mutual Funds	--	20%	Multiple
Collateralized Bank Deposit	5 years	--	--
Mortgage Pass-Through Securities	5 years	20%	AA rating
County Pooled Investment Funds	--	--	--
Joint Powers Authority Pool	--	--	Multiple
Local Agency Investment Fund	--	--	--
Voluntary Investment Program 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
Year Ended June 30, 2019
(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, 2019:

	Credit Rating			% of Portfolio
	Moody's	S & P	Fitch	
Treasurer's Pooled Investment				
LAIF	NR	NR	NR	11.82%
Collateralized Certificates of Deposit	NR	NR	NR	2.65%
Negotiable Certificates of Deposit	P-1	A-1	NR	18.70%
U.S. Government Agencies	Aaa	AA+	AAA	66.83%
				100.00%

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	\$150,509
Federal Farm Credit Bank	U.S. Government Agencies	\$214,226

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, 2019, 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, 2019 was 691 days.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 3 – Cash and Investments (Continued)

The following is a summary of investments held by the County as of June 30, 2019:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Ranges</u>	<u>Interest Rate Ranges</u>
LAIF	\$ 64,611	On Demand	2.57%
Collateralized Certificates of Deposit	14,455	7/6/19 - 6/20/21	1.49 – 3.07%
Negotiable Certificates of Deposit	102,066	7/12/19 - 6/28/24	1.00 – 3.35%
U.S. Government Agencies	364,734	7/1/19 - 2/14/24	1.02 – 3.22%
Total County's Pooled Investments	545,866		
Uncategorized Investments Held Outside County Pool:			
Tobacco Settlement	8,970		
Mutual Funds - OPEB	4,403		
Money Market	3,154		
Deferred Compensation	40,500		
Total Uncategorized Investments Held Outside County Pool	57,027		
Total Investments	602,893		
Cash in banks:			
Interest bearing deposits	142,235		
Cash on hand:			
	8,503		
Total cash and investments	\$ 753,631		

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, 2019 is as follows:

Statement of Net Position:

Equity of Internal Pool Participants	\$ 273,324
Equity of External Pool Participants	423,280
Total Equity	\$ 696,604

Statement of Change in Net Position:

Net Position at July 1, 2019	\$ 645,795
Net Change in Net Position for Pool Participants	50,809
Net Position at June 30, 2020	\$ 696,604

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
Year Ended June 30, 2019
(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, 2019:

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	\$ 102,066	\$ -	\$ 102,066	\$ -
U.S. Government Agency	364,734	-	364,734	-
Total Investments Measured at Fair Value	466,800	\$ -	\$ 466,800	\$ -
Investments Measured Based on Uncategorized Inputs :				
LAIF	64,611			
Collateralized Certificates of Deposit	14,455			
Total Investments at Amortized Cost	79,066			
Total County's Pooled Investments	545,866			
Uncategorized Investments Held Outside County's Pool:				
Tobacco Settlement	8,970			
Mutual Funds – OPEB	4,403			
Money Market	3,154			
Deferred Compensation	40,450			
Total Uncategorized investments Held Outside County's Pool	57,027			
Total Investments	\$ 602,893			

Note 4 – Receivables

Accounts, interest, taxes and loan receivable balances of the General, Behavioral Health Services, Fire Protection, Public Works Roads, Host Public Benefit Fees, Other Governmental Funds, and Proprietary funds at June 30, 2019 are as follows:

Receivables Governmental Activities	General Fund	Behavioral Health	Fire Protection	Public Works Roads	Public Benefit Fees	Other Governmental Funds	Internal Service Fund	Total Governmental Activities
Accounts	\$ 3,251	\$ 3,067	\$ 185	\$ 626	\$ 19	\$ 10,546	\$ 1,000	\$ 18,694
Interest	326	14	-	-	76	5,359	283	6,058
Taxes	1,783	-	442	-	-	35	-	2,260
Loans	-	-	-	-	-	15,863	-	15,863
Total receivables	\$ 5,360	\$ 3,081	\$ 627	\$ 626	\$ 95	\$ 31,803	\$ 1,283	\$ 42,875

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 4 – Receivables (Continued)

<u>Receivables- Business-Type Activities</u>	Imperial <u>Airport</u>	<u>Landfill</u>	Total Business-type <u>Activities</u>
Accounts	\$ 3	\$ -	\$ 3
Interest	<u>2</u>	<u>42</u>	<u>44</u>
Total receivables	<u>\$ 5</u>	<u>\$ 42</u>	<u>\$ 47</u>

Note 5 – Interfund Transactions

The composition of inter fund balances as of June 30, 2019 are as follows:

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

<u>Due from</u>	<u>Due to</u>			Total
	General Fund	Other Governmental Funds	Internal Service Funds	
Behavioral Health Services	\$ 559	\$ -	\$ -	\$ 559
Fire Protection	4,183	-	-	4,183
Public Works Roads	4,692	-	-	4,692
Other Governmental Funds	31,612	2,638	-	34,250
Internal Service	<u>-</u>	<u>-</u>	<u>967</u>	<u>967</u>
Total	<u>\$ 41,046</u>	<u>\$ 2,638</u>	<u>\$ 967</u>	<u>\$ 44,651</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
Year Ended June 30, 2019
(Dollars in Thousands)

Note 6 – Capital Assets

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,479	\$ -	\$ -	\$ 4,479
Construction in progress	37,772	4,500	-	42,272
Total capital assets, not being depreciated	<u>42,251</u>	<u>4,500</u>	<u>-</u>	<u>46,751</u>
Capital assets, being depreciated:				
Infrastructure	125,129	-	-	125,129
Structures & Improvements	84,614	239	(28)	84,825
Vehicles	14,908	1,144	(777)	15,275
Furniture and equipment	52,312	4,219	(3,737)	52,794
Total capital assets, being depreciated	<u>276,963</u>	<u>5,602</u>	<u>(4,542)</u>	<u>278,023</u>
Less accumulated depreciation for:				
Infrastructure	83,202	3,824	(101)	86,925
Structures & Improvements	48,147	1,321	(28)	49,440
Vehicles	11,109	320	(749)	10,680
Furniture and equipment	43,487	1,895	(3,521)	41,861
Total accumulated depreciation	<u>185,945</u>	<u>7,360</u>	<u>(4,399)</u>	<u>188,906</u>
Total capital assets, being depreciated, net	<u>91,018</u>	<u>(1,758)</u>	<u>(143)</u>	<u>89,117</u>
Governmental activities capital assets, net	<u>\$ 133,269</u>	<u>\$ 2,742</u>	<u>\$ (143)</u>	<u>\$ 135,868</u>
Business-type activities:				
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	15,230	731	-	15,961
Furniture and equipment	694	-	-	694
Total accumulated depreciation	<u>15,924</u>	<u>731</u>	<u>-</u>	<u>16,655</u>
Total capital assets, being depreciated, net	<u>8,446</u>	<u>(731)</u>	<u>-</u>	<u>7,715</u>
Business-type activities capital assets, net	<u>\$ 9,131</u>	<u>\$ (731)</u>	<u>\$ -</u>	<u>\$ 8,400</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 4,788
Public Protection	1,081
Health & Sanitation	210
Public Assistance	250
Public Ways & Facilities	392
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>639</u>
Total depreciation expense – governmental functions	<u>\$ 7,360</u>

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 6 – Capital Assets (Continued)

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

Airports	\$ <u>731</u>
Total depreciation expense – business-type functions	\$ <u>731</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, 2019 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 264 Motorola Consoles/Radios	\$ 1,883
Qty 1 Dominion Voting System	1,501
Qty 1 Pitney Bowes Connect Plus 3000	37
Qty 1 Emergency Response Apparatus	551
Qty 1 Emergency Response Apparatus	<u>551</u>
Less: Accumulated Depreciation	<u>\$ (770)</u>
Net	<u>\$ 3,753</u>

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 7 – Leases (Continued)

Future capital lease minimum payments are as follows:

<u>Year ending June 30,</u>	
2020	\$ 604
2021	523
2022	347
2023-28	<u>1,354</u>
	\$ 2,828
Less Interest	<u>(306)</u>
Net	<u>\$ 2,522</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, 2019 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, 2019:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Amounts</u> <u>Due within</u> <u>One year</u>
Employee Compensated Absences	\$ 16,296	\$ 651	\$ 2	\$ 16,945	\$ 737
Capital Lease Obligation	2,574	1,101	847	2,828	604
Claims Payables	34,571	1,725	2,452	33,844	33,844
Pension Funding Bonds 1997	8,620	-	2,680	5,940	2,870
Pension Funding Bonds 2002	25,705	-	1,380	24,325	1,460
State of California Child Support	270	-	90	180	90
Certificate of Participation 2010 Series	<u>6,930</u>	<u>-</u>	<u>410</u>	<u>6,520</u>	<u>425</u>
Governmental Activities Long Term Debt	<u>\$ 94,966</u>	<u>\$ 3,477</u>	<u>\$ 7,861</u>	<u>\$ 90,582</u>	<u>\$ 40,030</u>

A summary of bonds and certificates of participation recorded in the governmental activities is as follows:

<u>Governmental Activities</u>	<u>Interest</u> <u>Rate %</u>	<u>Date of</u> <u>Issue</u>	<u>Maturity</u>	<u>Amount of</u> <u>Original</u> <u>Issue</u>	<u>Outstanding</u> <u>as of</u> <u>6/30/2019</u>
Pension Obligation Bonds (Direct Placement)					
1997 Series A	6.10 – 6.82	11/19/1997	2021	\$ 35,175	\$ 5,940
2002 Series A	4.71 – 5.71	9/17/2002	2031	33,265	24,325
					<u>30,265</u>
Certificates of Participation (Direct Borrowing)					
2010 Landfill – Closure Funding COP	3.00 - 5.00	3/1/2010	2031	9,465	6,520
Total Long-term Liabilities					<u>\$ 36,785</u>

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 8 – Long Term Debt (Continued)

2010 Certificates of Participation

On March 1, 2010, the County issued its \$9,465 Certificates of Participation 2010 Series A, as a direct borrowing, 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.

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 COP contains a provision, that in the event of default, the Trustee may terminate the lease agreement and hold the County liable for all lease payments on an annual basis. According to the lease agreement, lease payments may not be accelerated upon default. The COP payments are secured by net revenue of landfill user charges, fees and rates collected by the program. The debt service requirements on the certificates to maturity are as follows:

<u>Year Ending June 30,</u>	Certificates of Participation from direct borrowing		<u>Total Payment</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 425	\$ 306	\$ 731
2021	440	289	729
2022	460	271	731
2023	475	251	726
2024	500	230	730
2025	520	207	727
2026-2029	2,345	569	2,914
2030-2031	1,355	103	1,458
Total	\$ 6,520	\$ 2,226	\$ 8,746

Taxable Pension Funding Bonds 1997

On November 19, 1997, the County issued \$35,175 in direct placement 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.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 8 – Long Term Debt (Continued)

The bonds have a stated interest rate from 6.10% to 6.82% 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 bonds contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. The bond's debt service to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Pension Obligation Bonds from direct placement</u>		<u>Total Payment</u>
	<u>Principal</u>	<u>Interest</u>	
2020	\$ 2,870	\$ 308	\$ 3,178
2021	3,070	105	3,175
Total	<u>\$ 5,940</u>	<u>\$ 413</u>	<u>\$ 6,353</u>

Taxable Pension Funding Bonds 2002

On September 17, 2002, the County issued \$33,265 in direct placement 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 4.71% to 5.71% 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 bonds contain a provision that, in the event of default, the outstanding principal balance and accrued interest are due and payable immediately. The bond's debt service to maturity is as follows:

<u>Year Ending June 30,</u>	<u>Pension Obligation Bonds from direct placement</u>		<u>Total Payment</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,825	974	2,799
2025-2029	10,855	3,130	13,985
2030-2031	5,290	307	5,597
Total	<u>\$ 24,325</u>	<u>\$ 9,246</u>	<u>\$ 33,571</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.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 8 – Long Term Debt (Continued)

The following is a schedule of long-term liabilities for Business-Type Activities for the year ended June 30, 2019:

	Balance			Balance	Amounts
	July 1, 2018	Additions	Deductions	June 30, 2019	Due within
					One year
Employee Compensated Absences	\$ 12	\$ 1	\$ -	\$ 13	\$ 1
Landfill	24,689	653	-	25,342	653
Total	<u>\$ 24,701</u>	<u>\$ 654</u>	<u>\$ -</u>	<u>\$ 25,355</u>	<u>\$ 654</u>

Note 9 – Landfill Closure and Postclosure Costs

State Financial Assurance Mechanism regulations require landfill operations to set aside funds, or provide alternative funding mechanisms to fund the closure and post-closure maintenance of landfills. The funding must be completed prior to the final date of closure. These regulations apply to solid waste landfills that have been or will be operated on or after January 1, 1988. The closure and post-closure care costs of other landfills not subject to these State regulations is funded separately in the Waste Systems Division. Closure and post-closure care costs include, but are not limited to, such items as final cover, groundwater monitoring, well installations and landfill gas monitoring systems.

The ten landfills listed below (with their capacity used and estimated remaining lives) are those currently subject to State and federal regulations:

Landfill	Capacity Used	Years Remaining
Brawley	100%	-
Calexico	45%	159
Holtville	100%	-
Hot Spa	100%	-
Niland	100%	-
Ocotillo	100%	-
Palo Verde	100%	-
Picacho	100%	-
Salton City	98%	18
Worthington	100%	-

The annually inflated landfill closure and post-closure care cost estimates of \$31,604 and \$13,008 respectively for a total of \$44,612, are based upon the most recently submitted Closure/Post-Closure Maintenance Plan documents filed with the State and Federal permitting agencies. If, at some future date, these closure cost estimates are adjusted (due to changes in inflation, technology, regulations, etc.), the County is required to make corresponding changes in the amount of funds deposited for closure.

As of June 30, 2019, the cumulative liability recorded by the County based upon individual landfill capacity usage was \$25,342 (\$16,716 closure costs and \$8,626 post-closure costs). The remaining \$19,270 of estimated closure and post-closure costs will be recorded and funded as landfill capacities are used.

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

Note 9 – Landfill Closure and Postclosure Costs (Continued)

Landfill closure liability increased \$451 and post-closure liability also increased \$202. In accordance with GASB 18, “Accounting for Municipal Solid Waste Landfill (MSWLF) Closure and Postclosure Care Costs”, the effect of any changes in the estimated total current cost of closure and post-closure care is reported primarily in the period of change.

The estimated closure and post-closure activity for the year ended June 30, 2019 includes the following:

	Beginning Balance	Increase (Decrease)	Ending Balance
Estimated Liability for Closure Care Costs	\$ 16,265	\$ 451	\$ 16,716
Estimated Liability for Post-closure Care Costs	\$8,424	202	8,626
Total	\$ 24,689	\$ 653	\$ 25,342

The County has pledge tipping fees and interest revenue to fund the post-closure maintenance costs as needed. Total revenue received in the current fiscal year was \$168 and post-closure expenses were \$653. Each landfill site’s maintenance costs are budgeted annually following the Closure and Post-closure Maintenance Plant as approved by the Department of Resources Recycling and Recovery (Cal Recycle). The term for each landfill site funding requirements is thirty (30) years starting with the date of closure as certified by the State.

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
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 10 – Employees’ Retirement System (Continued)

Summary of Plans and Eligible Participants

Open for New Enrollment:

PEPRA General Tier 3 General members hired on or after January 1, 2013 may continue in plan.

PEPRA 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.

The California Public Employees’ Pension Reform Act (PEPRA), took into effect on January 2013, in which changed the way retirement health benefits are applied, and placed compensation limits on members.

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 the California Public Employees’ Pension Reform Act, 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 the California Public Employees’ Pension Reform Act, 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).

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 10 – Employees’ Retirement System (Continued)

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

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.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 10 – Employees’ Retirement System (Continued)

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.

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 \$22,187 for the year ended June 30, 2019.

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>
General Legacy	22.38%	8.64-12.48%
General Tier 3	17.03%	9.82%
Safety Legacy	31.85%	21.14-25.18%
Safety Tier 3	24.69%	19.69%

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

At June 30, 2019, the County reported a liability of \$126,435 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 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, 2018, the County’s proportion was 94.985%, which was increase of 0.316% from its proportion measured as of June 30, 2018.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 10 – Employees’ Retirement System (Continued)

For the year ended June 30, 2019, the County recognized pension expense of \$29,184. 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.

At June 30, 2019, 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.	\$ 34,611	\$ 23
Changes of assumptions	371	-
Net difference between projected and actual earnings on pension plan investments	3,741	21,129
Difference between expected and actual experience	329	-
County contributions subsequent to the measurement date	22,186	-
	\$ 61,238	\$ 21,152

\$22,187 reported as deferred outflows of resources related to pensions resulting from county contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

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

<u>Year Ending June 30:</u>	
2020	\$ 13,954
2021	4,288
2022	(4,623)
2023	2,420
2024	2,171
2025	(310)
	\$ 17,900

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 10 – Employees’ Retirement System (Continued)

Actuarial Assumptions

The Total Pension Liability (TPLs) measured as of June 30, 2018, 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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%
Total	<u>100%</u>	

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

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, 2018. 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, 2018 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	\$ 245,382	\$ 126,435	\$ 21,045

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
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

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 after December 31, 1988, the retiree will be required to pay a self-pay premium for retiree only coverage based on years of service Plan 1 or 2 enrollment as shown in the tables below.

For County employees hired prior to January 1, 1989, the retiree will be required to pay the same self-pay premium for retiree only coverage as retirees hired after December 31, 1988 with 25+ years of service.

Retirees who elect coverage for their spouses or dependents must pay an additional self-pay premium as shown in the table below.

Years of Service	County Portion	Retiree Portion
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, 2018, the following employees were covered by the benefit terms:

Retirees and beneficiaries receiving benefits	817
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	1,976
Total	2,793

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
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Note 11 - Other Postemployment Employment Benefits (OPEB) (Continued)

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 3.87% based on the 20 Year Bond GO Index is used as of the measurement date of June 30, 2018.

Net OPEB Liability

At June 30, 2019, the County reported a net OPEB liability of \$276,167. The County's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Actuarial Assumptions

The total OPEB liability measured as of June 30, 2018 was determined using the following actuarial assumptions:

Discount rate	3.87%
Inflation	2.50%
Investment rate of return	5.60%
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. A margin to reflect the impact of excise tax in future years is reflected in the assumed trend.
Mortality rates	Pre-retirement Headcount Weighted RP-2014 Employee Mortality Table projected 20 years with mortality improvement scale MP-2016. Post-retirement Healthy Members and Beneficiaries: Headcount Weighted RP-2014 Annuitant Mortality Table projected 20 years with mortality improvement scale MP-2016, set forward one year. Disabled Members: Headcount Weighted RP-2014 Annuitant Mortality Table projected 20 years with mortality improvement scale MP-2016, set forward 7 years for males and 5 years for females.
Future retiree plan election	We assumed that 80% of new retirees will elect coverage upon retirement. 20% of new retirees are assumed to enroll in Plan 1, and the other 80% are assumed to enroll in plan 2. 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 5.60%, 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' Moderately Conservative Index PLUS Portfolio. Based on the Trust's asset allocation (shown below) and Milliman's capital market assumptions, the expected average return over the next 50 years is 5.60% with an inflation assumption of 2.50%.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Cash and Equivalents	3.39%	2.85%
Mutual Funds- Fixed Income	46.20%	4.79%
Mutual Funds- Equity	50.41%	7.13%
Total	<u>100.0%</u>	

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 along with expected future investment returns and expected future contributions 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. 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 trust funds assets relative to plan liabilities, a discount rate of 3.87% based on the 20 year Bond GO Index is used as of the measurement date of June 30, 2018 and a discount rate of 3.58% is used as of the measurement date of June 30, 2017.

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, 2018.

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2017	<u>\$ 272,432</u>	<u>\$ 3,960</u>	<u>\$ 268,472</u>
Changes in the year:			
Service cost	15,257	-	15,257
Interest on the total OPEB liability	10,190	-	10,190
Differences between actual and expected experience	-	-	-
Changes of assumptions ⁽¹⁾	(15,080)	-	(15,080)
Contributions – employer	-	6,120	(6,120)
Net investment income	-	206	(206)
Benefit payments	(6,120)	(6,120) ⁽²⁾	-
Administrative expense	-	-	-
Net Changes	<u>7,901</u>	<u>206</u>	<u>7,695</u>
Balance at June 30, 2018	<u>\$ 280,333</u>	<u>\$ 4,166</u>	<u>\$ 276,167</u>

1. Assumption change due to a change in discount rate from 3.58% to 3.87%
2. The benefit payment shown based on the expected benefit payment.

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

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 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Net OPEB Liability	\$ 331,699	\$ 276,167	\$ 232,627

	Healthcare Cost Trend Rate		
	1% Decrease (5.00 % decreasing to 3.25%)	Current Trend (6.00% decreasing to 4.25%)	1% Increase (7.00% decreasing to 5.25%)
Net OPEB Liability	\$ 227,017	\$ 276,167	\$ 341,086

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

For the fiscal year ended June 30, 2019, the County recognized OPEB expense of \$11,675. As of June 30, 2019, 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
Differences between expected and actual experience	\$ 3,240	\$ -
Change of assumptions	-	(39,903)
Net difference between projected and actual earnings	15	(56)
Contributions made subsequent to measurement date	7,453	-
	\$ 10,708	\$ (39,959)

The amount of \$10,708 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, 2020.

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
2020	\$ (6,098)
2021	(6,098)
2022	(6,098)
2023	(6,078)
2024	(6,080)
Thereafter	(6,252)
	\$ (36,704)

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
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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 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 internal serves 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, 2018	June 30, 2019
Liability at beginning of year	\$ 21,967	\$ 34,571
Current year claims and changes in estimates	31,037	1,725
Claim payments	<u>(18,433)</u>	<u>(2,453)</u>
Liability at end of year	<u>\$ 34,571</u>	<u>\$ 33,844</u>

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(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
Year Ended June 30, 2019
(Dollars in Thousands)

Note 13 – Fund Balances (Continued)

A detailed schedule of fund balances at June 30, 2019 is as follows:

	General Fund	Behavioral Health	Fire Protection	Public Works Roads	Host Public Benefit Fees	Other Governmental Funds	Total Governmental Funds
<u>Nonspendable:</u>							
Prepaid Items and Inventories	\$ 306	\$ -	\$ -	\$ 119	\$ -	\$ 10	\$ 435
Total nonspendable fund balances	<u>306</u>	<u>-</u>	<u>-</u>	<u>119</u>	<u>-</u>	<u>10</u>	<u>435</u>
<u>Restricted for:</u>							
Agricultural Comm. Programs	-	-	-	-	-	105	105
Air Pollution Control	-	-	-	-	-	3,061	3,061
Ambulatory Care Center	-	-	-	-	-	285	285
Animal Control	-	-	-	-	-	15	15
Asset Forfeiture	-	-	-	-	-	862	862
Border Inspection Station	-	-	-	-	-	166	166
CalHOME Program	-	-	-	-	-	2,329	2,329
Cal-Met Grant	-	-	-	-	-	665	665
California Children Services	-	-	-	-	-	28	28
Child Abuse Assistance	-	-	-	-	-	175	175
Comm. Correction Performance	-	-	-	-	-	1,187	1,187
Comm. Development Block Grant	-	-	-	-	-	1,093	1,093
Criminal Justice Facilities	-	-	-	-	-	4,289	4,289
Debt Services	-	-	-	-	-	7,348	7,348
District Attorney Programs	-	-	-	-	-	149	149
DMV Fees	-	-	-	-	-	1,969	1,969
Fire Protection	-	-	175	-	-	58	233
Gateway CSA CAO	-	-	-	-	-	393	393
Geothermal Administration	-	-	-	-	-	277	277
Heber Housing Rehabilitation	-	-	-	-	-	4,261	4,261
Home Investment Program	-	-	-	-	-	4,248	4,248
Homeland Security	-	-	-	-	-	547	547
Homeless Emergency Aid	-	-	-	-	-	4,859	4,859
Housing-Comm. Development	-	-	-	-	-	7,700	7,700
Housing Rehabilitation Program	-	-	-	-	-	736	736
ICCED Micro Lending Program	-	-	-	-	-	32	32
IHSS Public Authority	-	-	-	-	-	1,639	1,639
Measure D-LTA Road Program	-	-	-	-	-	9,173	9,173
Medical/CMSP Fund	-	-	-	-	-	7,252	7,252
Mental Health Services	-	704	-	-	-	390	1,094
Mosquito Abatement	-	-	-	-	-	126	126
Neighborhood Stabilization Prg.	-	-	-	-	-	573	573
Next Year's Budget	1,872	-	-	-	-	-	1,872
Ozone Operational Development	-	-	-	-	-	958	958
Palo Verde Waterwaste Treatment	-	-	-	-	-	206	206
Probation Programs	-	-	-	-	-	489	489
Public Benefit Fees	-	-	-	-	16,115	-	16,115
Public Health Programs	-	-	-	-	-	11,165	11,165
Public Works Roads	-	-	-	2,627	-	308	2,935
PW Development Impact Fees	-	-	-	-	-	629	629
Recorders Improvement	-	-	-	-	-	1,241	1,241
Renewal Energy	-	-	-	-	-	45	45
Road Maintenance-Rehabilitation	-	-	-	-	-	2,895	2,895
Rural Business Enterprise	-	-	-	-	-	22	22
Service Authority Freeway	-	-	-	-	-	1,346	1,346

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 13 – Fund Balances (Continued)

	<u>General Fund</u>	<u>Behavioral Health</u>	<u>Fire Protection</u>	<u>Public Works Roads</u>	<u>Host Public Benefit Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Sheriff Programs	-	-	-	-	-	713	713
Social Services Programs	-	-	-	-	-	293	293
Stonegarden Grant	-	-	-	-	-	1,036	1,036
Substance Abuse Funds	-	-	-	-	-	283	283
Sunbeam Lake Boat Launch	-	-	-	-	-	10	10
Sunbeam Lake RV Park	-	-	-	-	-	728	728
Tobacco Settlement Monies	1,503	-	-	-	-	-	1,503
Tobacco Education	-	-	-	-	-	305	305
USDA Business Relief Program	-	-	-	-	-	426	426
Victim Witness Assistance	-	-	-	-	-	58	58
Whitefly Management Comm.	-	-	-	-	-	68	68
Winterhaven County Loan	-	-	-	-	-	163	163
Workforce Investment Act	-	-	-	-	-	895	895
Wraparound Prg-Probation	-	-	-	-	-	958	958
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>958</u>	<u>958</u>
Total restricted fund balance	<u>3,375</u>	<u>704</u>	<u>175</u>	<u>2,627</u>	<u>16,115</u>	<u>91,230</u>	<u>114,226</u>
 <u>Committed to:</u>							
AG Research Project	-	-	-	-	-	54	54
Agricultural Commissioner	-	-	-	-	-	171	171
Air Pollution Control	-	-	-	-	-	959	959
Airport Operation	-	-	-	-	-	7	7
Area Agency on Aging	-	-	-	-	-	119	119
CMAQ Program	-	-	-	-	-	76	76
Comm. Benefit Program	-	-	-	-	-	19	19
CEO Capital Improvement	-	-	-	-	-	8	8
County Library	-	-	-	-	-	10	10
Courthouse Capital Improvement	-	-	-	-	-	246	246
CSA Capital Improvement	-	-	-	-	-	1,240	1,240
Development Fees	-	-	-	-	-	442	442
Environment Services	-	-	-	-	-	414	414
Farmer Program-APCD	-	-	-	-	-	522	522
Federal Asset Forfeiture	-	-	-	-	-	213	213
Fiber Optic Network	-	-	-	-	-	142	142
Fire Protection	-	-	-	-	-	513	513
Fish & Game	-	-	-	-	-	84	84
Gateway Public Safety	-	-	-	-	-	3	3
General Reserves	4,448	-	-	-	-	-	4,448
Geographic Info Systems	-	-	-	-	-	31	31
Homeland Security Grant	-	-	-	-	-	262	262
Impact Fees	-	-	-	-	-	302	302
PARS OPEB	4,403	-	-	-	-	-	4,403
Port of Entry Inspection	-	-	-	-	-	216	216
Probation Programs	-	-	-	-	-	432	432
Public Health Programs	-	-	-	-	-	272	272
Sheriff Programs	-	-	-	-	-	1,110	1,110
Social Security Program	-	-	-	-	-	32	32
Solid Waste Disposal	-	-	-	-	-	154	154
State Asset Forfeiture	-	-	-	-	-	6	6
Tobacco Securitization	-	-	-	-	-	5	5
Valley Games & Golf	-	-	-	-	-	300	300
Waste Management	-	-	-	-	-	604	604
Water Management Grant	-	-	-	-	-	537	537
Wiest Lake Construction Loan	-	-	-	-	-	62	62
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
Total committed fund balances	<u>8,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,567</u>	<u>18,418</u>

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 13 – Fund Balances (Continued)

	<u>General Fund</u>	<u>Behavioral Health</u>	<u>Fire Protection</u>	<u>Public Works Roads</u>	<u>Host Public Benefit Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Assigned to:</u>							
Allocated for Capital Outlay	1,594	-	-	-	-	-	1,594
Correctional Facility-SB 1022	-	-	-	-	-	27	27
Realignment/Rev. Stabilization	2,467	-	-	-	-	-	2,467
Tobacco Monies	<u>7,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,470</u>
Total assigned fund balances	<u>11,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>11,558</u>
<u>Unassigned</u>							
	<u>28,938</u>	<u>(304)</u>	<u>(4,050)</u>	<u>(7,381)</u>	<u>(51)</u>	<u>(38,219)</u>	<u>(21,067)</u>
Total fund balances	<u>\$ 53,001</u>	<u>\$ 400</u>	<u>\$ (3,875)</u>	<u>\$ (4,635)</u>	<u>\$ 16,064</u>	<u>\$ 62,615</u>	<u>\$ 123,570</u>

Note 14 – Deficit Fund Net Position – Fund Balance

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

- Fire Protection Fund – Deficit fund balance of (\$3,875) is the result of revenues for taxes and grants being inadequate to cover expenses.
- Public Works Roads Fund – Deficit fund balance of (\$4,635) is the result of revenues for State grants and charges for services being inadequate to cover expenses.
- Library Fund – Deficit fund balance of (\$501) is the result of revenues for taxes and grants being inadequate to cover expenses.
- Substance Abuse Fund – Deficit fund balance of (\$203) is the result of revenues for State and Federal grants being inadequate to cover expenses.
- Admin ICCED Fund – Deficit fund balance of (\$1) is the result of revenues being inadequate to cover expenses on prior year.
- Economic Development Fund – Deficit fund balance of (\$1,643) is the result of revenues for State grants being inadequate to cover expenses.
- Legislative and Admin Fund – Deficit fund balance of (\$125) is the result of revenues being inadequate to cover expenses.
- Police Protection Fund – Deficit fund balance of (\$524) is the result of revenues for State grants being inadequate to cover expenses.
- Recreational Facilities Fund – Deficit fund balance of (\$58) is the result of revenue being inadequate to cover expenses on prior year.
- Sanitation Fund – Deficit fund balance of (25,235) 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.
- Landfill Fund – Deficit net position of (\$16,509) is the result of revenues being inadequate to cover expenses and liability cost that should have been recognized prior periods.
- Centralized Mail System Fund – Deficit net position of (\$128) 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 of \$5,114 was made to increase the governmental funds beginning fund balance and governmental activities beginning net position to reflect the transfer of fiduciary accounts to special revenue type accounts. A second adjustment of (\$13,816) was made to decrease the internal service funds beginning fund balance and governmental activities beginning

County of Imperial
Notes to the Basic Financial Statements
Year Ended June 30, 2019
(Dollars in Thousands)

Note 15 – Prior Period Adjustments (Continued)

net position due to claims payable that should have been recognized in prior periods. For business-type activities, an adjustment for (\$8,688) was made to decrease the beginning net position due to closure/post-closure liability cost that should have been recognized prior periods. For fiduciary activities, an adjustment for (\$5,114) was made to decrease beginning net position due to the transfer of accounts to the governmental activities that should have been done in prior years.

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

Governmental Activities	
Net Position at July 1, 2018 as previously stated	\$ (128,534)
Accounts transferred	5,114
Claims Payable – Liability Adjustment	<u>(13,816)</u>
Net Position at July 1, 2018 as restated	<u>\$ (137,236)</u>

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

Business-type Activities	
Net Position at July 1, 2018 as previously stated	\$ 1,348
Landfill – Liability Adjustment	<u>(8,688)</u>
Net Position at July 1, 2018 as restated	<u>\$ (7,340)</u>

The restatement of beginning fund balance of the governmental funds is summarized as follows:

Governmental Funds	
Fund Balance at July 1, 2018 as previously stated	\$ 50,177
Accounts transferred	5,114
Fund Balance at July 1, 2018 as restated	<u>\$ 55,291</u>

The restatement of beginning fund balance of the internal service funds is summarized as follows:

Internal Service Funds	
Fund Balance at July 1, 2018 as previously stated	\$ 41,976
Claims Payable – Liability Adjustment	<u>(13,816)</u>
Fund Balance at July 1, 2018 as restated	<u>\$ 28,160</u>

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

Fiduciary Activities	
Net Position at July 1, 2018 as previously stated	\$ 376,514
Accounts Reclassification	<u>(5,114)</u>
Net Position at July 1, 2018 as restated	<u>\$ 371,400</u>





Required Supplementary Information



COUNTY OF IMPERIAL
Required Supplementary Information

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

Last 10 Fiscal Years ⁽¹⁾	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
County's proportion of the net pension liability	94.985%	94.669%	94.721%	94.731%	95.103%
County's proportion share of the net pension liability	\$ 126,434	\$ 126,951	\$ 127,131	\$ 83,939	\$ 55,848
County's covered payroll	\$ 106,108	\$ 107,075	\$ 99,460	\$ 95,562	\$ 90,200
County's proportionate share of the net pension liability as a percentage of its covered payroll	119.16%	118.56%	127.82%	87.84%	61.92%
Plan fiduciary net position as a percentage of the total pension liability	86.15%	85.27	83.81%	88.71%	92.12%

Note to Schedule:

⁽¹⁾ 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.

Employees's Retirement System
Schedule of County's Pension Contribution
(amounts expressed in thousands)

Last 10 Fiscal Years ⁽¹⁾	<u>FY 2019</u>	<u>FY 2018</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2015</u>
Actuarially determined contribution	\$ 17,707	\$ 17,546	\$ 19,293	\$ 17,334	\$ 16,030
Contributions in relation to the actuarially determined contribution	<u>(22,187)</u>	<u>(17,707)</u>	<u>(19,293)</u>	<u>(17,334)</u>	<u>(16,030)</u>
Contribution deficiency (excess)	<u>\$ (4,480)</u>	<u>\$ (161)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 110,172	\$ 106,108	\$ 107,075	\$ 99,461	\$ 95,562
Contributions as a percentage of covered payroll	16.69%	16.39%	19.40%	18.14%	16.77%

Note to Schedule:

⁽¹⁾ 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 ⁽¹⁾

	FY 2019	FY 2018
Total OPEB liability		
Service cost	\$ 14,248	\$ 17,834
Interest	10,316	8,639
Changes of assumptions	(15,080)	(36,107)
Benefit payments	(6,120)	(6,421)
Net change in total OPEB liability	3,364	(16,055)
Total OPEB liability-beginning	276,969	288,487
Total OPEB liability-ending (a)	\$ 280,333	\$ 272,432
Plan fiduciary net position		
Contributions-employer	\$ 6,120	\$ 6,421
Net investment income	206	308
Benefit payments	(6,120)	(6,421)
Net change in plan fiduciary net position	206	308
Plan fiduciary net position-beginning	3,960	3,652
Plan fiduciary net position-ending (b)	\$ 4,166	\$ 3,960
County's net OPEB liability-ending (a)-(b)	\$ 276,167	\$ 268,472
Plan fiduciary net position as a percentage of the total OPEB liability	1.51%	1.48%
Covered payroll	\$ 106,108	\$ 107,075
Net OPEB liability as a percentage of covered payroll	260.27%	250.73%

⁽¹⁾ 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 ⁽¹⁾

	FY 2019	FY 2018
Actuarially determined contribution	\$ 6,120	\$ 19,127
Contributions in relation to the actuarially determined contribution	7,452	6,120
Contribution deficiency (excess)	\$ (1,332)	\$ 13,007
Covered payroll	\$ 110,172	\$ 106,108
Contributions as a percentage of covered payroll	6.76%	5.77%

Notes to the schedule:

Valuation date	June 30, 2018
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, 2018 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, 2018 pension actuarial report from the Imperial County Employees' Retirement System (ICERS).

⁽¹⁾ 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
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
GENERAL FUND
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 40,998	\$ 40,998	\$ 38,835	\$ (2,163)
Licenses and permits	1,311	1,321	1,261	(60)
Fines, forfeitures & penalties	5,144	5,166	4,335	(831)
Use of money & property	938	938	1,650	712
Intergovernmental aid	89,239	90,366	87,463	(2,903)
Federal aid	40,275	40,449	37,545	(2,904)
Charges for services	18,225	19,235	19,457	222
Other revenues	-	-	3	3
Total revenues	<u>196,130</u>	<u>198,473</u>	<u>190,549</u>	<u>(7,924)</u>
Expenditures:				
Current:				
General government	22,675	22,816	21,329	1,487
Public protection	77,294	78,843	73,553	5,290
Public assistance	111,123	112,113	105,658	6,455
Public ways & facilities	802	802	798	4
Total expenditures	<u>211,894</u>	<u>214,574</u>	<u>201,338</u>	<u>13,236</u>
Excess of revenues over expenditures	<u>(15,764)</u>	<u>(16,101)</u>	<u>(10,789)</u>	<u>5,312</u>
Fund balances - beginning	<u>63,790</u>	<u>63,790</u>	<u>63,790</u>	<u>-</u>
Fund balances - ending	<u>\$ 48,026</u>	<u>\$ 47,689</u>	<u>\$ 53,001</u>	<u>\$ 5,312</u>

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
BEHAVIORAL HEALTH SERVICES
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money & property	\$ -	\$ -	\$ 29	\$ 29
Intergovernmental revenue	13,243	14,372	30,675	16,303
Charges for services	10,225	10,225	4,701	(5,524)
Other revenues	29,725	29,725	3,936	(25,789)
Total revenues	<u>53,193</u>	<u>54,322</u>	<u>39,341</u>	<u>(14,981)</u>
Expenditures:				
Public assistance:				
Salaries and benefits	35,770	35,829	26,772	9,057
Services and supplies	16,115	19,320	13,772	5,548
Other charges	-	-	(10)	10
Capital outlay	-	-	679	(679)
Other financing source	-	-	(178)	178
Intra fund transfers	1,055	1,055	(2,094)	3,149
Total expenditures	<u>52,940</u>	<u>56,204</u>	<u>38,941</u>	<u>17,263</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 253</u>	<u>\$ (1,882)</u>	<u>\$ 400</u>	<u>\$ (32,244)</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
FIRE PROTECTION
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 3,906	\$ 3,906	\$ 5,312	\$ 1,406
Intergovernmental revenue	64	64	75	11
Charges for services	3,592	3,672	3,437	(235)
Other revenues	36	36	-	(36)
Total revenues	<u>7,598</u>	<u>7,678</u>	<u>8,824</u>	<u>1,146</u>
Expenditures:				
Public protection:				
Salaries and benefits	6,568	6,808	6,858	(50)
Services and supplies	1,724	1,837	1,739	98
Other charges	44	64	178	(114)
Capital outlay	241	241	441	(200)
Other financing source	(540)	(540)	(505)	(35)
Intra fund transfers	(291)	(291)	11	(302)
Total expenditures	<u>7,746</u>	<u>8,119</u>	<u>8,722</u>	<u>(603)</u>
Fund balances - beginning	<u>(3,977)</u>	<u>(3,977)</u>	<u>(3,977)</u>	<u>-</u>
Fund balances - ending	<u><u>\$ (4,125)</u></u>	<u><u>\$ (4,418)</u></u>	<u><u>\$ (3,875)</u></u>	<u><u>\$ 1,749</u></u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
PUBLIC WORKS ROADS
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 124	\$ 124
Use of money & property	(10)	(10)	(52)	(42)
Intergovernmental revenue	9,054	10,545	9,286	(1,259)
Charges for services	1,424	1,424	467	(957)
Other revenues	130	130	119	(11)
Total revenues	<u>10,598</u>	<u>12,089</u>	<u>9,944</u>	<u>(2,145)</u>
Expenditures:				
Public ways and facilities:				
Salaries and benefits	6,807	6,807	6,159	648
Services and supplies	5,012	9,664	7,616	2,048
Other financing source	-	-	5	(5)
Intra fund transfers	(850)	(850)	(1,132)	282
Total expenditures	<u>10,969</u>	<u>15,621</u>	<u>12,648</u>	<u>2,973</u>
Fund balances - beginning	<u>(1,931)</u>	<u>(1,931)</u>	<u>(1,931)</u>	<u>-</u>
Fund balances - ending	<u><u>\$ (2,302)</u></u>	<u><u>\$ (5,463)</u></u>	<u><u>\$ (4,635)</u></u>	<u><u>\$ (5,118)</u></u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
HOST PUBLIC BENEFIT FEES
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money & property	\$ 115	\$ 115	\$ 267	\$ 152
Charges for services	220	220	270	50
Other revenues	2,500	2,500	6,236	3,736
Total revenues	<u>2,835</u>	<u>2,835</u>	<u>6,773</u>	<u>3,938</u>
Expenditures:				
General government:				
Services and supplies	2,047	4,328	1,642	2,686
Intra fund transfers	(45)	(45)	-	(45)
Total expenditures	<u>2,002</u>	<u>4,283</u>	<u>1,642</u>	<u>2,641</u>
Fund balances - beginning	<u>10,933</u>	<u>10,933</u>	<u>10,933</u>	<u>-</u>
Fund balances - ending	<u>\$ 11,766</u>	<u>\$ 9,485</u>	<u>\$ 16,064</u>	<u>\$ 1,297</u>

County of Imperial
Notes to Required Supplementary Information
Budget Comparisons

June 30, 2019

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. A reconciliation of budgetary information to GAAP information is not needed as there are no differences between the two.



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 services; and other revenues. Expenditures are made only for specific activities legally authorized to be financed from the individual funds.

Public Health – The Public Health Department has the primary responsibility to operate a wide range of medical and health functions in prevention of disease, injury, disability and premature death, environmental health and dental care, as well as long range health planning for and the protection of the public's health. Basic programs are communicable Disease Control, Maternal and Child Health, Public Health Field Nursing, Public Health Laboratory, Vital Statistics, Emergency Medical Services, Dental Services and Environmental Health Programs.

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.

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.

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.

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.

Non-major Governmental Funds

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.

DMV Fees – This fund was established per Health and Safety Code Section 44220-44223. Per Code Section, the revenues from the fees collected shall be used solely to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988.

Recorders Improvement – this is a fund where money is collected from recording documents. It is used for office improvements. GC 27361.

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.

Mental Health Service Act (MHSA) Prop 63 Fund – This 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.

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 Multi-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.

Wraparound Program – Established 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.

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.

Non-major Governmental Funds

SB1-Road Maintenance & Rehabilitation Act – The County will receive state fund from SB1 Road Maintenance and Rehabilitation Account (RMRA) that will help the County maintain and rehabilitate approximately twenty (20) miles of roads throughout the County's infrastructure.

APCD Rule 310 – Rule 310 is an enforceable regulation adopted to address indirect operational emissions resulting from residential and commercial development. Indirect sources of emissions are facilities as well as land uses which do not in themselves emit a significant amount of emissions but rather they attract or generate motor vehicle trips which result in emissions of ozone precursors (VOC's, ROG, and NOx), carbon monoxide (CO) and fine particulate matter (PM10 and PM2.5). This rule addresses only PM10 and NOx emissions.

2017 Homeland Security – The U.S. Department of Homeland Security provides funding to California to enhance the ability of the State, urban area, and local jurisdictions to prevent, protect against, mitigate, respond to, and recover from potential terrorist attacks and other hazard. Federal fund received will be utilized to strengthening preparedness planning and equipment activities, specifically interoperable communications. This enhances the communications of the various emergency response agencies providing service throughout Imperial County.

Farmers Program Carl Moyer – The Imperial County Air Pollution Control Department is participating in the Fund Agriculture Replacement Measures for Emissions Reductions (FARMER) Program. The ICAPCD distributes applications through the APCD Office, the Farm Bureau, and COLAB and through an RFP process in the Imperial Valle Press or other approved circulations. Applications are accepted on a first-come-first-served basis and conducts evaluations based on cost-effectiveness. Participating in the FARMER Program will continue to decrease the NOx and PM inventories.

HEAP Grant – The general purpose of the Homeless Emergency Aid Program is to provide one-time block grant funding to address the immediate emergency needs of homeless individuals and individuals at imminent risk of homelessness in the service area of each Contractor.

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.

Non-major Governmental Funds

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.

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.

Non-major Governmental Funds

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.

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.

Non-major Governmental Funds

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.

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, 2019
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets:				
Cash and cash equivalents	\$ 59,676	\$ 2,185	\$ 7,316	\$ 69,177
Deposits with others	10	-	-	10
Receivables (net):				
Accounts	10,545	1	-	10,546
Interest	5,327	-	32	5,359
Taxes	35	-	-	35
Loan	15,863	-	-	15,863
Due from other funds	2,638	-	-	2,638
Inventories and prepaid expenses	10	-	-	10
Total assets	<u>\$ 94,104</u>	<u>\$ 2,186</u>	<u>\$ 7,348</u>	<u>\$ 103,638</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	\$ 5,701	\$ 65	\$ -	\$ 5,766
Accrued payroll	992	-	-	992
Interest payable	15	-	-	15
Due to other funds	33,309	941	-	34,250
Total liabilities	<u>40,017</u>	<u>1,006</u>	<u>-</u>	<u>41,023</u>
Fund balances:				
Nonspendable	10	-	-	10
Restricted	83,882	-	7,348	91,230
Committed	7,409	2,158	-	9,567
Assigned	-	27	-	27
Unassigned	(37,214)	(1,005)	-	(38,219)
Total fund balances	<u>54,087</u>	<u>1,180</u>	<u>7,348</u>	<u>62,615</u>
Total liabilities and fund balances	<u>\$ 94,104</u>	<u>\$ 2,186</u>	<u>\$ 7,348</u>	<u>\$ 103,638</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues:				
Taxes	\$ 422	\$ -	\$ -	\$ 422
Licenses & permits	2,727	-	-	2,727
Fines, forfeitures & penalties	1,266	-	-	1,266
Use of money & property	2,034	18	90	2,142
State aid	68,835	2,410	-	71,245
Federal aid	19,153	4	-	19,157
Charges for services	16,377	773	-	17,150
Other revenues	3,396	15	4,190	7,601
Total revenues	<u>114,210</u>	<u>3,220</u>	<u>4,280</u>	<u>121,710</u>
Expenditures:				
Current:				
General government	1,393	1,463	5,978	8,834
Public protection	17,374	-	-	17,374
Health & sanitation	52,809	-	-	52,809
Public assistance	37,111	-	-	37,111
Public ways & facilities	6,727	-	-	6,727
Total expenditures	<u>115,414</u>	<u>1,463</u>	<u>5,978</u>	<u>122,855</u>
Net change in fund balances	(1,204)	1,757	(1,698)	(1,145)
Fund balances - beginning	50,177	(577)	9,046	58,646
Prior period adjustments	5,114	-	-	5,114
Fund balances - beginning, as restated	<u>55,291</u>	<u>(577)</u>	<u>9,046</u>	<u>63,760</u>
Fund balances - ending	<u>\$ 54,087</u>	<u>\$ 1,180</u>	<u>\$ 7,348</u>	<u>\$ 62,615</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Public Health	Library	Gateway CSA CAO	WIA Funds	Federal Jail Improvements
Assets:					
Cash and cash equivalents	\$ 809	\$ -	\$ 431	\$ 611	\$ 5
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	1,314	-	2	164	-
Interest	2	-	2	-	-
Taxes	-	35	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	10	-	-	-	-
	<u>\$ 2,135</u>	<u>\$ 35</u>	<u>\$ 435</u>	<u>\$ 775</u>	<u>\$ 5</u>
Total assets					
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 189	\$ 16	\$ 39	\$ 17	\$ -
Accrued payroll	225	13	-	58	-
Interest payable	-	2	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	505	-	-	-
	<u>414</u>	<u>536</u>	<u>39</u>	<u>75</u>	<u>-</u>
Total Liabilities					
Fund balances:					
Nonspendable	10	-	-	-	-
Restricted	1,711	10	396	700	5
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	(511)	-	-	-
	<u>1,721</u>	<u>(501)</u>	<u>396</u>	<u>700</u>	<u>5</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 2,135</u>	<u>\$ 35</u>	<u>\$ 435</u>	<u>\$ 775</u>	<u>\$ 5</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Criminal Justice Facilities	Geothermal Admin.	Sub. Abuse	Service Authority Freeway Emerg.	Air Pollution Control
Assets:					
Cash and cash equivalents	\$ 4,264	\$ 277	\$ 352	\$ 1,365	\$ 2,760
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	32	-	196	-	13
Interest	20	1	1	6	13
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 4,316</u>	<u>\$ 278</u>	<u>\$ 549</u>	<u>\$ 1,371</u>	<u>\$ 2,786</u>
Total assets					
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 4	\$ -	\$ 670	\$ 18	\$ 54
Accrued payroll	-	-	82	-	95
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>4</u>	<u>-</u>	<u>752</u>	<u>18</u>	<u>149</u>
Total Liabilities					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	4,312	278	285	1,353	2,637
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(488)	-	-
	<u>4,312</u>	<u>278</u>	<u>(203)</u>	<u>1,353</u>	<u>2,637</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 4,316</u>	<u>\$ 278</u>	<u>\$ 549</u>	<u>\$ 1,371</u>	<u>\$ 2,786</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	DMV Fees	Recorders Improvement	Medi-Cal/ CMSP	IHSS Public Authority	MHSA Act Prop #63
Assets:					
Cash and cash equivalents	\$ 1,969	\$ 1,247	\$ 7,290	\$ 1,123	\$ -
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	-	-	-	516	1,048
Interest	10	-	-	-	34
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 1,979</u>	<u>\$ 1,247</u>	<u>\$ 7,290</u>	<u>\$ 1,639</u>	<u>\$ 1,082</u>
Total assets					
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ (17)	\$ 604
Accrued payroll	-	-	-	11	177
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	70
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>851</u>
Total Liabilities					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,979	1,247	7,290	1,645	390
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(159)
	<u>1,979</u>	<u>1,247</u>	<u>7,290</u>	<u>1,645</u>	<u>231</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 1,979</u>	<u>\$ 1,247</u>	<u>\$ 7,290</u>	<u>\$ 1,639</u>	<u>\$ 1,082</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Public Works Impact Fees	Cal-Met Grant	Ozone Operational Develop	Measure D LTA Road Funds	Sunbeam Lake RV Park
Assets:					
Cash and cash equivalents	\$ 629	\$ 759	\$ 959	\$ 9,191	\$ 880
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	-	2	-	-	8
Interest	3	-	4	43	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 632</u>	<u>\$ 761</u>	<u>\$ 963</u>	<u>\$ 9,234</u>	<u>\$ 888</u>
Total assets					
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ 92	\$ -	\$ 12	\$ 165
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>-</u>	<u>92</u>	<u>-</u>	<u>12</u>	<u>165</u>
Total Liabilities					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	632	669	963	9,222	723
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>632</u>	<u>669</u>	<u>963</u>	<u>9,222</u>	<u>723</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 632</u>	<u>\$ 761</u>	<u>\$ 963</u>	<u>\$ 9,234</u>	<u>\$ 888</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Com Cor Perform Incent	Wraparound Program	Igt Intra Govern Transfer	Local Health Authosity	SB1-Road Maint & Rehav Act
Assets:					
Cash and cash equivalents	\$ 1,138	\$ 975	\$ 534	\$ 8,930	\$ 4,331
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	50	-	-	93	-
Interest	6	-	-	42	23
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 1,194</u>	<u>\$ 975</u>	<u>\$ 534</u>	<u>\$ 9,065</u>	<u>\$ 4,354</u>
Total assets					
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ 1	\$ 10	\$ -	\$ 82	\$ 1,436
Accrued payroll	-	2	-	8	-
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u>1</u>	<u>12</u>	<u>-</u>	<u>90</u>	<u>1,436</u>
Total Liabilities					
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,193	963	534	8,975	2,918
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
	<u>1,193</u>	<u>963</u>	<u>534</u>	<u>8,975</u>	<u>2,918</u>
Total fund balances					
Total liabilities and fund balances	<u>\$ 1,194</u>	<u>\$ 975</u>	<u>\$ 534</u>	<u>\$ 9,065</u>	<u>\$ 4,354</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	APCD Rule 310	2017 Homeland Security	Farmers Prgm Carl Moyer	HEAP Grant	Admin ICCED
Assets:					
Cash and cash equivalents	\$ 517	\$ -	\$ 522	\$ 2,233	\$ -
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	-	527	-	-	-
Interest	2	-	2	-	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	2,638	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 519</u>	<u>\$ 527</u>	<u>\$ 524</u>	<u>\$ 4,871</u>	<u>\$ -</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	-
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	3	527	3	4,871	-
Committed	516	-	521	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	(1)
	<u>519</u>	<u>527</u>	<u>524</u>	<u>4,871</u>	<u>(1)</u>
Total liabilities and fund balances	<u>\$ 519</u>	<u>\$ 527</u>	<u>\$ 524</u>	<u>\$ 4,871</u>	<u>\$ -</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Boating & Waterways	CDBG	Disaster Recovery	Economic Development	First Time Homebuyer
Assets:					
Cash and cash equivalents	\$ 6	\$ -	\$ -	\$ -	\$ 142
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	-	-	-	-	-
Interest	-	1,891	2,099	-	168
Taxes	-	-	-	-	-
Loan	-	4,409	3,561	-	1,601
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 6</u>	<u>\$ 6,300</u>	<u>\$ 5,660</u>	<u>\$ -</u>	<u>\$ 1,911</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	-	197	276	4	-
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	647	327	1,639	-
	<u>-</u>	<u>844</u>	<u>603</u>	<u>1,643</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	58	7,331	5,967	5	1,929
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(52)	(1,875)	(910)	(1,648)	(18)
	<u>6</u>	<u>5,456</u>	<u>5,057</u>	<u>(1,643)</u>	<u>1,911</u>
Total fund balances	<u>6</u>	<u>5,456</u>	<u>5,057</u>	<u>(1,643)</u>	<u>1,911</u>
Total liabilities and fund balances	<u>\$ 6</u>	<u>\$ 6,300</u>	<u>\$ 5,660</u>	<u>\$ -</u>	<u>\$ 1,911</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Housing Rehabilitation</u>	<u>Water Treatment</u>	<u>Parks and Recreation</u>	<u>USDA</u>	<u>Administration</u>
Assets:					
Cash and cash equivalents	\$ -	\$ 22	\$ 9	\$ -	\$ 659
Deposits with others	-	-	-	-	10
Receivables (net):					
Accounts	-	-	-	-	2
Interest	28	829	-	30	4
Taxes	-	-	-	-	-
Loan	157	3,616	-	2,219	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 185</u>	<u>\$ 4,467</u>	<u>\$ 9</u>	<u>\$ 2,249</u>	<u>\$ 675</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	-	-	-	13	186
Accrued payroll	-	-	-	-	-
Interest payable	-	-	-	6	-
Loan payable	-	-	-	-	-
Due to other funds	25	-	-	770	-
	<u>25</u>	<u>-</u>	<u>-</u>	<u>789</u>	<u>186</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	185	4,467	9	2,666	535
Committed	-	-	-	-	443
Assigned	-	-	-	-	-
Unassigned	(25)	-	-	(1,206)	(489)
	<u>160</u>	<u>4,467</u>	<u>9</u>	<u>1,460</u>	<u>489</u>
Total fund balances	<u>160</u>	<u>4,467</u>	<u>9</u>	<u>1,460</u>	<u>489</u>
Total liabilities and fund balances	<u>\$ 185</u>	<u>\$ 4,467</u>	<u>\$ 9</u>	<u>\$ 2,249</u>	<u>\$ 675</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Communications</u>	<u>Detention and Correction</u>	<u>Fire Protection</u>	<u>Health</u>	<u>Judicial</u>
Assets:					
Cash and cash equivalents	\$ 26	\$ 139	\$ 322	\$ 1,904	\$ -
Deposits with others	-	-	-	-	-
Receivables (net):					
Accounts	-	-	152	178	124
Interest	-	1	2	43	-
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories and prepaid expenses	-	-	-	-	-
	<u>\$ 26</u>	<u>\$ 140</u>	<u>\$ 476</u>	<u>\$ 2,125</u>	<u>\$ 124</u>
Total assets	<u>\$ 26</u>	<u>\$ 140</u>	<u>\$ 476</u>	<u>\$ 2,125</u>	<u>\$ 124</u>
Liabilities and fund balances:					
Liabilities:					
Accounts payable	-	-	15	314	3
Accrued payroll	-	-	14	85	13
Interest payable	-	-	-	-	-
Loan payable	-	-	-	-	-
Due to other funds	-	-	-	-	56
	<u>-</u>	<u>-</u>	<u>29</u>	<u>399</u>	<u>72</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>29</u>	<u>399</u>	<u>72</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	1	155	687	149
Committed	26	150	292	1,249	-
Assigned	-	-	-	-	-
Unassigned	-	(11)	-	(210)	(97)
	<u>26</u>	<u>140</u>	<u>447</u>	<u>1,726</u>	<u>52</u>
Total fund balances	<u>26</u>	<u>140</u>	<u>447</u>	<u>1,726</u>	<u>52</u>
Total liabilities and fund balances	<u>\$ 26</u>	<u>\$ 140</u>	<u>\$ 476</u>	<u>\$ 2,125</u>	<u>\$ 124</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Legislative and admin	Police Protection	Property Management	Public Ways
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 308
Deposits with others	-	-	-	-
Receivables (net):				
Accounts	-	137	-	-
Interest	1	-	-	2
Taxes	-	-	-	-
Loan	-	-	300	-
Due from other funds	-	-	-	-
Inventories and prepaid expenses	-	-	-	-
	<u>\$ 1</u>	<u>\$ 137</u>	<u>\$ 300</u>	<u>\$ 310</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	20	17	-	-
Accrued payroll	-	11	-	-
Interest payable	-	-	-	-
Loan payable	-	-	-	-
Due to other funds	106	633	-	-
	<u>126</u>	<u>661</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>126</u>	<u>661</u>	<u>-</u>	<u>-</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	-	159	-	310
Committed	96	-	300	-
Assigned	-	-	-	-
Unassigned	(221)	(683)	-	-
	<u>(125)</u>	<u>(524)</u>	<u>300</u>	<u>310</u>
Total fund balances	<u>(125)</u>	<u>(524)</u>	<u>300</u>	<u>310</u>
Total liabilities and fund balances	<u>\$ 1</u>	<u>\$ 137</u>	<u>\$ 300</u>	<u>\$ 310</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Recreational Facilities</u>	<u>Sanitation</u>	<u>Other Protection</u>	<u>Public Protection</u>
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 141	\$ 823
Deposits with others	-	-	-	-
Receivables (net):				
Accounts	-	3,336	658	1,759
Interest	-	-	4	6
Taxes	-	-	-	-
Loan	-	-	-	-
Due from other funds	-	-	-	-
Inventories and prepaid expenses	-	-	-	-
	<u>\$ -</u>	<u>\$ 3,336</u>	<u>\$ 803</u>	<u>\$ 2,588</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	-	83	159	690
Accrued payroll	-	21	55	92
Interest payable	-	-	5	2
Loan payable	-	-	-	-
Due to other funds	58	28,467	-	-
	<u>58</u>	<u>28,571</u>	<u>219</u>	<u>784</u>
Fund balances:				
Nonspendable	-	-	-	-
Restricted	10	-	1,301	1,209
Committed	-	758	863	1,099
Assigned	-	-	-	-
Unassigned	(68)	(25,993)	(1,580)	(504)
	<u>(58)</u>	<u>(25,235)</u>	<u>584</u>	<u>1,804</u>
Total fund balances	<u>(58)</u>	<u>(25,235)</u>	<u>584</u>	<u>1,804</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,336</u>	<u>\$ 803</u>	<u>\$ 2,588</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Other Assistance</u>	<u>Public Assistance</u>	<u>Education</u>	<u>Special Revenue Total</u>
Assets:				
Cash and cash equivalents	\$ 712	\$ 362	\$ -	\$ 59,676
Deposits with others	-	-	-	10
Receivables (net):				
Accounts	-	193	41	10,545
Interest	4	1	-	5,327
Taxes	-	-	-	35
Loan	-	-	-	15,863
Due from other funds	-	-	-	2,638
Inventories and prepaid expenses	-	-	-	10
	<u>\$ 716</u>	<u>\$ 556</u>	<u>\$ 41</u>	<u>\$ 94,104</u>
Liabilities and fund balances:				
Liabilities:				
Accounts payable	16	308	8	\$ 5,701
Accrued payroll	12	18	-	992
Interest payable	-	-	-	15
Loan payable	-	-	-	-
Due to other funds	-	-	5	33,309
	<u>28</u>	<u>326</u>	<u>13</u>	<u>40,017</u>
Fund balances:				
Nonspendable	-	-	-	10
Restricted	32	279	4	83,882
Committed	743	321	32	7,409
Assigned	-	-	-	-
Unassigned	(87)	(370)	(8)	(37,214)
	<u>688</u>	<u>230</u>	<u>28</u>	<u>54,087</u>
Total fund balances	<u>688</u>	<u>230</u>	<u>28</u>	<u>54,087</u>
Total liabilities and fund balances	<u>\$ 716</u>	<u>\$ 556</u>	<u>\$ 41</u>	<u>\$ 94,104</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Public Health</u>	<u>Library</u>	<u>Gateway CSA CAO</u>	<u>WIA Funds</u>	<u>Federal Jail Improvements</u>
Revenues:					
Taxes	\$ -	\$ 421	\$ 1	\$ -	\$ -
Licenses & permits	3	-	-	-	-
Fines, forfeitures & penalties	32	-	-	-	-
Use of money & property	2	(7)	6	388	-
Intergovernmental	11,153	112	-	209	-
Federal aid	-	-	-	3,481	-
Charges for services	1,568	12	448	243	-
Other revenues	15	-	2	3	-
Total revenues	<u>12,773</u>	<u>538</u>	<u>457</u>	<u>4,324</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	-	12
Health & sanitation	11,052	-	-	-	-
Public assistance	-	619	470	3,966	-
Public ways & facilities	-	-	-	-	-
Total expenditures	<u>11,052</u>	<u>619</u>	<u>470</u>	<u>3,966</u>	<u>12</u>
Net change in fund balances	1,721	(81)	(13)	358	(12)
Fund balances - beginning	-	(420)	409	342	17
Prior period adjustment					
Fund balances, as restated	<u>-</u>	<u>(420)</u>	<u>409</u>	<u>342</u>	<u>17</u>
Fund balances - ending	<u>\$ 1,721</u>	<u>\$ (501)</u>	<u>\$ 396</u>	<u>\$ 700</u>	<u>\$ 5</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Criminal Justice Facilities	Geothermal Admin.	Sub. Abuse	Service Authority Freeway Emerg.	Air Pollution Control Special
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	1,511
Fines, forfeitures & penalties	390	-	-	-	52
Use of money & property	58	4	10	19	34
Intergovernmental	-	55	4,376	177	831
Federal aid	-	54	1,102	-	492
Charges for services	-	-	155	2	41
Other revenues	23	1	2	7	85
Total revenues	<u>471</u>	<u>114</u>	<u>5,645</u>	<u>205</u>	<u>3,046</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	183	-	-	-	-
Health & sanitation	-	-	5,941	-	2,759
Public assistance	-	47	-	-	-
Public ways & facilities	-	-	-	121	-
Total expenditures	<u>183</u>	<u>47</u>	<u>5,941</u>	<u>121</u>	<u>2,759</u>
Net change in fund balances	288	67	(296)	84	287
Fund balances - beginning	4,024	211	93	1,269	2,350
Prior period adjustment					
Fund balances, as restated	<u>4,024</u>	<u>211</u>	<u>93</u>	<u>1,269</u>	<u>2,350</u>
Fund balances - ending	<u>\$ 4,312</u>	<u>\$ 278</u>	<u>\$ (203)</u>	<u>\$ 1,353</u>	<u>\$ 2,637</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>DMV Fees</u>	<u>Recorders Improvement</u>	<u>Medi-Cal CMSP</u>	<u>IHSS Public Authority</u>	<u>MHSA Act Prop #63</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Use of money & property	33	-	-	-	87
Intergovernmental	1,084	-	8,172	13,698	4,477
Federal aid	-	-	-	-	6,628
Charges for services	-	94	-	109	959
Other revenues	10	7	39	5	-
Total revenues	<u>1,127</u>	<u>101</u>	<u>8,211</u>	<u>13,812</u>	<u>12,151</u>
Expenditures:					
Current:					
General government	1,209	35	-	-	-
Public protection	-	-	-	-	-
Health & sanitation	-	-	-	-	17,126
Public assistance	-	-	6,856	13,808	-
Public ways & facilities	-	-	-	-	-
Total expenditures	<u>1,209</u>	<u>35</u>	<u>6,856</u>	<u>13,808</u>	<u>17,126</u>
Net change in fund balances	(82)	66	1,355	4	(4,975)
Fund balances - beginning	-	-	5,935	1,641	5,206
Prior period adjustment	2,061	1,181	-	-	-
Fund balances, as restated	<u>2,061</u>	<u>1,181</u>	<u>5,935</u>	<u>1,641</u>	<u>5,206</u>
Fund balances - ending	<u>\$ 1,979</u>	<u>\$ 1,247</u>	<u>\$ 7,290</u>	<u>\$ 1,645</u>	<u>\$ 231</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Public Works Impact Fees	Cal-Met Grant	Ozone Operational Develop	Measure D LTD Road Funds	Sunbeam Lake RV Park
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Use of money & property	12	-	14	107	875
Intergovernmental	-	496	-	2,629	-
Federal aid	-	-	-	-	-
Charges for services	77	2	-	-	-
Other revenues	3	4	5	49	171
Total revenues	92	502	19	2,785	1,046
Expenditures:					
Current:					
General government	-	-	-	88	-
Public protection	-	523	67	-	-
Health & sanitation	-	-	-	-	-
Public assistance	400	-	-	-	-
Public ways & facilities	-	-	-	-	1,094
Total expenditures	400	523	67	88	1,094
Net change in fund balances	(308)	(21)	(48)	2,697	(48)
Fund balances - beginning	940	690	1,011	6,525	771
Prior period adjustment					
Fund balances, as restated	940	690	1,011	6,525	771
Fund balances - ending	\$ 632	\$ 669	\$ 963	\$ 9,222	\$ 723

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Com Cor Perform Incent	Wraparound Program	Igt Intra Govern Transfer	Local Health Authority	SB1-Road Maint & Rehav Act
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Use of money & property	17	-	-	120	45
Intergovernmental	200	-	-	-	8,119
Federal aid	-	-	-	-	-
Charges for services	-	-	-	-	-
Other revenues	6	5	3	1,529	23
Total revenues	223	5	3	1,649	8,187
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	203	-	-	-	-
Health & sanitation	-	-	187	766	-
Public assistance	-	(94)	-	-	-
Public ways & facilities	-	-	-	-	5,388
Total expenditures	203	(94)	187	766	5,388
Net change in fund balances	20	99	(184)	883	2,799
Fund balances - beginning	1,173	864	718	8,092	119
Prior period adjustment					
Fund balances, as restated	1,173	864	718	8,092	119
Fund balances - ending	\$ 1,193	\$ 963	\$ 534	\$ 8,975	\$ 2,918

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	APCD Rule 310	2017 Homeland Security	Farmers Prgm Carl Moyer	HEAP Grant	Admin ICCED
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Use of money & property	5	-	2	-	-
Intergovernmental	-	-	593	4,859	-
Federal aid	-	264	-	-	-
Charges for services	306	-	-	-	-
Other revenues	3	-	3	12	-
Total revenues	<u>314</u>	<u>264</u>	<u>598</u>	<u>4,871</u>	<u>-</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	-	-
Health & sanitation	-	-	74	-	-
Public assistance	-	-	-	-	-
Public ways & facilities	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>74</u>	<u>-</u>	<u>-</u>
Net change in fund balances	314	264	524	4,871	-
Fund balances - beginning	205	263	-	-	(1)
Prior period adjustment	-	-	-	-	-
Fund balances, as restated	<u>205</u>	<u>263</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Fund balances - ending	<u>\$ 519</u>	<u>\$ 527</u>	<u>\$ 524</u>	<u>\$ 4,871</u>	<u>\$ (1)</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Boating & Waterways</u>	<u>CDBG</u>	<u>Disaster Recovery</u>	<u>Economic Development</u>	<u>First Time Homebuyer</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	-
Use of money & property	-	1	-	-	2
Intergovernmental	-	1,008	317	18	(48)
Federal aid	-	-	-	(25)	-
Charges for services	-	71	10	-	-
Other revenues	-	77	102	-	17
Total revenues	<u>-</u>	<u>1,157</u>	<u>429</u>	<u>(7)</u>	<u>(29)</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	-	-	10	-
Health & sanitation	-	-	-	-	-
Public assistance	-	4,050	892	-	7
Public ways & facilities	-	-	-	-	-
Total expenditures	<u>-</u>	<u>4,050</u>	<u>892</u>	<u>10</u>	<u>7</u>
Net change in fund balances	-	(2,893)	(463)	(17)	(36)
Fund balances - beginning	6	8,349	5,520	(1,626)	1,947
Prior period adjustment					
Fund balances, as restated	<u>6</u>	<u>8,349</u>	<u>5,520</u>	<u>(1,626)</u>	<u>1,947</u>
Fund balances - ending	<u>\$ 6</u>	<u>\$ 5,456</u>	<u>\$ 5,057</u>	<u>\$ (1,643)</u>	<u>\$ 1,911</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Housing Rehabilitation</u>	<u>Water Treatment</u>	<u>Parks and Recreation</u>	<u>USDA</u>	<u>Administration</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-	-
Fines, forfeitures & penalties	-	-	-	-	2
Use of money & property	-	-	-	(9)	11
Intergovernmental	-	-	-	-	-
Federal aid	-	-	-	-	2,428
Charges for services	-	6	-	24	482
Other revenues	20	34	-	-	57
Total revenues	<u>20</u>	<u>40</u>	<u>-</u>	<u>15</u>	<u>2,980</u>
Expenditures:					
Current:					
General government	-	-	-	-	3
Public protection	-	-	-	-	183
Health & sanitation	-	-	-	-	-
Public assistance	4	-	-	209	3,171
Public ways & facilities	-	-	-	-	-
Total expenditures	<u>4</u>	<u>-</u>	<u>-</u>	<u>209</u>	<u>3,357</u>
Net change in fund balances	16	40	-	(194)	(377)
Fund balances - beginning	144	4,427	9	1,654	544
Prior period adjustment					322
Fund balances, as restated	<u>144</u>	<u>4,427</u>	<u>9</u>	<u>1,654</u>	<u>866</u>
Fund balances - ending	<u>\$ 160</u>	<u>\$ 4,467</u>	<u>\$ 9</u>	<u>\$ 1,460</u>	<u>\$ 489</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Communications	Detention and Correction	Fire Protection	Health	Judicial
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	1,205	-
Fines, forfeitures & penalties	-	-	-	24	-
Use of money & property	1	2	5	102	-
Intergovernmental	-	-	936	(2,691)	1
Federal aid	-	-	88	809	635
Charges for services	-	40	70	1,289	-
Other revenues	-	1	2	754	-
Total revenues	1	43	1,101	1,492	636
Expenditures:					
Current:					
General government	-	-	-	-	-
Public protection	-	104	1,016	-	635
Health & sanitation	-	-	-	4,587	-
Public assistance	-	-	-	434	-
Public ways & facilities	-	-	-	-	-
Total expenditures	-	104	1,016	5,021	635
Net change in fund balances	1	(61)	85	(3,529)	1
Fund balances - beginning	25	201	325	5,217	51
Prior period adjustment			37	38	
Fund balances, as restated	25	201	362	5,255	51
Fund balances - ending	\$ 26	\$ 140	\$ 447	\$ 1,726	\$ 52

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Legislative and admin	Police Protection	Property Management	Public Ways
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	-	-
Fines, forfeitures & penalties	-	42	-	-
Use of money & property	2	-	-	18
Intergovernmental	-	-	-	-
Federal aid	-	1,266	-	-
Charges for services	-	-	-	-
Other revenues	-	-	-	2
Total revenues	<u>2</u>	<u>1,308</u>	<u>-</u>	<u>20</u>
Expenditures:				
Current:				
General government	58	-	-	-
Public protection	-	1,286	-	-
Health & sanitation	-	-	-	-
Public assistance	-	-	-	-
Public ways & facilities	-	-	-	120
Total expenditures	<u>58</u>	<u>1,286</u>	<u>-</u>	<u>120</u>
Net change in fund balances	(56)	22	-	(100)
Fund balances - beginning	(69)	(546)	300	120
Prior period adjustment				290
Fund balances, as restated	<u>(69)</u>	<u>(546)</u>	<u>300</u>	<u>410</u>
Fund balances - ending	<u>\$ (125)</u>	<u>\$ (524)</u>	<u>\$ 300</u>	<u>\$ 310</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Recreational Facilities	Sanitation	Other Protection	Public Protection
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & permits	-	-	8	-
Fines, forfeitures & penalties	-	-	295	429
Use of money & property	-	-	6	45
Intergovernmental	-	-	1,251	5,577
Federal aid	-	-	399	413
Charges for services	-	6,033	817	3,369
Other revenues	-	-	169	5
Total revenues	<u>-</u>	<u>6,033</u>	<u>2,945</u>	<u>9,838</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public protection	-	-	4,029	9,020
Health & sanitation	-	9,638	-	-
Public assistance	-	-	-	-
Public ways & facilities	-	-	4	-
Total expenditures	<u>-</u>	<u>9,638</u>	<u>4,033</u>	<u>9,020</u>
Net change in fund balances	-	(3,605)	(1,088)	818
Fund balances - beginning	(58)	(21,630)	1,209	318
Prior period adjustment			463	668
Fund balances, as restated	<u>(58)</u>	<u>(21,630)</u>	<u>1,672</u>	<u>986</u>
Fund balances - ending	<u>\$ (58)</u>	<u>\$ (25,235)</u>	<u>\$ 584</u>	<u>\$ 1,804</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Other Assistance	Public Assistance	Education	Special Revenue Total
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 422
Licenses & permits	-	-	-	2,727
Fines, forfeitures & penalties	-	-	-	1,266
Use of money & property	12	4	1	2,034
Intergovernmental	619	487	120	68,835
Federal aid	-	1,119	-	19,153
Charges for services	82	68	-	16,377
Other revenues	3	138	-	3,396
Total revenues	<u>716</u>	<u>1,816</u>	<u>121</u>	<u>114,210</u>
Expenditures:				
Current:				
General government	-	-	-	1,393
Public protection	-	3	100	17,374
Health & sanitation	679	-	-	52,809
Public assistance	322	1,918	32	37,111
Public ways & facilities	-	-	-	6,727
Total expenditures	<u>1,001</u>	<u>1,921</u>	<u>132</u>	<u>115,414</u>
Net change in fund balances	(285)	(105)	(11)	(1,204)
Fund balances - beginning	973	281	39	50,177
Prior period adjustment		54		5,114
Fund balances, as restated	<u>973</u>	<u>335</u>	<u>39</u>	<u>55,291</u>
Fund balances - ending	<u>\$ 688</u>	<u>\$ 230</u>	<u>\$ 28</u>	<u>\$ 54,087</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.

Case Management Systems – This fund was established to process and monitor healthcare services given to county employees by a group of healthcare providers.

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, 2019
(amounts expressed in thousands)

	<u>Garage Operating</u>	<u>Central. Mail System</u>	<u>Flood Control</u>	<u>Comm. Services</u>	<u>Liability Insurance</u>
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 532	\$ -	\$ 25	\$ 128	\$ 3,074
Receivables (net):					
Accounts	-	-	-	-	-
Interest	2	-	-	-	15
Due from pther funds	161	-	-	-	-
Inventories and prepaid expenses	36	5	-	-	-
Total current assets	<u>731</u>	<u>5</u>	<u>25</u>	<u>128</u>	<u>3,089</u>
Noncurrent assets:					
Land	23	-	-	-	-
Structures & improvements	242	-	-	-	-
Vehicles	9,964	-	-	-	-
Equipment	101	37	-	2,408	-
Accumulated depreciation	(6,762)	(7)	-	(2,069)	-
Total noncurrent assets	<u>3,568</u>	<u>30</u>	<u>-</u>	<u>339</u>	<u>-</u>
Total assets	<u>4,299</u>	<u>35</u>	<u>25</u>	<u>467</u>	<u>3,089</u>
Deferred outflows of resources					
Deferred pensions	198	-	-	-	-
Deferred OPEB	35	-	-	-	-
Total Deferred outflows of resources	<u>233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Current liabilities:					
Claims payable	-	-	-	-	1,831
Accounts payable	143	2	-	-	4
Interest payable	-	-	-	-	-
Accrued payroll	19	-	-	-	-
Due to other funds	-	161	-	-	-
Current portion of compensated absences	4	-	-	-	-
Total current liabilities	<u>166</u>	<u>163</u>	<u>-</u>	<u>-</u>	<u>1,835</u>
Long term liabilities:					
Compensated absences	40	-	-	-	-
Net pension liability	409	-	-	-	-
Net OPEB liability	893	-	-	-	-
Total noncurrent liabilities	<u>1,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,508</u>	<u>163</u>	<u>-</u>	<u>-</u>	<u>1,835</u>
Deferred inflows of resources					
Deferred pensions	68	-	-	-	-
Deferred OPEB	129	-	-	-	-
Total deferred inflows of resources	<u>197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	3,567	29	-	895	-
Restricted	-	-	-	-	-
Unrestricted	(740)	(157)	25	(428)	1,254
Total net position	<u>\$ 2,827</u>	<u>\$ (128)</u>	<u>\$ 25</u>	<u>\$ 467</u>	<u>\$ 1,254</u>

COUNTY OF IMPERIAL
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Workers' Comp. Benefits</u>	<u>Unemp. Insurance</u>	<u>Medical Plan</u>	<u>Dental/ Vision Plan</u>	<u>Medical Malpractice</u>
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 38,592	\$ 2,715	\$ 9,416	\$ 590	\$ 997
Receivables (net):					
Accounts	-	-	-	-	-
Interest	186	13	45	7	5
Due from pther funds	-	-	-	806	-
Inventories and prepaid expenses	-	-	-	-	-
Total current assets	<u>38,778</u>	<u>2,728</u>	<u>9,461</u>	<u>1,403</u>	<u>1,002</u>
Noncurrent assets:					
Land	-	-	-	-	-
Structures & improvements	-	-	-	-	-
Vehicles	-	-	-	-	-
Equipment	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>38,778</u>	<u>2,728</u>	<u>9,461</u>	<u>1,403</u>	<u>1,002</u>
Deferred outflows of resources					
Deferred pensions	-	-	-	-	-
Deferred OPEB	-	-	-	-	-
Total Deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Current liabilities:					
Claims payable	31,219	-	-	173	-
Accounts payable	2	60	-	14	-
Interest payable	-	-	-	-	-
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	-
Current portion of compensated absences	-	-	-	-	-
Total current liabilities	<u>31,221</u>	<u>60</u>	<u>-</u>	<u>187</u>	<u>-</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>
Total liabilities	<u>31,221</u>	<u>60</u>	<u>-</u>	<u>187</u>	<u>-</u>
Deferred inflows of resources					
Deferred pensions	-	-	-	-	-
Deferred OPEB	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	-	-	-	-	-
Restricted	-	-	35	-	-
Unrestricted	7,557	2,668	9,426	1,216	1,002
Total net position	<u>\$ 7,557</u>	<u>\$ 2,668</u>	<u>\$ 9,461</u>	<u>\$ 1,216</u>	<u>\$ 1,002</u>

COUNTY OF IMPERIAL
Combining Statement of Net Position
Internal Service Funds
June 30, 2019
(amounts expressed in thousands)

	<u>Auto</u>	<u>Information Systems</u>	<u>Case Management Systems</u>	<u>Total</u>
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 818	\$ -	\$ 402	\$ 57,289
Receivables (net):				
Accounts	-	1,000	-	1,000
Interest	4	-	6	283
Due from other funds	-	-	-	967
Inventories and prepaid expenses	-	-	-	41
Total current assets	<u>822</u>	<u>1,000</u>	<u>408</u>	<u>59,580</u>
Noncurrent assets:				
Land	-	-	-	23
Structures & improvements	-	-	-	242
Vehicles	-	-	-	9,964
Equipment	-	529	-	3,075
Accumulated depreciation	-	(201)	-	(9,039)
Total noncurrent assets	<u>-</u>	<u>328</u>	<u>-</u>	<u>4,265</u>
Total assets	<u>822</u>	<u>1,328</u>	<u>408</u>	<u>63,845</u>
Deferred outflows of resources				
Deferred pensions	-	698	-	896
Deferred OPEB	-	122	-	157
Total Deferred outflows of resources	<u>-</u>	<u>820</u>	<u>-</u>	<u>1,053</u>
LIABILITIES:				
Current liabilities:				
Claims payable	621	-	-	33,844
Accounts payable	-	24	130	379
Interest payable	-	5	-	5
Accrued payroll	-	56	-	75
Due to other funds	-	806	-	967
Current portion of compensated absences	-	3	-	7
Total current liabilities	<u>621</u>	<u>894</u>	<u>130</u>	<u>35,277</u>
Long term liabilities:				
Compensated absences	-	157	-	197
Net pension liability	-	1,440	-	1,849
Net OPEB liability	-	3,146	-	4,039
Total noncurrent liabilities	<u>-</u>	<u>4,743</u>	<u>-</u>	<u>6,085</u>
Total liabilities	<u>621</u>	<u>5,637</u>	<u>130</u>	<u>41,362</u>
Deferred inflows of resources				
Deferred pensions	-	241	-	309
Deferred OPEB	-	455	-	584
Total deferred inflows of resources	<u>-</u>	<u>696</u>	<u>-</u>	<u>893</u>
NET POSITION:				
Net investment in capital assets	-	328	-	4,819
Restricted	-	-	4	39
Unrestricted	201	(4,513)	274	17,785
Total net position	<u>\$ 201</u>	<u>\$ (4,185)</u>	<u>\$ 278</u>	<u>\$ 22,643</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Garage Operating</u>	<u>Centralized Mail System</u>	<u>Flood Control</u>	<u>Comm. Services</u>	<u>Liability Insurance</u>
Operating revenues:					
Charges for services	\$ 2,481	\$ 352	\$ -	\$ 124	\$ 3,095
Other revenues	91	-	-	1	16
Total operating revenues	<u>2,572</u>	<u>352</u>	<u>-</u>	<u>125</u>	<u>3,111</u>
Operating expenses:					
Salaries and benefits	595	-	-	-	-
Services and supplies	2,427	319	-	25	4,823
Depreciation	245	-	-	-	-
Total operating expenses	<u>3,267</u>	<u>319</u>	<u>-</u>	<u>25</u>	<u>4,823</u>
Operating income (loss)	<u>(695)</u>	<u>33</u>	<u>-</u>	<u>100</u>	<u>(1,712)</u>
Non-operating revenues (expenses):					
Interest - income	10	-	-	1	46
Other	692	-	-	(331)	-
Total non-operating rev (exp)	<u>702</u>	<u>-</u>	<u>-</u>	<u>(330)</u>	<u>46</u>
Change in net position	<u>7</u>	<u>33</u>	<u>-</u>	<u>(230)</u>	<u>(1,666)</u>
Net position - beginning	2,820	(161)	25	697	4,467
Prior period adjustment	-	-	-	-	(1,547)
Net position - beginning, as restated	<u>2,820</u>	<u>(161)</u>	<u>25</u>	<u>697</u>	<u>2,920</u>
Net position - ending	<u>\$ 2,827</u>	<u>\$ (128)</u>	<u>\$ 25</u>	<u>\$ 467</u>	<u>\$ 1,254</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>	<u>Unemployment</u> <u>Insurance</u>	<u>Medical</u> <u>Plan</u>	<u>Dental/</u> <u>Vision</u> <u>Plan</u>	<u>Medical</u> <u>Malpractice</u>
Operating revenues:					
Charges for services	\$ 3,077	\$ 443	\$ 50	\$ 1,572	\$ 205
Other revenues	204	14	52	3	5
Total operating revenues	<u>3,281</u>	<u>457</u>	<u>102</u>	<u>1,575</u>	<u>210</u>
Operating expenses:					
Salaries and benefits	-	-	-	-	-
Services and supplies	9,500	365	96	1,360	254
Depreciation	-	-	-	-	-
Total operating expenses	<u>9,500</u>	<u>365</u>	<u>96</u>	<u>1,360</u>	<u>254</u>
Operating income (loss)	<u>(6,219)</u>	<u>92</u>	<u>6</u>	<u>215</u>	<u>(44)</u>
Non-operating revenues (expenses):					
Interest - income	564	37	132	18	14
Other	-	-	-	-	-
Total non-operating rev (exp)	<u>564</u>	<u>37</u>	<u>132</u>	<u>18</u>	<u>14</u>
Change in net position	<u>(5,655)</u>	<u>129</u>	<u>138</u>	<u>233</u>	<u>(30)</u>
Net position - beginning	25,036	2,539	9,323	982	1,032
Prior period adjustment	(11,824)	-	-	-	-
Net position - beginning, as restated	<u>13,212</u>	<u>2,539</u>	<u>9,323</u>	<u>983</u>	<u>1,032</u>
Net position - ending	<u>\$ 7,557</u>	<u>\$ 2,668</u>	<u>\$ 9,461</u>	<u>\$ 1,216</u>	<u>\$ 1,002</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Auto</u>	<u>Information Systems</u>	<u>Case Management Systems</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 84	\$ 3,867	\$ 32,588	\$ 47,938
Other revenues	4	255	2	647
Total operating revenues	<u>88</u>	<u>4,122</u>	<u>32,590</u>	<u>48,585</u>
Operating expenses:				
Salaries and benefits	-	2,050	-	2,645
Services and supplies	348	2,824	30,034	52,375
Depreciation	-	62	-	307
Total operating expenses	<u>348</u>	<u>4,936</u>	<u>30,034</u>	<u>55,327</u>
Operating income (loss)	<u>(260)</u>	<u>(814)</u>	<u>2,556</u>	<u>(6,742)</u>
Non-operating revenues (expenses):				
Interest - income	12	-	21	855
Other	-	9	-	370
Total non-operating rev (exp)	<u>12</u>	<u>9</u>	<u>21</u>	<u>1,225</u>
Change in net position	<u>(248)</u>	<u>(805)</u>	<u>2,577</u>	<u>(5,517)</u>
Net position - beginning	894	(3,380)	(2,299)	41,975
Prior period adjustment	(445)	-	-	(13,816)
Net position - beginning, as restated	<u>449</u>	<u>(3,380)</u>	<u>(2,299)</u>	<u>28,160</u>
Net position - ending	<u>\$ 201</u>	<u>\$ (4,185)</u>	<u>\$ 278</u>	<u>\$ 22,643</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Garage Operating</u>	<u>Centralized Mail System</u>	<u>Flood Control</u>
Cash flows from operating activities:			
Cash received from users	\$ 2,572	\$ 352	\$ -
Cash received from operating activities	309	-	-
Cash paid to suppliers	(2,427)	(319)	-
Cash paid to employees	(595)	-	-
Cash paid for operating activities	(245)	(33)	-
Net cash provided by (used) operating activities	<u>(386)</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	10	-	-
Net increase (decrease) in cash and cash equivalents	<u>(376)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents - beginning	<u>908</u>	<u>-</u>	<u>25</u>
Cash and cash equivalents - ending	<u><u>\$ 532</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25</u></u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (695)	\$ 33	\$ -
	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	245	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	1	-	-
Decrease (Increase) in due from other funds	37	(138)	-
Increase (Decrease) in accounts payable	(145)	(44)	-
Increase (Decrease) in interest payable	-	-	-
Increase (Decrease) in accrued liabilities	2	-	-
Increase (Decrease) in due to other funds	165	149	-
Increase (Decrease) in compensated absences	4	-	-
Total adjustments	<u>309</u>	<u>(33)</u>	<u>-</u>
Net cash provided by (used) operating activities	<u><u>\$ (386)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Comm.</u> <u>Services</u>	<u>Liability</u> <u>Insurance</u>	<u>Workers'</u> <u>Compensation</u> <u>Benefits</u>
Cash flows from operating activities:			
Cash received from users	\$ 125	\$ 3,111	\$ 3,281
Cash received from operating activities	4	-	2,047
Cash paid to suppliers	(25)	(4,823)	(9,500)
Cash paid to employees	-	-	-
Cash paid for operating activities	-	(67)	(10)
Net cash provided by (used) operating activities	<u>104</u>	<u>(1,779)</u>	<u>(4,182)</u>
Cash flows from investing activities:			
Interest received	1	46	564
Net increase (decrease) in cash and cash equivalents	105	(1,733)	(3,618)
Cash and cash equivalents - beginning	<u>23</u>	<u>4,807</u>	<u>42,210</u>
Cash and cash equivalents - ending	<u>\$ 128</u>	<u>\$ 3,074</u>	<u>\$ 38,592</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 100	\$ (1,712)	\$ (6,219)
	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	-	(3)	(71)
Decrease (Increase) in due from other funds	4	-	-
Increase (Decrease) in accounts payable	-	(3)	2,183
Increase (Decrease) in interest payable	-	-	-
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	-	(61)	(75)
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	<u>4</u>	<u>(67)</u>	<u>2,037</u>
Net cash provided by (used) operating activities	<u>\$ 104</u>	<u>\$ (1,779)</u>	<u>\$ (4,182)</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Unemployment Insurance</u>	<u>Medical Plan</u>	<u>Dental/ Vision Plan</u>
Cash flows from operating activities:			
Cash received from users	\$ 457	\$ 102	\$ 1,575
Cash received from operating activities	31	-	-
Cash paid to suppliers	(365)	(96)	(1,360)
Cash paid to employees	-	-	-
Cash paid for operating activities	-	(20)	(818)
Net cash provided by (used) operating activities	<u>123</u>	<u>(14)</u>	<u>(603)</u>
Cash flows from investing activities:			
Interest received	37	132	18
Net increase (decrease) in cash and cash equivalents	<u>160</u>	<u>118</u>	<u>(585)</u>
Cash and cash equivalents - beginning	<u>2,555</u>	<u>9,298</u>	<u>1,175</u>
Cash and cash equivalents - ending	<u>\$ 2,715</u>	<u>\$ 9,416</u>	<u>\$ 590</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 92	\$ 6	\$ 215
	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	(6)	(20)	(3)
Decrease (Increase) in due from other funds	-	-	(806)
Increase (Decrease) in accounts payable	59	-	11
Increase (Decrease) in interest payable	-	-	-
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	(22)	-	(20)
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	<u>31</u>	<u>(20)</u>	<u>(818)</u>
Net cash provided by (used) operating activities	<u>\$ 123</u>	<u>\$ (14)</u>	<u>\$ (603)</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	<u>Medical Malpractice</u>	<u>Auto</u>	<u>Information Systems</u>
Cash flows from operating activities:			
Cash received from users	\$ 210	\$ 88	\$ 4,122
Cash received from operating activities	-	158	-
Cash paid to suppliers	(254)	(348)	(2,824)
Cash paid to employees	-	-	(2,050)
Cash paid for operating activities	(12)	-	(343)
Net cash provided by (used) operating activities	<u>(56)</u>	<u>(102)</u>	<u>(1,095)</u>
Cash flows from investing activities:			
Interest received	14	12	-
Net increase (decrease) in cash and cash equivalents	(42)	(90)	(1,095)
Cash and cash equivalents - beginning	<u>1,039</u>	<u>908</u>	<u>1,095</u>
Cash and cash equivalents - ending	<u><u>\$ 997</u></u>	<u><u>\$ 818</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (44)	\$ (260)	\$ (814)
	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net			
Cash provided by (used) operating activities:			
Depreciation expense	-	-	62
Decrease (Increase) in accounts receivable	-	-	(1,000)
Decrease (Increase) in interest receivable	(2)	(1)	2
Decrease (Increase) in due from other funds	-	-	218
Increase (Decrease) in accounts payable	-	176	(375)
Increase (Decrease) in interest payable	-	-	5
Increase (Decrease) in accrued liabilities	-	-	(1)
Increase (Decrease) in due to other funds	(10)	(17)	805
Increase (Decrease) in compensated absences	-	-	3
Total adjustments	<u>(12)</u>	<u>158</u>	<u>(281)</u>
Net cash provided by (used) operating activities	<u><u>\$ (56)</u></u>	<u><u>\$ (102)</u></u>	<u><u>\$ (1,095)</u></u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019
(amounts expressed in thousands)

	Case Management Systems	Total
Cash flows from operating activities:		
Cash received from users	\$ 32,590	\$ 48,585
Cash received from operating activities	-	2,549
Cash paid to suppliers	(30,034)	(52,375)
Cash paid to employees	-	(2,645)
Cash paid for operating activities	(3,086)	(4,634)
Net cash provided by (used) operating activities	(530)	(8,520)
Cash flows from investing activities:		
Interest received	21	855
Net increase (decrease) in cash and cash equivalents	(509)	(7,665)
Cash and cash equivalents - beginning	911	64,954
Cash and cash equivalents - ending	<u>\$ 402</u>	<u>\$ 57,289</u>
Reconciliation of operating income (loss) to net cash		
Provided by operating activities:		
Operating Income (Loss)	\$ 2,556	\$ (6,742)
	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net		
Cash provided by (used) operating activities:		
Depreciation expense	-	307
Decrease (Increase) in accounts receivable	-	(1,000)
Decrease (Increase) in interest receivable	-	(101)
Decrease (Increase) in due from other funds	-	(335,315)
Increase (Decrease) in accounts payable	(3,002)	(1,140)
Increase (Decrease) in interest payable	-	5
Increase (Decrease) in accrued liabilities	-	1
Increase (Decrease) in due to other funds	(84)	335,460
Increase (Decrease) in compensated absences	-	7
Total adjustments	(3,086)	(1,778)
Net cash provided by (used) operating activities	<u>\$ (530)</u>	<u>\$ (8,520)</u>

Agency Funds

Agency Funds are custodial in nature and do not involve the measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals and entities at some future time.

Clearing and Revolving Funds provide clearing facilities for items such as payroll withholdings and warrant redemption. These funds are used to temporarily accumulate and hold resources for distribution to third parties.

Deposits Funds account for deposits under the control of the County departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirement.

Other Agency Funds account for assets held by the County in a fiduciary capacity for other entities.

State and City Revenue Funds temporarily hold various fees, fines, and penalties collected by the County departments for the State of California or various cities in Imperial County, which are passed through to these entities

Tax Collection Funds account for monies received for current and delinquent taxes, which must be held pending authority for distribution. Included are prepaid taxes, disputed taxes, duplicate payment of taxes, etc. These funds also account for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are dispersed as directed by the courts or by parties to the dispute.

COUNTY OF IMPERIAL
Combining Statement of Changes in Assets and Liabilities
Agency Funds

For the Fiscal Year Ended June 30, 2019
(amounts expressed in thousands)

	July 1, 2018	Additions	Deductions	June 30, 2019
Clearing and Revolving Funds				
Assets :				
Cash and cash equivalents	\$ 30,961	\$ 981,931	\$ 982,446	\$ 30,446
Accounts Receivable-Net	2,523	-	-	2,523
Interest Receivable	21	38	21	38
Total Assets	<u>\$ 33,505</u>	<u>\$ 981,969</u>	<u>\$ 982,467</u>	<u>\$ 33,007</u>
Liabilities :				
Accounts Payable	\$ 22,799	\$ 974,245	\$ 973,068	\$ 23,976
Due to Other Governments	11,520	48,220	50,709	9,031
Total Liabilities	<u>\$ 34,319</u>	<u>\$ 1,022,465</u>	<u>\$ 1,023,777</u>	<u>\$ 33,007</u>
Deposits Funds				
Assets :				
Cash and cash equivalents	\$ 55,959	\$ 117,292	\$ 104,676	\$ 68,575
Accounts Receivable-Net	58	7	58	7
Interest Receivable	112	203	112	203
Total Assets	<u>\$ 56,129</u>	<u>\$ 117,502</u>	<u>\$ 104,846</u>	<u>\$ 68,785</u>
Liabilities :				
Accounts Payable	\$ 1,081	\$ 14,125	\$ 14,581	\$ 625
Due to Other Governments	52,315	115,429	99,584	68,160
Total Liabilities	<u>\$ 53,396</u>	<u>\$ 129,554</u>	<u>\$ 114,165</u>	<u>\$ 68,785</u>
Other Agency Funds				
Assets :				
Cash and cash equivalents	\$ 9,522	\$ 13,738	\$ 11,096	\$ 12,164
Deposits with Others	39,877	623	-	40,500
Accounts Receivable-Net	304	-	304	-
Interest Receivable	26	58	26,00	58
Total Assets	<u>\$ 49,729</u>	<u>\$ 14,419</u>	<u>\$ 11,426</u>	<u>\$ 52,722</u>
Liabilities :				
Accounts Payable	\$ 11	\$ 11,757	\$ 10,521	\$ 1,247
Due to Other Governments	51,576	11,990	12,091	51,475
Total Liabilities	<u>\$ 51,587</u>	<u>\$ 23,747</u>	<u>\$ 22,612</u>	<u>\$ 52,722</u>
State and City Revenue Funds				
Assets :				
Cash and cash equivalents	\$ 575	\$ 1,440	\$ 1,469	\$ 546
Accounts Receivable-Net	44	42	44	42
Interest Receivable	1	1	1,00	1
Total Assets	<u>\$ 620</u>	<u>\$ 1,483</u>	<u>\$ 1,514</u>	<u>\$ 589</u>
Liabilities :				
Accounts Payable	\$ 143	\$ 1,537	\$ 1,366	\$ 314
Due to Other Governments	475	1,481	1,681	275
Total Liabilities	<u>\$ 618</u>	<u>\$ 3,018</u>	<u>\$ 3,047</u>	<u>\$ 589</u>
Tax Collection Funds				
Assets :				
Cash and cash equivalents	\$ 4,608	\$ 403,727	\$ 402,780	\$ 5,555
Accounts Receivable-Net	830	681	830	681
Interest Receivable	64	128	64	128
Total Assets	<u>\$ 5,502</u>	<u>\$ 404,536</u>	<u>\$ 403,674</u>	<u>\$ 6,364</u>
Liabilities :				
Accounts Payable	\$ (3,333)	\$ 212,008	\$ 208,878	\$ (203)
Due to Other Governments	8,835	(121,383)	(119,115)	6,567
Total Liabilities	<u>\$ 5,502</u>	<u>\$ 90,625</u>	<u>\$ 89,763</u>	<u>\$ 6,364</u>
Total - All Agency Funds				
Assets :				
Cash and cash equivalents	\$ 101,625	\$ 1,518,128	\$ 1,502,467	\$ 117,286
Deposits with Others	39,877	623	-	40,500
Accounts Receivable-Net	3,759	730	1,236	3,253
Interest Receivable	224	428	224	428
Total Assets	<u>\$ 145,485</u>	<u>\$ 1,519,909</u>	<u>\$ 1,503,927</u>	<u>\$ 161,467</u>
Liabilities :				
Accounts Payable	\$ 20,701	\$ 1,213,672	\$ 1,208,414	\$ 25,959
Due to Other Governments	124,721	55,737	44,950	135,508
Total Liabilities	<u>\$ 145,422</u>	<u>\$ 1,269,409</u>	<u>\$ 1,253,364</u>	<u>\$ 161,467</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 of Changes By Function and Activity*
June 30, 2019
(amounts expressed in thousands)

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
General government	\$ 198,777	\$ 124	\$ 2,715	\$ 196,186
Public protection	79,782	2,569	528	81,823
Public ways and facilities	14,471	4,003	513	17,961
Health and sanitation	8,749	1,656	41	10,364
Public assistance	4,276	888	214	4,950
Education	187	-	-	187
Total governmental funds capital assets	\$ 306,242	\$ 9,240	\$ 4,011	\$ 311,471

* 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.

<u>CONTENTS</u>	<u>PAGE</u>
FINANCIAL TRENDS These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	126-131
REVENUE CAPACITY These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	132-135
DEBT CAPACITY 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.	136-137
ECONOMIC AND DEMOGRAPHIC INFORMATION These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	138-139
OPERATING INFORMATION 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.	140-141

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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Governmental activities										
Net investment in capital assets	\$ 83,157	\$ 83,109	\$ 94,202	\$ 98,638	\$ 102,522	\$ 108,279	\$ 101,517	\$ 115,742	\$ 123,765	\$ 126,520
Restricted	37,241	36,084	40,192	76,918	90,134	53,096	62,326	(13,988)	125,959	37,721
Unrestricted	34,417	43,268	38,374	(164)	19,757	(39,317)	(46,205)	26,949	(378,258)	(328,529)
Total governmental activities net position	<u>154,815</u>	<u>162,461</u>	<u>172,768</u>	<u>175,392</u>	<u>212,413</u>	<u>122,058</u>	<u>118,638</u>	<u>128,703</u>	<u>(128,534)</u>	<u>(164,288)</u>
Business-type activities										
Net investment in capital assets	10,645	11,183	11,751	11,009	10,094	9,176	10,473	9,789	9,131	8,400
Restricted	(6)	34	332	2	12	(2)	(1)	1	3	1
Unrestricted	(628)	(2,356)	(3,502)	(12,899)	(13,029)	(9,088)	(8,682)	(8,783)	(7,785)	(16,608)
Total business type activities net position	<u>10,011</u>	<u>8,861</u>	<u>8,581</u>	<u>(1,888)</u>	<u>(2,923)</u>	<u>86</u>	<u>1,790</u>	<u>1,007</u>	<u>1,349</u>	<u>(8,207)</u>
Primary government										
Net investment in capital assets	93,802	94,292	105,953	109,647	112,616	117,455	112,990	125,531	132,896	134,920
Restricted	37,235	36,118	40,524	76,920	90,146	53,094	62,325	(13,987)	125,962	37,722
Unrestricted	33,789	40,912	34,872	(13,063)	6,728	(48,405)	(54,887)	18,166	(386,043)	(345,137)
Total primary government net position	<u>\$ 164,826</u>	<u>\$ 171,322</u>	<u>\$ 181,349</u>	<u>\$ 173,504</u>	<u>\$ 209,490</u>	<u>\$ 122,144</u>	<u>\$ 120,428</u>	<u>\$ 129,710</u>	<u>\$(127,185)</u>	<u>\$(172,495)</u>

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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Program Revenues										
Governmental Activities										
Charges for services										
General Government	\$ 49,753	\$ 44,795	\$ 40,684	\$ 40,405	\$ 42,224	\$ 44,536	\$ 49,934	\$ 58,526	\$ 54,830	37,465
Public Protection	7,135	20,391	17,755	15,558	11,582	11,447	12,162	11,389	12,373	10,490
Health & Sanitation	9,411	9,257	10,031	10,751	12,517	14,457	15,392	17,308	18,958	8,563
Public Assistance	7,970	8,535	8,862	869	1,093	983	1,066	1,058	1,242	2,728
Public Ways & Facilities	7,222	675	1,063	1,254	1,222	1,176	1,122	1,334	1,203	1,727
Total Charges for services	81,491	83,653	78,395	68,837	68,638	72,598	79,676	89,615	88,606	60,973
Operating grants and contributions	171,476	184,597	191,429	189,758	211,437	207,137	204,452	254,378	293,976	268,579
Total governmental activities program revenues	252,967	268,250	269,824	258,595	280,075	279,735	284,128	343,993	382,582	329,552
Business Activities										
Charges for services										
Airport	641	628	636	660	485	569	1,321	654	761	904
Landfill	287	-	5	-	-	1,106	-	-	1,300	46
County Services Areas, other	504	245	156	26	9	13	13	12	13	12
Total Charges for services	1,432	873	797	686	494	1,687	1,334	666	2,074	962
Operating grants and contributions	4,504	9	18	28	68	-	-	1	0	0
Total business-type activities program revenues	5,936	882	815	714	562	1,687	1,334	667	2,074	962
Total primary government program revenues	\$ 258,903	\$ 269,132	\$ 270,639	\$ 259,309	\$ 280,637	\$ 281,422	\$ 285,462	344,660	384,656	330,514
Net (Expense) Revenue										
Governmental activities	(68,673)	(69,454)	(72,572)	(96,669)	(72,261)	(119,301)	(125,006)	(103,363)	(75,330)	(138,158)
Business-type activities	(1,156)	(2,421)	(1,588)	(10,641)	(1,059)	3,074	(1,150)	(833)	618	(992)
Total primary government net expenses	\$ (69,829)	\$ (71,875)	\$ (74,160)	\$ (107,310)	\$ (73,320)	\$ (116,227)	\$ (126,157)	\$ (104,196)	\$ (74,712)	(139,150)

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)

	<u>2009-10</u>								
General Fund									
Reserved for:									
Encumbrances	\$ 1,865								
Inventories	295								
Capital Outlay	3,023								
COPS	1,527								
Endowment Op Funds	20,850								
Other Purposes	8,189								
Unreserved:									
Designated	-								
Undesignated	11,269								
Total General Fund	<u>47,018</u>								
All Other Governmental Funds:									
Reserved for:									
Encumbrances	3,469								
Inventories	395								
Debt Service	6,335								
Loan	13,670								
Other Purposes	(44)								
Unreserved:									
Special Revenue Funds	27,544								
Capital Project/Debt Service Funds	733								
Total Other Governmental Funds	<u>52,102</u>								
Total Governmental Fund Balances	<u>\$ 99,120</u>								
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
General Fund (1)									
Nonspendable	\$ 388	\$ 517	\$ 475	\$ 443	465	502	371	334	306
Restricted	10,099	7,671	7,151	6,962	3,589	1,464	1,469	32,045	3,375
Committed	5,974	7,744	8,896	20,411	22,287	27,473	27,793	4,448	8,851
Assigned	15,298	17,722	15,988	16,852	27,311	26,920	19,156	15,983	11,531
Unassigned	12,846	11,307	15,845	24,393	13,479	10,106	11,247	10,980	28,938
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>	<u>53,001</u>
All Other Governmental Funds									
Nonspendable	456	908	722	329	211	287	173	285	129
Restricted	24,087	30,136	23,946	28,330	29,391	44,541	63,191	93,914	110,851
Committed	18,047	16,354	18,597	25,530	22,976	7,806	26,435	16,961	9,567
Assigned	18,935	18,392	54,408	54,097	15,880	20,060	20,260	2,998	27
Unassigned	(2,716)	(12,540)	(51,761)	(53,202)	(23,520)	(25,923)	(60,610)	(50,409)	(50,005)
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>	<u>70,569</u>
Total Governmental Fund Balances	<u>\$ 103,414</u>	<u>\$ 98,211</u>	<u>\$ 94,267</u>	<u>\$ 124,145</u>	<u>112,070</u>	<u>113,236</u>	<u>109,485</u>	<u>127,539</u>	<u>123,570</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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Revenues (by source):										
Taxes	\$ 27,326	\$ 26,312	\$ 29,194	\$ 37,161	\$ 45,005	45,964	43,412	41,399	41,270	44,569
Licenses and permits	3,539	4,542	4,666	6,006	4,939	5,070	4,988	4,745	4,741	4,112
Fines, Forfeitures & Penalties	6,146	7,767	6,239	5,911	6,770	6,821	7,172	5,879	5,154	5,601
Use of Money & Property	2,315	1,641	5,176	2,917	2,477	5,829	4,601	3,144	3,395	4,036
Intergovernmental Aid	126,906	140,453	141,029	138,879	153,697	155,876	167,205	186,487	287,515	255,445
Federal Aid	68,169	72,292	64,413	62,071	70,866	68,043	63,805	69,285	-	-
Charges for Services	41,991	43,464	42,041	46,566	45,412	43,890	58,260	53,393	48,701	45,482
Other	7,522	8,792	6,667	12,247	11,593	11,269	9,234	15,545	14,254	17,895
Total revenues	<u>283,914</u>	<u>305,263</u>	<u>299,425</u>	<u>311,758</u>	<u>340,759</u>	<u>342,762</u>	<u>358,677</u>	<u>379,877</u>	<u>405,030</u>	<u>377,140</u>
Expenditures (by function):										
Current:										
General Government	27,709	25,912	31,553	36,640	35,606	44,668	41,802	54,117	23,903	24,364
Public Protection	79,071	83,815	84,648	87,133	88,999	96,538	98,626	103,278	102,403	99,649
Health & Sanitation	41,648	42,828	42,954	44,512	49,550	51,672	57,289	79,588	66,159	52,809
Public Assistance	114,371	127,896	120,267	123,266	120,521	138,643	142,135	132,132	158,229	181,710
Public Ways & Facilities	18,524	18,221	23,998	19,736	17,227	17,560	15,998	16,012	14,046	20,172
Debt Services									5,975	5,978
Capital Outlay									16,261	1,463
Total expenditures	<u>281,323</u>	<u>298,672</u>	<u>303,420</u>	<u>311,287</u>	<u>311,903</u>	<u>349,081</u>	<u>355,850</u>	<u>385,127</u>	<u>386,976</u>	<u>386,145</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,591</u>	<u>6,591</u>	<u>(3,995)</u>	<u>471</u>	<u>28,856</u>	<u>(6,319)</u>	<u>2,827</u>	<u>(5,250)</u>	<u>18,054</u>	<u>(9,005)</u>
Other financing sources (uses):										
Changes in Reserves	490	264	790	809	900	(1,603)	384	66	-	-
Transfers	(21)	(15)	(289)	(1,967)	70	10	80	262	-	-
Proceeds of Endowment Funds	455	(1,702)	(2,553)	(3,257)	53	(4,164)	(2,126)	1,173	-	-
Total other financing sources and uses	<u>924</u>	<u>(1,453)</u>	<u>(2,052)</u>	<u>(4,415)</u>	<u>1,023</u>	<u>(5,756)</u>	<u>(1,662)</u>	<u>1,501</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>3,515</u>	<u>5,138</u>	<u>(6,047)</u>	<u>(3,944)</u>	<u>29,879</u>	<u>(12,075)</u>	<u>1,165</u>	<u>(3,749)</u>	<u>18,054</u>	<u>(9,005)</u>
Fund Balances - beginning	96,494	99,120	104,258	98,211	94,266	124,146	112,069	113,234	109,485	127,461
Prior period adjustment	(889)	-	-	-	-	-	-	-	-	5,114
Fund Balances - beginning restated	<u>95,605</u>	<u>99,120</u>	<u>104,258</u>	<u>98,211</u>	<u>94,266</u>	<u>124,146</u>	<u>112,069</u>	<u>113,234</u>	<u>109,485</u>	<u>132,575</u>
Fund Balances - ending	<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>	<u>123,570</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	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Governmental Activities										
General Government	\$ 66,558	\$ 62,708	\$ 67,435	\$ 75,050	\$ 72,633	\$ 94,036	\$ 90,154	102,646	93,316	89,002
Public Protection	79,071	83,815	84,648	87,132	88,998	95,155	99,049	107,246	102,758	107,187
Health & Sanitation	41,649	42,828	42,955	44,515	49,550	50,974	57,534	81,860	66,361	57,123
Public Assistance	114,372	127,895	120,267	123,267	120,522	137,838	142,358	134,216	158,413	185,666
Public Ways & Facilities	18,524	18,221	23,998	19,738	17,227	17,425	16,036	16,381	14,081	20,871
Interest on long-term liabilities	1,466	2,237	3,093	5,562	3,406	3,610	4,003	5,007	22,983	7,861
Total governmental activities expenses	<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>	<u>467,710</u>
Business Activities										
Airport	1,481	1,475	2,156	1,567	1,458	1,390	2,197	1,196	1,297	1,293
Landfill	-	36	118	9,723	84	(2,818)	285	296	152	653
County Services Areas, other	5,611	1,792	129	65	79	40	2	8	7	8
Total business-type activities expenses	<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>	<u>1,954</u>
Total primary government	<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>	<u>469,664</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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Net (Expense) Revenue										
Governmental activities	\$ (68,673)	\$ (69,454)	\$ (72,572)	\$ (96,669)	\$ (72,261)	\$ (119,301)	\$ (125,006)	\$ (103,363)	\$ (75,330)	\$ (138,158)
Business-type activities	(1,156)	(2,421)	(1,588)	(10,641)	(1,059)	3,074	(1,150)	(1,833)	618	(992)
Total primary government net expenses	\$ (69,829)	\$ (71,875)	\$ (74,160)	\$ (107,310)	\$ (73,320)	\$ (116,227)	\$ (126,156)	\$ (105,196)	\$ (74,712)	\$ (139,150)
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Taxes										
Property	16,543	14,838	16,072	17,632	21,098	21,306	23,083	22,728	22,179	23,730
Sales tax	10,826	11,271	12,099	18,418	22,199	19,818	20,927	21,341	18,456	19,297
Franchises tax	245	284	294	266	23,374	23,477	19,765	18,246	275	262
Motor Vehicle in-lieu tax	18,221	18,245	17,877	18,006	229	313	270	336	21,259	22,151
Federal in-lieu	3,164	3,156	3,201	3,291	326	3,403	3,322	3,371	3,482	3,077
Grants and other governmental revenues not restricted to specific programs	24,437	28,458	29,146	39,718	40,682	35,672	50,394	43,593	35,569	39,214
Unrestricted investment earnings	2,627	1,938	4,509	2,063	1,348	4,353	3,770	1,454	1,931	3,358
Gain/(Loss) on sale of capital assets	248	110	92	40	26	23	55	416	25	18
Other	-	-	-	-	-	-	-	-	-	-
Transfers	(1,229)	(1,200)	(1,255)	(141)	-	-	-	-	-	-
Total governmental activities	75,082	77,100	82,035	99,293	109,282	108,365	121,586	111,485	103,176	111,107
Business-type activities:										
Unrestricted investment earnings	138	70	53	31	24	31	46	50	66	125
Other	(66)	-	-	-	-	-	-	-	-	-
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	1,229	1,200	1,255	141	-	-	2,808	-	-	-
Total business-type activities	1,301	1,270	1,308	172	24	31	2,854	50	66	125
Total primary government	\$ 76,383	\$ 78,370	\$ 83,343	\$ 99,465	\$ 109,306	\$ 108,396	\$ 124,440	\$ 111,535	\$ 103,242	\$ 111,232
Changes in Net Assets:										
Governmental activities	6,409	7,646	9,463	2,624	37,021	(10,936)	(3,420)	8,122	27,846	(27,051)
Business-type activities	145	(1,151)	(280)	(10,469)	(1,035)	3,105	1,704	(1,783)	684	(867)
Total primary government	\$ 6,554	\$ 6,495	\$ 9,183	\$ (7,845)	\$ 35,986	\$ (7,830)	\$ (1,716)	\$ 6,339	\$ 28,530	\$ (27,918)

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
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%
2018-19	12,616,527,074	1,392,999,199	(549,212,299)	13,460,313,974	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

Fiscal Year	County Direct Rates		Overlapping Rates	
	Imperial County General	Cities	Schools (1)	Total
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%
2018-19	1.000000%	0.080998%	0.026814%	1.107811%

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, 2019 and June 30, 2004

Taxpayer	Fiscal year Ended June 30, 2019			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	\$ 429,180,584	1	3.19%	\$ 377,331,616	1	5.42%
Magma Power Company	137,478,236	3	1.02%			
Alphabet Farms LLC	180,712,063	2	1.34%			
Hudson Ranch Power I LLC	90,595,000	6	0.67%			
National Beef California LP				306,926,474	2	4.41%
United States Gypsum Co.	116,359,876	5	0.86%			
OWB Real Estate Holdings LLC				122,131,309	4	1.75%
Gran Plaza LP	46,859,961	7	0.35%			
ORCAL Geothermal Inc	61,205,250	8	0.45%			
Imperial Valley Mall II, LP	47,302,738		0.35%			
Southern California Gas Co.	95,388,514	4	0.71%			
RJFP LLC	57,783,733	9	0.43%			
North Baja Pipeline, LLC	40,551,684	10	0.30%			
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>\$ 1,303,417,639</u>		<u>9.68%</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			
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%
2018-19	160,271,263	154,498,938	96.40%	2,837,140	157,336,078	98.17%

* 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)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Governmental Activities:										
Certificates of Participation	\$ 13,215	\$ 11,960	\$ 11,370	\$ 8,795	\$ 8,445	\$ 8,085	\$ 7,710	\$ 7,325	\$ 6,930	\$ 6,520
Pension Obligation Bonds	57,890	56,325	53,940	51,160	48,205	45,055	41,705	38,130	34,325	30,265
Notes and Loans	990	900	810	720	630	540	450	360	270	180
Business-Type Activities:										
Capital Lease Obligations	443	154	127	10	20	536	1,852	955	2,574	2,828
Total Primary Government	\$ 72,538	\$ 69,339	\$ 66,247	\$ 60,685	\$ 57,300	\$ 54,216	\$ 51,717	\$ 46,770	\$ 44,099	\$ 39,793
Percentage of Personal income (1)	2.11%	2.11%	1.31%	1.11%	1.01%	0.93%	0.85%	0.76%	0.67%	0.59%
Per Capita (1)	448	448	371	343	325	301	285	259	241	219

(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>
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%
2018-19	13,460,313	168,254	-	168,254	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 135 imposes a legal debt limitation for General Obligation Bond indebtedness to 1.25% of the total full cash valuation.
- (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)
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%
2018	189,623	6,722,874	36,974	20.70%

Sources:

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

* Estimates due to information not being available

Table 14

County of Imperial
 Employment by Industry (Unaudited)
 2018 Annual Averages

Industry	Percentage of County Employment
Services	25.42%
Retail Trade	12.17%
Manufacturing	2.31%
Government	29.74%
Mining and Construction	2.77%
Finance, Insurance and Real Estate	2.31%
Wholesale Trade	2.77%
Agriculture	18.49%
Transportation and Public Utilities	4.01%
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

Fiscal Year	General Government	Public Protection	Public Ways & Facilities	Health & Sanitation	Public Assistance	Education	Recreation	Special District
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
2018-19	254	856	131	748.00	593.0	22.0	0	38

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 & Facilities</u>	<u>Health & Sanitation</u>	<u>Public Assistance</u>	<u>Education</u>
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
2018-19	779	1094	509	1	31	5