

County of Imperial

General Purpose Financial Statements

For The Fiscal Year Ended June 30, 2009



Photo Provided by Shelly Smail

Douglas R. Newland, CPA
County Auditor-Controller



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FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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INTRODUCTORY SECTION

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



Douglas R. Newland, CPA

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County Administration Center

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

AUDITOR-CONTROLLER

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

Honorable Board Members:

The Annual Financial report of the County of Imperial for the fiscal year ended June 30, 2009, is submitted herewith in accordance with Section 25253 of the Government Code of the State of California.

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

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

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

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

THE REPORTING ENTITY AND ITS SERVICES

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

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

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

FINANCIAL INFORMATION

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

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

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

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

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

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

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

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

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

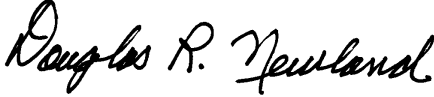
INDEPENDENT AUDIT

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

ACKNOWLEDGEMENTS

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

Respectfully submitted,

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

Douglas R. Newland CPA
Auditor-Controller

State of California
Office of the Controller

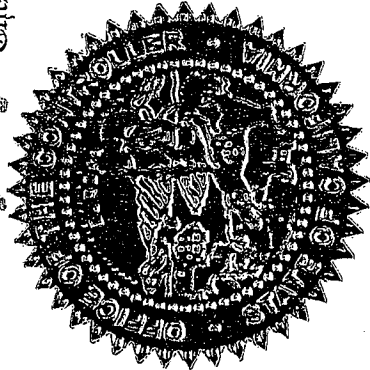
Award for Achieving Excellence
in Financial Reporting

Presented to

County of Imperial

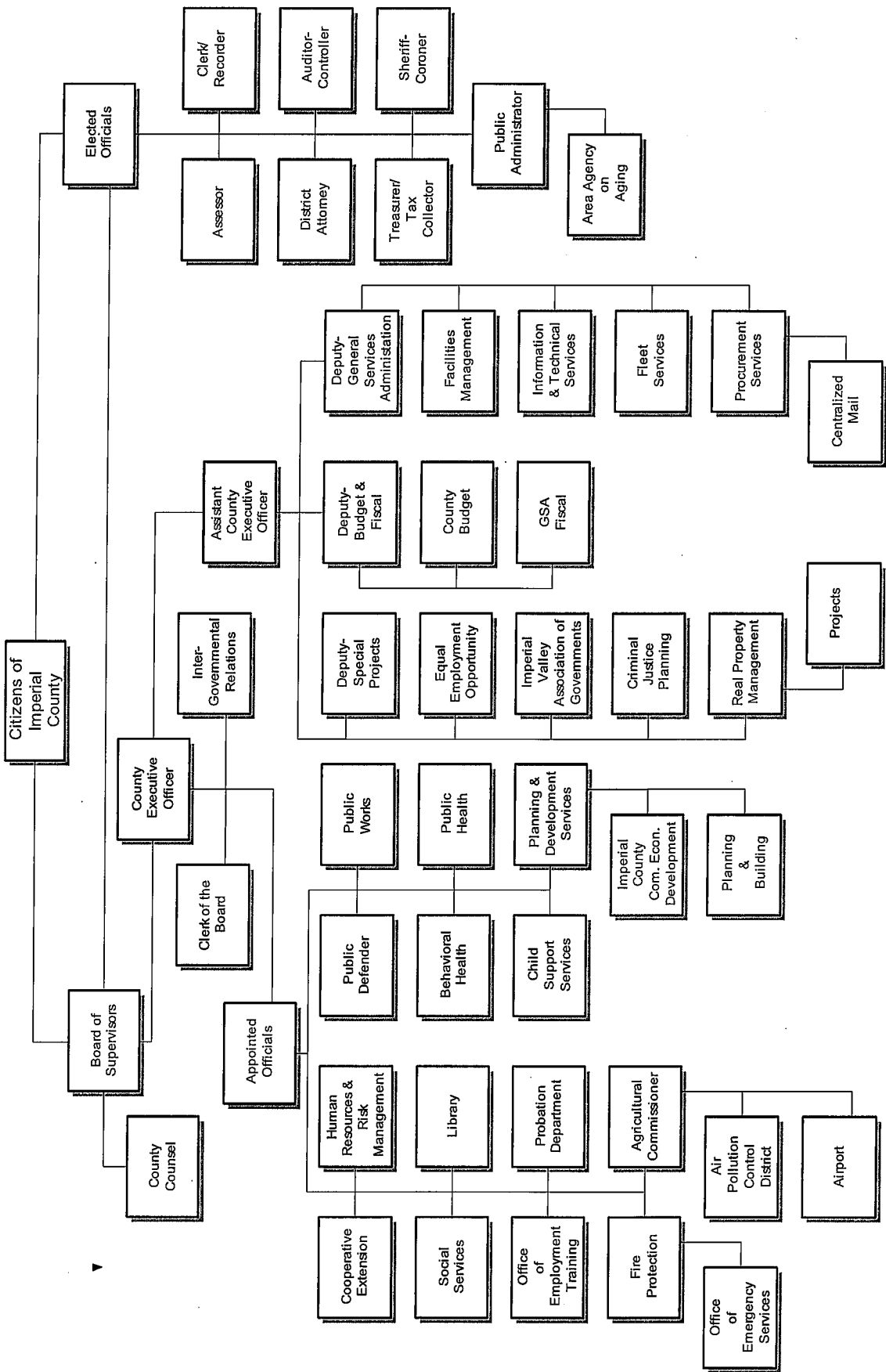


This Award for Achieving Excellence in Financial Reporting is presented by the California State Controller to your County for achieving the highest quality in California governmental accounting and financial reporting.



John Chiang
JOHN CHIANG, California State Controller
Dated at Sacramento, California, this 20th day of October 2009

COUNTY OF IMPERIAL
 ORGANIZATIONAL CHART
 FISCAL YEAR 2008-09



Directory of Public Officials

(as of 3/04/10)

Elected Officials

Supervisor 1 st District	Louis Fuentes	
Supervisor 2 nd District	Jack Terrazas	
Supervisor 3 rd District	Michael Kelley	
Supervisor 4 th District	Gary Wyatt	
Supervisor 5 th District	Wally Leimgruber	
Judge, Superior Court Dept. 1	William Lehman	
Judge, Superior Court Dept. 2	Christopher Yeager	
Judge, Superior Court Dept. 3	Commissioner Flores	
Judge, Superior Court Dept. 5	Donal Donnelly	
Judge, Superior Court Dept. 7	Jeffery B. Jones	
Judge, Superior Court Dept. 8	Vacant	
Judge, Superior Court Dept. 9	Joseph W. Zimmerman	
Judge, Superior Court Brawley	Barrett Forester	
Judge, Superior Court Calexico	Raymond Cota	
Judge, Traffic	Juan Ulloa	
Assessor	Roy Buckner	General Government
Auditor-Controller	Douglas Newland	General Government
Clerk-Recorder/Elections	Dolores Provencio	General Government
District Attorney	Gilbert Otero	Public Protection
Public Administrator	Norma Saikhon	Public Protection
Sheriff-Coroner	Raymond Loera	Public Protection
Treasurer-Tax Collector	Karen Vogel	General Government

Appointed Officials

Agricultural Commissioner/Airport	Stephen Birdsall	Public Protection
Air Pollution Control Officer	Brad Poiriez	Public Protection
Behavioral Health	Michael Horn	Health and Sanitation
Child Support Services	George Holbrook	Public Assistance
Clerk of the Board	Sylvia Bermudez	General Government
County Executive Officer	Ralph Cordova, Jr.	General Government
Cooperative Extension	Khaled M. Bali	Education
County Counsel	Michael L. Rood.	General Government
County Free Library	Connie Barrington	Education
Court Executive Officer/Jury Commissioner	Jose Guillen	Public Protection
Fire Protection/Emergency Services	Tony Rouhotas	Public Protection
Health Services/Animal Control/EHS/EMS	Robin Hodgkin	Health and Sanitation
Human Resources and Risk Management	Rodolfo Aguayo(Interim)	General Government
Office of Employment Training	Sam Couchman	Public Assistance
Planning/Building/Community & Economic Development	Jurg Heuberger	Public Protection
Probation/Receiving Home/Juvenile Hall	Martin J. Krizay	Public Protection
Public Defender	Timothy Reilly	Public Protection
Public Works	William Brunet	Public Ways/Facilities
Social Services	Vacant	Public Assistance





FINANCIAL SECTION

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





INDEPENDENT AUDITORS' REPORT

Board of Supervisors
County of Imperial
El Centro, California

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County of Imperial, California, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. The financial statements are the responsibility of the County of Imperial, California's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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 of Imperial, California, as of June 30, 2009, and the respective changes in financial position and, where applicable, the cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2010 on our consideration of the County of Imperial, California's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The management's discussion and analysis and other required supplementary information on pages 10 through 18, and pages 49 through 52, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Hutchinson and Bloodgood LLP

March 26, 2010

County of Imperial
Management's Discussion and Analysis
For the Year Ended June 30, 2009

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, 2009. The intent of this discussion and analysis is to look at the County's financial performance as a whole users of these financial statements should read this discussion and analysis in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section to enhance their understanding of the County's financial performance. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the 2008-2009 fiscal year by \$158,272 (*Net Assets*). \$27,397 is *Unrestricted Net Assets*. Of this amount \$86,752 may be used to meet the County's ongoing obligations to citizens and the creditors, (\$59,355) is the obligation for Pension Bonds and \$32,335 (*Restricted Net Assets*) may be used for the County's ongoing obligations with external restrictions. (See detail at Table 1).
- The County's net assets increased by \$11,894 during the current fiscal year. Governmental activities increased the County's net assets by \$10,457; also, business-type activities net assets increased by \$2,326.
- As of June 30, 2009, the County's governmental funds reported total ending fund balances of \$95,605, a increase of 6.83% in comparison with the prior year. Approximately 44.16% or \$42,217 is available for spending (*Unreserved fund balance*). See further discussion in Financial Analysis of the County's Funds on pages 12-16.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$14,237 or 7.23 % of total General Fund expenditures.
- The County's total long-term debt decreased in the amount of (\$1,397) in comparison with the prior year. Compensated absences increased by \$1,202 and existing long-term debt decreased (\$2,599) in 2008-2009.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

1. Government-wide Financial Statements

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

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

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

Management's Discussion and Analysis (Continued)

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

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

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

2. Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements are presented on pages 21-24 of this report.

Management's Discussion and Analysis (Continued)

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

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

The basic proprietary fund financial statements are presented on pages 25-27 of this report.

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

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

3. Notes to the Financial Statements

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

The notes to the financial statements are presented on pages 30-48 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$158,272 (see Table 1) at the close of the current fiscal year.

The largest portion of the County's net assets, \$98,540 reflects its investment in capital assets (e.g. land, structures and improvements, infrastructure, vehicles, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Management's Discussion and Analysis (Continued)

An additional portion of the County's net assets, \$32,335, represents resources that are subject to external restrictions on how they may be used. The major portion of the restricted net assets is constrained for debt repayment. The remaining balance of total net assets is \$27,397. Of which \$86,752 is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors, and (\$59,355) is obligation for Pension Bonds.

At the end of the current fiscal year, the County as a whole and for its governmental activities reported positive balances in three categories of net assets. In the business-type activities the County reported negative restricted net assets of (\$1,073). This is the result of an increase in operating expenses for the Closure/Postclosure (Landfill).

Table 1 – County of Imperial's Net Assets
June 30, 2009 and June 30, 2008 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Assets:						
Current Assets and Other Assets	\$ 164,589	\$ 150,518	\$ 9,811	\$ 9,095	\$174,400	\$159,613
Capital Assets	<u>92,599</u>	<u>89,425</u>	<u>10,061</u>	<u>8,310</u>	<u>102,660</u>	<u>97,735</u>
Total Assets	<u>257,188</u>	<u>239,943</u>	<u>19,872</u>	<u>17,405</u>	<u>277,060</u>	<u>257,348</u>
Liabilities:						
Current and Other Liabilities	33,357	24,283	252	22	33,609	24,305
Long-Term Liabilities	<u>75,425</u>	<u>76,822</u>	<u>9,754</u>	<u>9,843</u>	<u>85,179</u>	<u>86,665</u>
Total Liabilities	<u>108,782</u>	<u>101,105</u>	<u>10,006</u>	<u>9,865</u>	<u>118,788</u>	<u>110,970</u>
Net Assets:						
Invested in Capital Assets, Related Debt	88,479	84,166	10,061	8,310	98,540	92,476
Restricted	31,457	35,331	878	972	32,335	36,303
Unrestricted	<u>28,470</u>	<u>19,341</u>	<u>(1,073)</u>	<u>(1,742)</u>	<u>27,397</u>	<u>17,599</u>
Total Net Assets	<u>\$ 148,406</u>	<u>\$ 138,838</u>	<u>\$ 9,866</u>	<u>\$ 7,540</u>	<u>\$ 158,272</u>	<u>\$146,378</u>

Management's Discussion and Analysis (Continued)

As shown in Table 2, the County's net assets increased by \$12,783.

Table 2 - County of Imperial's Changes in Net Assets
For the Years Ended June 30, 2009 and June 30, 2008 (In Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program Revenues:						
Charges for Services	\$ 61,795	\$ 85,055	\$ 1,610	\$ 1,098	\$ 63,405	\$ 86,153
Operating Grants and Contributions	185,253	163,407	4,359	4,687	189,612	168,094
General Revenues:						
Property Taxes	19,358	15,767	-	-	19,358	15,767
Property Tax In-Lieu Taxes	18,760	19,355	-	-	18,760	19,355
Sales Taxes	12,237	12,766	-	-	12,237	12,766
Franchise Taxes	429	400	-	-	429	400
Federal In-Lieu Taxes	2,923	1,803	-	-	2,923	1,803
Unrestricted Investment Earnings	5,478	7,536	214	-	5,692	7,536
Gain on Sales of Fixed Assets	-	36	-	-	-	36
Other	11,230	3,961	2,619	206	13,849	4,167
Total Revenues	317,463	310,086	8,802	5,991	\$326,265	\$316,077
Expenses:						
General Government	70,541	62,229	-	-	70,541	62,229
Public Protection	76,276	73,030	-	-	76,276	73,030
Health and Sanitation	40,142	38,574	-	-	40,142	38,574
Public Assistance	104,080	97,939	-	-	104,080	97,939
Public Ways and Facilities	13,648	14,612	-	-	13,648	14,612
Interest on Long-Term Liabilities	2,606	6,033	-	-	2,606	6,033
Airport	-	-	1,189	964	1,189	964
Closure/Postclosure Waste	-	-	682	237	682	237
County Service Areas, other	-	-	4,318	4,585	4,318	4,585
Total Expenses	307,293	292,417	6,189	5,786	313,482	298,203
Increases (Decreases) in Net Assets						
Before Transfers	10,170	17,669	2,613	205	12,783	17,874
Transfers In and Out	287	(865)	(287)	865	-	-
Increase (Decrease) in Net Assets	\$ 10,457	\$ 16,804	\$ 2,326	\$ 1,070	\$ 12,783	\$ 17,874

Management's Discussion and Analysis (Continued)

Governmental Activities

Governmental activities increased the County's net assets by \$10,457 for the year ended June 30, 2009, thereby accounting for 7.58% total increase in the net assets of the County. Key elements of this increase were fueled by an increase in property taxes and in lieu taxes.

- Total revenue for the County's governmental activities increased 2.38%.
- The County's long-term debt decreased by 1.82%.
- As an arm of the state government, operating grants and contributions serve multiple programs, representing 77.82% 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 2.31% over the prior year primarily to decreased 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 8.53% due to property tax shift required by State and due to the increase of assessed values of new building throughout the County.
- Total expenses for governmental activities increased by 5.09% with increases in all major functions. The County's major cost component is salaries and benefits.
- The County recorded \$11,230 in revenue for the current fiscal year, which is classified as an other item, which includes transit occupancy tax \$14, deed transfer \$408, other taxes \$1,931 and other contributions \$8,878.

Business-type Activities

Business-type activities' net assets increased the County's net assets by \$2,326. The main reason for this is an increase in federal aid for transportation programs in the amount of \$2,619.

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, 2009, The County's governmental funds reported total fund balances of \$95,605, a 6.82% increase in comparison with the prior year. Approximately 44.16% or \$42,217 of the total fund balances constitutes unreserved fund balance, which is available to meet the County's current and future needs. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has been committed to 1) to pay debt service \$5,524, 2) to reflect CDBG loans receivable in which the County acts as a conduit for intergovernmental loans to entities within the County \$13,172, 3) to reflect COP monies \$1,818, 4) reserved for monies received from tobacco settlement endowment fund \$20,113, 5) reserved for prior year encumbrances \$4,003 and 6) a variety of other restricted purposes \$8,758.

Management's Discussion and Analysis (Continued)

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

The General Fund is the chief operating fund of the County. At June 30, 2009, unreserved fund balance of the General Fund was \$14,237. As a measure of the General Funds' liquidity, it may be helpful to compare both unreserved fund balance and fund balance to total fund expenditures. Unreserved fund balance represents 7.23% of total General Fund expenditures, while total fund balance represents 23.50% of total General Fund expenditures.

Revenues for governmental functions totaled \$272,724 at June 30, 2009, which represents an increase of 3.75% from fiscal year 2007-2008. The largest increases in revenues were in federal aid revenues, which increased 14.13% and was primarily due to increases grants awarded the County by the Federal government in 2008-09.

Expenditures for government functions totaled \$265,724 at June 30, 2009 which represents an increase of 3.73% from fiscal year 2007-08. The largest increases occurred in general government and public assistance, which increased 6.27% and in addition, public protection, and health and sanitation increased by approximately 1.16%.

Proprietary Funds

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

The net assets of the enterprise funds increased by \$2,326. The main reason for this is an increase in federal aid for transportation programs in the amount of \$2,619.

The internal service funds carried \$44,536 in unrestricted net assets as a result of a decrease in claims insurance liabilities. Also, a change in medical insurance design reduced costs. Claims payable were \$11,741 at June 30, 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget resulted in a \$4,011, increase in appropriations that is briefly summarized as follows:

- (\$563) decrease in the County's Health and Sanitation appropriations was the result of program cuts from the State.
- \$211 increase in the County's Public Assistance appropriations represents increase program costs for various social services programs.
- \$3,898 increase in the County's Public Protection appropriations was the result of unanticipated grants for initiatives.
- \$465 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, 2009, the County's investment in capital assets for its governmental and business-type activities amounted to \$102,659 (net of accumulated depreciation). The investments in capital assets are comprised of land, infrastructure, structures and improvements, furniture and equipment, vehicles, and construction in progress. The County, according to GASB 34 guidelines, has elected retroactively to include all infrastructure assets dating back to 1980.

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

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	\$ 4,083	\$ 4,083	\$ 685	\$ 685	\$ 4,768	\$ 4,768
Construction in Progress	6,613	8,118	-	-	6,613	8,118
Infrastructure	35,362	34,693	-	-	35,362	34,693
Structures and Improvements	29,574	27,580	8,930	7,129	38,504	34,709
Vehicles	3,782	4,047	-	-	3,782	4,047
Furniture and Equipment	13,185	10,904	445	495	13,630	11,399
Total	<u>\$ 92,599</u>	<u>\$ 89,425</u>	<u>\$10,060</u>	<u>\$ 8,309</u>	<u>\$102,659</u>	<u>\$97,734</u>

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 \$75,442. This amount is comprised of \$3,750 of certificates of participation, \$59,355 represents debt outstanding for the pension obligation bond. \$10,887 in earned compensated absences, \$1,080 State of California Child Support claim, and \$370 capital lease obligations.

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

	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Employee Compensated Absences	\$ 10,870	\$ 9,668	\$ 17	\$ 30	\$ 10,887	\$ 9,698
Capital Lease Obligation	370	559	-	-	370	559
St. of California Child Support Claim	1,080	1,170	-	-	1,080	1,170
Pension Funding Bonds 1997	26,090	27,460	-	-	26,090	27,460
Pension Funding Bonds 2002	33,265	33,265	-	-	33,265	33,265
1999 Certificates of Participation	3,750	4,700	-	-	3,750	4,700
Total	<u>\$ 75,425</u>	<u>\$ 76,822</u>	<u>\$ 17</u>	<u>\$ 30</u>	<u>\$ 75,442</u>	<u>\$ 76,852</u>

Management's Discussion and Analysis (Continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

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

The State's budget cuts for local governments remain the major determining factors in determining the County's budget for fiscal year 2009-10 and beyond, as the County is again required to contribute property tax revenues to the State budget in 2009-10. 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. Douglas R. Newland, CPA, Imperial County Auditor-Controller, 940 Main Street, Suite 108, El Centro, California, 92243, (760) 482-4556 or visit the website at www.imperialcounty.net



COUNTY OF IMPERIAL
Statement of Net Assets
June 30, 2009
(amounts expressed in thousands)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
Assets:				
Cash and cash equivalents	\$ 98,529	\$ 8,924	\$ 107,453	\$ 6,406
Cash with Fiscal Agent	21,933	-	21,933	-
Deposits with Others	64	-	64	-
Receivables (net):				
Accounts	13,197	887	14,084	-
Interest	634	39	673	30
Taxes	1,399	-	1,399	-
Loans	13,107	-	13,107	-
Internal balances	39	(39)	-	-
Due from other governmental funds	14,987	-	14,987	1
Inventories and Prepaid Expenses	700	-	700	-
Capital assets (net of accumulated depreciation):				
Land	4,083	685	4,768	-
Construction in progress	6,613	-	6,613	-
Structures & Improvements-net	29,574	8,931	38,505	-
Vehicles-net	3,782	-	3,782	-
Furniture & Equipment-net	13,185	445	13,630	-
Infrastructure	35,362	-	35,362	-
Total assets	<u>257,188</u>	<u>19,872</u>	<u>277,060</u>	<u>6,437</u>
Liabilities:				
Claims payable	11,741	-	11,741	-
Accounts payable	4,671	241	4,912	4
Accrued payroll	4,470	11	4,481	-
Interest payable	5	-	5	-
Due to other governmental funds	12,470	-	12,470	1
Noncurrent liabilities:				
Due within one year	2,780	-	2,780	-
Due in more than one year	72,645	9,754	82,399	-
Total liabilities	<u>108,782</u>	<u>10,006</u>	<u>118,788</u>	<u>5</u>
Net Assets:				
Invested in capital assets, net of related debt	88,479	10,061	98,540	-
Restricted for:				
General Fund	10,072	-	10,072	-
Special revenue	15,857	-	15,857	-
Capital projects	4	-	4	-
Debt service	5,524	-	5,524	-
Public ways & facilities	-	878	878	-
Unrestricted	28,470	(1,073)	27,397	6,432
Total net assets	<u>\$ 148,406</u>	<u>\$ 9,866</u>	<u>\$ 158,272</u>	<u>\$ 6,432</u>

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

COUNTY OF IMPERIAL
Statement of Activities
Year Ended June 30, 2009
(amounts expressed in thousands)

Functions	Program Revenues				Net (Expense) Revenues and Changes in Net Asset			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities								
General Government	\$ 70,541	\$ 42,535	\$ 23,639	\$ -	\$ (4,367)	\$ -	\$ (4,367)	\$ -
Public Protection	76,276	8,276	48,677	-	(19,323)	-	(19,323)	-
Health & Sanitation	40,142	6,898	30,163	-	(3,081)	-	(3,081)	-
Public Assistance	104,080	2,559	66,559	-	(34,962)	-	(34,962)	-
Public Ways & Facilities	13,648	1,527	16,215	-	4,094	-	4,094	-
Interest on long-term liabilities	2,606	-	-	-	(2,606)	-	(2,606)	-
Total Governmental Activities	<u>307,293</u>	<u>61,795</u>	<u>185,253</u>	<u>-</u>	<u>(60,245)</u>	<u>-</u>	<u>(60,245)</u>	<u>-</u>
Business Activities								
Airport	1,189	728	-	-	-	(461)	(461)	-
Closure/Postclosure	682	200	-	-	-	(482)	(482)	-
Other	4,318	682	4,359	-	-	723	723	-
Total Business Type Activities	<u>6,189</u>	<u>1,610</u>	<u>4,359</u>	<u>-</u>	<u>-</u>	<u>(220)</u>	<u>(220)</u>	<u>-</u>
Total Primary Government	<u>\$ 313,482</u>	<u>\$ 63,405</u>	<u>\$ 189,612</u>	<u>\$ -</u>	<u>\$ (60,245)</u>	<u>\$ (220)</u>	<u>\$ (60,465)</u>	<u>\$ -</u>
Component Units:								
IV Parks, Inc.	\$ 9	\$ -	\$ 19	\$ -	\$ -	\$ -	\$ -	\$ 10
Children and Families First Commission	2,651	-	2,594	-	-	-	-	(57)
Total Component Units	<u>\$ 2,660</u>	<u>\$ -</u>	<u>\$ 2,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (47)</u>
General Revenues:								
Property Tax					\$ 19,358	\$ -	\$ 19,358	\$ -
Property Tax In Lieu					18,760	-	18,760	-
Sales Tax					12,237	-	12,237	-
Franchises Tax					429	-	429	-
Federal In-Lieu Taxes					2,923	-	2,923	-
Other					11,230	2,619	13,849	165
Unrestricted Investment Earnings					5,478	214	5,692	152
Loss on Sales of Fixed Assets					-	-	-	-
Transfers In (Out)					287	(287)	-	-
Total general revenues					<u>70,702</u>	<u>2,546</u>	<u>73,248</u>	<u>317</u>
Change in net assets					10,457	2,326	12,783	270
Net assets - beginning					138,838	7,540	146,378	6,162
Prior period adjustment					(889)	-	(889)	-
Net assets - beginning restated					<u>137,949</u>	<u>7,540</u>	<u>145,489</u>	<u>6,162</u>
Net assets - ending					<u>\$ 148,406</u>	<u>\$ 9,866</u>	<u>\$ 158,272</u>	<u>\$ 6,432</u>

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

COUNTY OF IMPERIAL
Balance Sheet
Governmental Funds
June 30, 2009
(amounts expressed in thousands)

	<u>General</u>	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 11,593	\$ 33,649	\$ 6,024	\$ 51,266
Cash with Fiscal Agent	21,931	2	-	21,933
Deposits with Others	-	64	-	64
Receivables (net):				
Accounts	7,821	5,122	252	13,195
Interest	229	158	29	416
Taxes	1,238	161	-	1,399
Loan	-	13,107	-	13,107
Due from other funds	11,464	2,978	1	14,443
Inventories and Prepaid Expenses	287	339	-	626
	<u>\$ 54,563</u>	<u>\$ 55,580</u>	<u>\$ 6,306</u>	<u>\$ 116,449</u>
Total assets				
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,779	\$ 1,065	\$ 562	\$ 4,406
Accrued payroll	3,681	713	-	4,394
Interest payable	-	4	1	5
Due to other funds	1,863	10,175	1	12,039
	<u>8,323</u>	<u>11,957</u>	<u>564</u>	<u>20,844</u>
Total Liabilities				
Fund Balances:				
Reserved for:				
General	4,448	-	-	4,448
Encumbrances	1,673	2,327	3	4,003
Inventories	287	339	-	626
Debt service	-	-	5,524	5,524
Capital Outlay	3,023	-	-	3,023
Loan	-	13,171	1	13,172
COPS	1,818	-	-	1,818
Endowment Op Funds	20,113	-	-	20,113
Other	641	20	-	661
Unreserved, reported in				
General Fund	14,237	-	-	14,237
Special Revenue Funds	-	27,766	-	27,766
Capital Projects Funds	-	-	214	214
	<u>46,240</u>	<u>43,623</u>	<u>5,742</u>	<u>95,605</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 54,563</u>	<u>\$ 55,580</u>	<u>\$ 6,306</u>	<u>\$ 116,449</u>

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

COUNTY OF IMPERIAL
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2009
(amounts expressed in thousands)

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

Total fund balance - governmental funds	\$	95,605
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$198,193 and the accumulated depreciation is \$107,872.		90,321
Internal service funds are used by management to charge the costs of motor pool, printing, mail system, communications, and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		37,725
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		(75,245)
Total net assets - governmental activities	\$	<u>148,406</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, 2009
(amounts expressed in thousands)

	<u>General</u>	<u>Special Revenue Funds</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes	\$ 27,217	\$ 3,817	\$ -	\$ 31,034
Licenses and permits	2,194	1,417	-	3,611
Fines, Forfeitures & Penalties	4,906	2,069	204	7,179
Use of Money & Property	2,590	682	177	3,449
State aid	81,874	34,444	122	116,440
Federal aid	50,568	9,660	3,338	63,566
Charges for Services	27,878	10,981	1,789	40,648
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	1,359	5,438	6,797
Total revenues	<u>197,227</u>	<u>64,429</u>	<u>11,068</u>	<u>272,724</u>
Expenditures:				
Current:				
General Government	20,270	283	11,023	31,576
Public Protection	62,912	13,366	-	76,278
Health & Sanitation	30,517	9,625	-	40,142
Public Assistance	82,437	21,643	-	104,080
Public Ways & Facilities	661	12,987	-	13,648
Total expenditures	<u>196,797</u>	<u>57,904</u>	<u>11,023</u>	<u>265,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>430</u>	<u>6,525</u>	<u>45</u>	<u>7,000</u>
Other financing sources (uses):				
Changes in Reserves	-	573	(381)	192
Transfers	-	268	-	268
Endowment Funds	(462)	-	-	(462)
COP Bonds Uses	-	-	-	-
Encumbrances	-	-	-	-
Proceeds of COP bonds	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>(462)</u>	<u>841</u>	<u>(381)</u>	<u>(2)</u>
Net change in fund balances	<u>(32)</u>	<u>7,366</u>	<u>(336)</u>	<u>6,998</u>
Fund balances - beginning	46,272	37,146	6,078	89,496
Prior period adjustment	<u>-</u>	<u>(889)</u>	<u>-</u>	<u>(889)</u>
Fund balances-beginning restated	<u>46,272</u>	<u>36,257</u>	<u>6,078</u>	<u>88,607</u>
Fund balances - ending	<u>\$ 46,240</u>	<u>\$ 43,623</u>	<u>\$ 5,742</u>	<u>\$ 95,605</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, 2009
(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	\$	6,998
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$2,500 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
Capital outlays	\$	9,364
Loss on disposal of capital assets		(5,181)
Proceeds from sales of capital assets		1,127
Depreciation expense		<u>(5,689)</u>
Additional accrued interest calculated on bonds payable		5,876
Long-term liabilities, including bonds payable, increased during the year in the amount of \$1,202.		(1,577)
<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 increased by \$1,177.</p>		
Internal service funds are used by the County to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		<u>(1,638)</u>
Change in net assets of governmental activities	\$	<u>10,457</u>

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

COUNTY OF IMPERIAL
Statement of Net Assets
Proprietary Funds
June 30, 2009
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental
				Activities	
	Imperial Airport	Closure/ Postclosure	Other Enterprise Funds	Total	Internal Service Funds
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 301	\$ 7,045	\$ 1,578	\$ 8,924	\$ 47,263
Receivables (net):					
Accounts	4	-	883	887	2
Interest	1	32	6	39	218
Due from Other Funds	-	-	-	-	583
Inventories and Prepaid Expenses	-	-	-	-	74
Total Current Assets	<u>306</u>	<u>7,077</u>	<u>2,467</u>	<u>9,850</u>	<u>48,140</u>
Noncurrent Assets:					
Land	662	-	23	685	23
Construction in process	-	-	-	-	-
Structures & Improvements	16,994	-	50	17,044	163
Vehicles	-	-	-	-	6,516
Equipment	694	-	-	694	1,491
Accumulated Depreciation	(8,312)	-	(50)	(8,362)	(5,916)
Total Noncurrent Assets	<u>10,038</u>	<u>-</u>	<u>23</u>	<u>10,061</u>	<u>2,277</u>
Total Assets	<u>10,344</u>	<u>7,077</u>	<u>2,490</u>	<u>19,911</u>	<u>50,417</u>
LIABILITIES:					
Current Liabilities:					
Claims Payable	-	-	-	-	11,741
Accounts Payable	11	-	230	241	265
Interest Payable	-	-	-	-	-
Accrued Payroll	5	-	6	11	76
Due to Other Funds	33	-	6	39	431
Current portion of compensated absences	(17)	-	4	(13)	24
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>32</u>	<u>-</u>	<u>246</u>	<u>278</u>	<u>12,537</u>
Noncurrent Liabilities:					
Compensated Absences	22	-	8	30	155
Accrued Closure/Postclosure	-	9,737	-	9,737	-
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>22</u>	<u>9,737</u>	<u>8</u>	<u>9,767</u>	<u>155</u>
Total Liabilities	<u>54</u>	<u>9,737</u>	<u>254</u>	<u>10,045</u>	<u>12,692</u>
NET ASSETS:					
Invested in Capital Assets, net of related debt	10,038	-	23	10,061	2,277
Restricted	29	-	849	878	(9,088)
Unrestricted	223	(2,660)	1,364	(1,073)	44,536
Total Net Assets	<u>\$ 10,290</u>	<u>\$ (2,660)</u>	<u>\$ 2,236</u>	<u>\$ 9,866</u>	<u>\$ 37,725</u>

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

COUNTY OF IMPERIAL
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities
	Imperial Airport	Closure/ Postclosure	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues:					
Charges for Services	\$ 728	\$ 200	\$ 682	\$ 1,610	\$ 36,122
Other Revenues	-	-	-	-	62
Total Operating Revenues	<u>728</u>	<u>200</u>	<u>682</u>	<u>1,610</u>	<u>36,184</u>
Operating Expenses:					
Salaries and Benefits	171	-	192	363	1,981
Services and Supplies	451	-	4,122	4,573	36,350
Depreciation	567	-	-	567	642
Total Operating Expenses	<u>1,189</u>	<u>-</u>	<u>4,314</u>	<u>5,503</u>	<u>38,973</u>
Operating Income (Loss)	<u>(461)</u>	<u>200</u>	<u>(3,632)</u>	<u>(3,893)</u>	<u>(2,789)</u>
Non-operating Revenues (Expenses):					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	-
State Aid	-	-	3,476	3,476	-
Federal Aid	-	-	883	883	-
Changes in Designated Reserve	-	-	-	-	-
Other	2,619	(682)	(4)	1,933	-
Interest - Income	6	180	28	214	1,131
Total Non-Operating Revenues	<u>2,625</u>	<u>(502)</u>	<u>4,383</u>	<u>6,506</u>	<u>1,131</u>
Net Income (Loss) before Transfers	<u>2,164</u>	<u>(302)</u>	<u>751</u>	<u>2,613</u>	<u>(1,658)</u>
Transfers in (out):					
Transfers In	(287)	-	-	(287)	20
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	<u>(287)</u>	<u>-</u>	<u>-</u>	<u>(287)</u>	<u>20</u>
Change in Net Assets	<u>1,877</u>	<u>(302)</u>	<u>751</u>	<u>2,326</u>	<u>(1,638)</u>
Net Assets - Beginning	<u>8,413</u>	<u>(2,358)</u>	<u>1,485</u>	<u>7,540</u>	<u>39,363</u>
Net Assets - Ending	<u>\$ 10,290</u>	<u>\$ (2,660)</u>	<u>\$ 2,236</u>	<u>\$ 9,866</u>	<u>\$ 37,725</u>

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

COUNTY OF IMPERIAL

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2009

(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	\$ 728	\$ 200	\$ 682	\$ 1,610	\$ 36,180
Cash received from operating activities	5	-	-	5	2,011
Cash paid to suppliers	(451)	(71)	(4,122)	(4,644)	(35,024)
Cash paid to employees	(171)	-	(192)	(363)	(1,981)
Cash paid for operating activities	-	-	(30)	(30)	(56)
Net cash provided by (used) operating activities	111	129	(3,662)	(3,422)	1,130
Cash flows from noncapital financing activities:					
Transfers Out	-	(682)	-	(682)	(119)
Receipt of federal aid	-	-	883	883	-
Receipt of state aid	-	-	3,475	3,475	-
Net cash provided by (used) in non-capital financing activities	-	(682)	4,358	3,676	(119)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	-	-	-	-	-
Transfer in to purchase equipment	-	-	-	-	-
Net cash used by capital and related financing activities	-	-	-	-	-
Cash flows from investing activities:					
Interest received (paid)	6	180	24	210	1,130
Net increase in cash and cash equivalents	117	(373)	720	464	2,141
Cash and cash equivalents - beginning	184	7,418	858	8,460	45,122
Cash and cash equivalents - ending	<u>\$ 301</u>	<u>\$ 7,045</u>	<u>\$ 1,578</u>	<u>\$ 8,924</u>	<u>\$ 47,263</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating Income (Loss)	\$ (461)	\$ 200	\$ (3,632)	\$ (3,893)	\$ (2,789)
Adj. to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation expense	567	-	-	567	642
Decrease (Increase) in accounts receivable	8	-	(257)	(249)	(3)
Decrease (Increase) in interest receivable	-	5	(2)	3	(8)
Decrease (Increase) in prepaid expenses	-	-	-	-	(3)
Decrease (Increase) in due from other funds	-	-	1	1	230
Increase (Decrease) in accounts payable	(1)	-	229	228	(232)
Increase (Decrease) in interest payable	-	-	-	-	-
Increase (Decrease) in accrued liabilities	-	-	2	2	12
Increase (Decrease) in due to other funds	1	-	(7)	(6)	247
Increase (Decrease) in postclosure costs liability	-	(76)	-	(76)	-
Increase (Decrease) in insurance loss expense	-	-	-	-	3,010
Increase (Decrease) in compensated absences	(3)	-	4	1	24
Total adjustments	572	(71)	(30)	471	3,919
Net cash provided by operating activities	<u>\$ 111</u>	<u>\$ 129</u>	<u>\$ (3,662)</u>	<u>\$ (3,422)</u>	<u>\$ 1,130</u>

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

COUNTY OF IMPERIAL
Statement of Fiduciary Net Assets
June 30, 2009
(amounts expressed in thousands)

	Trust Funds			Agency Funds	Total
	Pension Trust and other Employee Benefits	Special District and School District	Investment Trust		
Assets:					
Cash and cash equivalents	\$ 7,132	\$ 166,242	\$ 32,792	\$ 47,652	\$ 253,818
Investments	430,649	-	-	-	430,649
Accounts Receivable-Net	-	-	380	421	801
Taxes Receivable-Net	-	-	-	12,950	12,950
Interest Receivable	30	880	92	161	1,163
Prepaid Expenses	-	-	-	-	-
Due From Other Funds	-	3	5,712	16,427	22,142
Deposits with Others	-	2	1,625	22,677	24,304
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 437,811</u>	<u>\$ 167,127</u>	<u>\$ 40,601</u>	<u>\$ 100,288</u>	<u>\$ 745,827</u>
Liabilities :					
Accounts Payable	\$ -	\$ 112	\$ 1,534	\$ 18,257	\$ 19,903
Interest Payable	-	-	1,863	(13)	1,850
Due to Other Funds	18	57	3,196	21,388	24,659
Fiduciary Liability	76	35	-	-	111
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>94</u>	<u>204</u>	<u>6,593</u>	<u>39,632</u>	<u>46,523</u>
Held in Trust for Pension Benefits	430,573	-	-	-	430,573
Held in Trust for Pool Investments	7,144	166,923	34,008	60,656	268,731
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balance	<u>\$ 437,811</u>	<u>\$ 167,127</u>	<u>\$ 40,601</u>	<u>\$ 100,288</u>	<u>\$ 745,827</u>

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

COUNTY OF IMPERIAL
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Trust Funds			Total
	Pension Trust and other Employee Benefits	Special District and School District	Investment Trust	
Additions:				
Employee/Employer Contributions	\$ 20,455	\$ -	\$ -	\$ 20,455
Contributions to Pooled Investments	-	-	73,918	73,918
Contributions to Special/School District Trust	-	476,518	-	476,518
Interest and Investment Income	7,448	4,600	936	12,984
Total Additions	<u>27,903</u>	<u>481,118</u>	<u>74,854</u>	<u>583,875</u>
Deductions:				
Distributions from Pooled Investments	-	-	83,606	83,606
Distributions from Pension Trust/Other	23,353	-	-	23,353
Distributions from Special/School District Trust	-	502,587	-	502,587
Total Deductions	<u>23,353</u>	<u>502,587</u>	<u>83,606</u>	<u>609,546</u>
Change in Net Assets	<u>4,550</u>	<u>(21,469)</u>	<u>(8,752)</u>	<u>(25,671)</u>
Net Assets - Beginning	7,734	188,392	42,760	238,886
Prior Period Adjustments	425,433	-	-	425,433
Net Assets - Beginning-restated	<u>433,167</u>	<u>188,392</u>	<u>42,760</u>	<u>664,319</u>
Net Assets - Ending	<u>\$ 437,717</u>	<u>\$ 166,923</u>	<u>\$ 34,008</u>	<u>\$ 638,648</u>

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



County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Note 1 – The Financial Reporting Entity

(a) Reporting Entity

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

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

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

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

(b) Blended Component Units:

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

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

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

(c) Discretely Presented Component Units:

The Children and Families First Commission (Commission) was established in March 1999 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code. The County Board appointed all members of the Commission. The Board can remove appointed members at will. The Commission accounts for receipts and disbursements of California Children and First Families Trust Fund allocations and

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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.

I.V. Parks, Inc. was established in January, 2008 under the authority of the Imperial County Parks and Recreation Commission. The purpose of this corporation is to provide additional funds for the Imperial County Parks and Recreation Commission to enhance the parks and recreation programs of Imperial County, California, and to carry on other charitable activities associated with this goal as allowed by law. Additional information may be obtained by contacting the Commission at 801 West Main Street, El Centro, CA 92243.

Note 2 – Summary of Significant Accounting Policies

(a) Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2007, the County implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB Statement No. 45 establishes standards, for the measurement, recognition and display of other post-employment benefits (OPEB's) expenses/expenditures, related assets and liabilities, note disclosures and, if applicable, required supplementary information in the financial reports of state and local government employers.

(b) Basis of Presentation

Government-wide Financial Statements

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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 County reports only one major governmental fund:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes activities such as public protection, public ways and facilities, health and sanitation, public assistance, and education.
- Although the *Special Revenue Funds* are not considered major funds, the County has chosen to present them in a separate column for the benefit of the reader.

The County reports the following major enterprise funds:

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

The County reports the following additional fund types:

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

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

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

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

c) Basis of Accounting

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

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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

(d) Cash and Cash Equivalents

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

(e) Investments

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

(f) Inventories

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

(g) Property Taxes

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

All jurisdictions within California derive their taxing authority from the State of California and various legislative provisions contained in the State of Government Codes and Revenue Taxation Codes. Pursuant to Article XIII A (known as Proposition 13) of the State of California Constitution, the County is permitted to levy a maximum tax of 1% of full cash value. For fiscal year 2008-09, the County received \$19,358 in property taxes that were used to finance general government services.

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

(h) Capital Assets

Capital assets, including infrastructure, are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets, which consist of certain improvements including roads, bridges, pavements in progress, and right of way. The County defines capital assets as assets with initial, individual costs of more than \$3 and an estimated useful life in excess of one year. Capital assets (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	70,000 – 100,000 miles
Infrastructure	20 – 50 years

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

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

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

(j) Use of Estimates

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(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. The Pension Trust participates in the Pool, but the majority of their cash and investments are held separately from other County funds. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily balance of each fund.

Total County cash and investments are as follows:

<i>Cash:</i>	
Cash on hand	\$ 2
Imprest Cash	78
Checks for deposit	1,711
Outstanding warrants adj	<u>(141)</u>
Total cash	<u>1,651</u>
 <i>Investments:</i>	
In Treasurer's pool	366,026
With Fiscal Agent	21,933
With others external to the Treasurer's Pool	<u>24,368</u>
Total investments	<u>412,327</u>
Total cash and investments	<u>\$ 413,978</u>

Total County cash and investments are reported as follows:

Primary government	\$ 129,450
Component unit	6,406
Pension trust	7,132
Special district and Schools trust	166,244
Investment trust funds	34,417
Agency funds	<u>70,329</u>
Total cash and investments	<u>\$ 413,978</u>

Deposits

At June 30, 2009, the carrying amount of the County's cash deposits was \$112,633 and the bank balance for deposits maintained in various financial institutions amounted to \$114,549. Of the bank balance, \$101,712 was covered by federal depository insurance and the balance was collateralized as required by state law.

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Investments

The County's investments are categorized below to give an indication of the level of custodial credit risk assumed by the County as of June 30, 2009. Category 1 includes investments that are insured or registered, or held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or its trust department or agent but not in the County's name. The County does not have any category 2 or 3 investments at June 30, 2009.

At June 30, 2009, the County's investment balances were as follows:

	Category			Carrying Amount	Fair Value
	1	2	3		
Categorized investments:					
U.S. Government Securities	<u>\$ 135,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,555</u>	<u>\$ 136,842</u>
Total categorized investments	<u>\$ 135,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,555</u>	<u>\$ 136,842</u>
Uncategorized investments:					
Local Agency Investment Fund				39,500	39,500
Mutual Funds				<u>80,000</u>	<u>80,000</u>
Total investments				<u>\$255,055</u>	<u>\$256,342</u>

Note 4 – Receivables

Accounts, interest, taxes and loan receivable balances of the General, Special Revenue, Proprietary and Trust and Agency Funds. Taxes are stated net of allowances for uncollectable in the amount of \$1,123. The majority of loans receivable payments are deferred under program requirements. The following is a schedule of receivables applicable to each individual fund at June 30, 2009:

<u>Receivables- Governmental Activities</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>
Accounts	\$ 7,821	\$ 5,374	\$ 2	\$ 13,197
Interest	229	187	218	634
Taxes-Net	1,238	161	-	1,399
Loans, greater than one year	<u>-</u>	<u>13,107</u>	<u>-</u>	<u>13,107</u>
Total receivables	<u>\$ 9,288</u>	<u>\$ 18,829</u>	<u>\$ 220</u>	<u>\$ 28,337</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

<u>Receivables- Business-Type Activities</u>	<u>Imperial Airport</u>	<u>Closure/ Postclosure</u>	<u>Other Enterprise Fund</u>	<u>Total Business-type Activities</u>
Accounts	\$ 4	\$ -	\$ 883	\$ 887
Interest	<u>1</u>	<u>32</u>	<u>6</u>	<u>39</u>
Total receivables	<u>\$ 5</u>	<u>\$ 32</u>	<u>\$ 889</u>	<u>\$ 926</u>

Note 5 – Inter-fund Transactions

The composition of inter-fund balances as of June 30, 2009 are as follows:

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

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	\$ 11,464	\$ 1,863
Nonmajor Governmental Funds	2,979	10,176
Imperial Airport	-	33
Other Enterprise Funds	-	6
Internal Service Funds	583	431
Pension/Employee Benefit Trust Funds	-	18
Special District/School Trust Funds	3	57
Investment Trust Funds	5,712	3,196
Agency Funds	<u>16,427</u>	<u>21,388</u>
Total	<u>\$ 37,168</u>	<u>\$ 37,168</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.” Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations, re-allocations of special revenues, and debt service transfers to pay principal and interest payments on pension obligation bonds. All inter-fund transfers between individual government funds have been eliminated on the government-wide statements.

The following schedule briefly summarizes the County’s transfer activity for the fiscal year ended June 30, 2009:

	<u>Transfers In</u>	<u>Transfers Out</u>
Capital Projects	\$ -	\$ 287
Enterprise Funds	<u>287</u>	<u>-</u>
Total	<u>\$ 287</u>	<u>\$ 287</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Note 6 – Capital Assets

Capital assets activity for the year ended June 30, 2009 was as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,083	\$ -	\$ -	\$ 4,083
Construction in progress	8,118	7,987	(9,492)	6,613
Total capital assets, not being depreciated	<u>12,201</u>	<u>7,987</u>	<u>(9,492)</u>	<u>10,696</u>
Capital assets, being depreciated:				
Infrastructure	79,435	3,767	-	83,202
Structures & Improvements	59,098	3,766	-	62,864
Vehicles	9,949	1,800	(682)	11,067
Furniture and equipment	36,526	8,166	(6,136)	38,556
Total capital assets, being depreciated	<u>185,008</u>	<u>17,499</u>	<u>(6,818)</u>	<u>195,689</u>
Less accumulated depreciation for:				
Infrastructure	44,742	3,098	-	47,840
Structures & Improvements	31,518	1,772	-	33,290
Vehicles	5,902	2,015	(630)	7,285
Furniture and equipment	25,622	4,300	(4,551)	25,371
Total accumulated depreciation	<u>107,784</u>	<u>11,185</u>	<u>(5,181)</u>	<u>113,786</u>
Total capital assets, being depreciated, net	<u>77,224</u>	<u>6,314</u>	<u>(1,637)</u>	<u>81,903</u>
Governmental activities capital assets, net	<u>\$ 89,425</u>	<u>\$ 14,301</u>	<u>\$ (11,129)</u>	<u>\$ 92,599</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 685	\$ -	\$ -	\$ 685
Total capital assets, not being depreciated	<u>685</u>	<u>-</u>	<u>-</u>	<u>685</u>
Capital assets, being depreciated:				
Structures & Improvements	14,725	2,318	-	17,043
Furniture and equipment	684	23	(13)	694
Total capital assets, being depreciated	<u>15,409</u>	<u>2,341</u>	<u>(13)</u>	<u>17,737</u>
Less accumulated depreciation for:				
Structures & Improvements	7,596	517	-	8,113
Furniture and equipment	189	71	(11)	249
Total accumulated depreciation	<u>7,785</u>	<u>588</u>	<u>(11)</u>	<u>8,362</u>
Total capital assets, being depreciated, net	<u>7,624</u>	<u>1,753</u>	<u>(2)</u>	<u>9,375</u>
Business-type activities capital assets, net	<u>\$ 8,309</u>	<u>\$ 1,753</u>	<u>\$ (2)</u>	<u>\$ 10,060</u>

Depreciation

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 6,491
Public Protection	1,763
Health & Sanitation	81
Public Assistance	94
Public Ways & Facilities	1,607
Depreciation on capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	<u>1,149</u>
Total depreciation expense – governmental functions	<u>\$ 11,185</u>

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

Airports	\$ 588
Total depreciation expense – business-type functions	<u>\$ 588</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Construction in Progress

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

Note 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, 2009 totaled \$372.

Future minimum operating lease commitments are as follows:

<u>Year ending June 30,</u>	
2010	\$ 431
2011	30
2012	30
2013	30
2014	<u>30</u>
Total	<u>\$ 551</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>
Motorola 800 MHZ Radio	\$ 961
Qty 2 DM 1000 Digital Mail Proc.	51
D7 Dozer	<u>264</u>
	\$ 1,276
Less: Accumulated Depreciation	<u>(589)</u>
Net	<u>\$ 685</u>

Future capital lease minimum payments are as follows:

<u>Year ending June 30,</u>	
2010	\$ 188
2011	<u>182</u>
Total	<u>\$ 370</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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, 2008 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, 2009:

	Balance			Balance	Amounts
	<u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2009</u>	<u>Due within</u>
					<u>One year</u>
Employee Compensated Absences	\$ 9,668	\$ 1,202	\$ -	\$ 10,870	\$ 10
Capital Lease Obligation	559	-	189	370	188
Pension Funding Bonds 1997	27,460	-	1,370	26,090	1,465
Pension Funding Bonds 2002	33,265	-	-	33,265	-
State of California Child Support	1,170	-	90	1,080	90
1999 Cert. Of Participation	<u>4,700</u>	<u>-</u>	<u>950</u>	<u>3,750</u>	<u>1,005</u>
General Long Term Debt Payable	<u>\$ 76,822</u>	<u>\$ 1,202</u>	<u>\$ 2,599</u>	<u>\$ 75,425</u>	<u>\$ 2,758</u>

1999 Certificates of Participation

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

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2010	\$ 1,005	\$ 180	\$ 1,185
2011	250	137	387
2012	260	125	385
2013	275	112	387
2014	285	98	383
2015-2019	<u>1,675</u>	<u>259</u>	<u>1,934</u>
Total	<u>\$ 3,750</u>	<u>\$ 911</u>	<u>\$ 4,661</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Taxable Pension Funding Bonds 1997

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

The bonds have a stated interest rate from 6.100% to 6.375% and are payable over a period of 24 years maturing in 2021. The bonds are not subject to optional redemption prior to their stated maturity date. The bond's debt service to maturity is as follows:

<u>Year Ending June 30.</u>	<u>Principle</u>	<u>Interest</u>	<u>Total Payment</u>
2010	\$ 1,465	\$ 1,711	\$ 3,176
2011	1,565	1,611	3,176
2012	1,670	1,503	3,173
2013	1,790	1,388	3,178
2014	1,910	1,264	3,174
2015-2018	9,070	3,630	12,700
2019-2021	8,620	908	9,528
Total	<u>\$ 26,090</u>	<u>\$ 12,015</u>	<u>\$ 38,105</u>

Taxable Pension Funding Bonds 2002

On September 17, 2002, the County issued \$33,265 of taxable pension funding bonds to fund the County's unfunded accrued actuarial liability due the Imperial County Employees' Retirement System ("the System"). The payment of this liability will provide the System additional funds for investment.

The bonds have a stated interest rate from 4.71% to 5.715% and are payable over a period of 29 years maturing in 2031. The bonds are not subject to optional redemption prior to their stated maturity date. The bond's debt service to maturity is as follows:

<u>Year Ending June 30.</u>	<u>Principle</u>	<u>Interest</u>	<u>Total Payment</u>
2010	\$ -	\$ 1,863	\$ 1,863
2011	-	1,863	1,863
2012	715	1,846	2,561
2013	990	1,805	2,795
2014	1,045	1,753	2,798
2015-2019	6,190	7,796	13,986
2020-2025	10,110	6,676	16,786
2025-2031	14,215	2,570	16,785
Total	<u>\$ 33,265</u>	<u>\$ 26,172</u>	<u>\$ 59,437</u>

The following is a schedule of long-term liabilities for Business-Type Activities for the year ended June 30, 2009:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amounts</u> <u>Due within</u> <u>One year</u>
Employee Compensated Absences	\$ 30	\$ 5	\$ 18	\$ 17	\$ 5
Total	<u>\$ 30</u>	<u>\$ 5</u>	<u>\$ 18</u>	<u>\$ 17</u>	<u>\$ 5</u>

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Note 9 – Landfill Closure and Postclosure Costs

State and federal laws and regulations require that the County of Imperial place a final cover on its landfills when they are closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfills closure and postclosure care costs are based on the amount of the landfills used during the year. The estimated liability for landfill closure and postclosure care costs has a balance of \$9,737 as of June 30, 2009 which is based on an average of 10.07% usage (filled) of the ten landfills operated by the County. It is estimated that an additional \$2,395 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date that last landfill is expected to be filled to capacity (2109). The estimated total current cost of the landfill closure and postclosure care (\$11,784) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2009. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The County of Imperial is required by state and federal laws to make annual contributions to finance closure and postclosure care. The County is in compliance with these requirements and at June 30, 2009, \$7,045 was held in an Enterprise Fund for these purposes. Any future inflation costs and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

Note 10 – Employees' Retirement System

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

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

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

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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.

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

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

The total covered payroll of employees participating in the Retirement System for the year ended June 30, 2009 was \$83,164. The total County payroll for the year was \$93,493. The total contribution to the Retirement System for 2009 of \$18,155 was made in accordance with actuarial determined requirements computed through an actuarial valuation performed as of June 30, 2008. The County’s contribution was \$11,106. Employee contributions were \$7,049. The amortization period of the unfunded actuarial liability is based on an initial amortization period of 24 years.

The County’s contributions to the Plan, based on actuarial determined percentage of payroll costs, together with employees’ contribution, are intended to provide defined benefits when employees retire. This contribution includes amortization of past service costs over 30 years.

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

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
6/30/09	10,996	100%
6/30/08	8,956	100%
6/30/07	8,358	100%
6/30/06	5,706	100%
6/30/05	5,922	100%

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Note 11 - Other Postemployment Employment Benefits (OPEB)

Plan Description: Imperial County is a participant in the Imperial County Employees Retirement System (ICERS), a cost sharing multiple-employer defined benefit public employee retirement system. ICERS provides retirement benefits only. However, County retirees who retire directly for 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. Retirees may elect to cover spouses in their medical, dental, and vision coverage, However, retirees would be charged the full premium of spouses' medical, dental, and vision coverage.

Funding Policy: Currently, the County pays for these benefits on a pay-as-you-go basis. The "annual required contribution" presented below is based on claims experience from July 1, 2007 to June 30, 2008.

Annual OPEB Cost and Net OPEB Obligation: The County's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

	For the Fiscal Year Ending <u>June 30, 2008</u>	For the Fiscal Year Ending <u>June 30, 2009</u>
Determination of Annual Required Contribution		
Normal Cost	\$ 9,024	\$ 9,710
Amortization of UAAL	<u>5,628</u>	<u>6,025</u>
Annual Required Contribution (ARC)	\$ 14,652	\$ 15,724
Determination of Net OPEB Obligation		
Annual Required Contribution	\$ 14,652	\$ 15,724
Interest on prior year Net OPEB Obligation	-	425
Adjustment to ARC	<u>-</u>	<u>(354)</u>
Annual OPEB Cost	\$ 14,652	\$ 15,795
County Contributions made	<u>4,026</u>	<u>4,872</u>
Increase in Net OPEB Obligation	\$ 10,626	\$ 10,923
Net OPEB Obligation – beginning of year	<u>\$ -</u>	<u>\$ 10,626</u>
Net OPEB Obligation – end of year	<u>\$ 10,626</u>	<u>\$ 21,549</u>

The County's annual OPEB cost, the percentage of annual OPEB cost and the net OPEB obligation for the fiscal years ended June 30, 2008 and 2009 are as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2008	\$ 14,652	27.5%	\$ 10,626
June 20, 2009	\$ 15,795	30.8%	\$ 21,549

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Funded Status and Funding Progress: As of June 30, 2009, the most recent actuarial valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$180.4 million, and the actuarial value of assets was \$0.0 million, resulting in an unfunded accrued liability of \$180.4 million.

Note 12 - Commitments and Contingencies

A. Grants

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

B. Litigation

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

C. Risk Management

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

The liability insurance has a self-insured retention per claim of \$200 with excess liability insurance of up to \$25,000 per occurrence being provided by independent carriers. Workers' compensation has a self-insured retention per claim of \$300. Unemployment claims are reimbursed to the State of California for claims paid on behalf of the County. The County has a self-insurance group health program for its employees. The health plan has self-insured retention per claim of \$150. The medical malpractice insurance has a self-insured retention per claim of \$200 with excess liability insurance of up to \$9,800 per occurrence being provided by independent carriers. Auto liability insurance has a self-insured retention per claim of \$200.

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

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

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

Liability at June 30, 2008	\$ 8,751
Current year claims and changes in estimates	11,627
Claim payments	<u>(8,637)</u>
Liability at June 30, 2009	<u>\$ 11,741</u>

D. Child Support Incentive Funds Audit

On August 15, 2002, the State of California Department of Finance issued an audit report on the Imperial County Child Support Incentive Funds. The report addressed four areas: 1) understatement of excess incentive funds in the amount of \$28, 2) excess incentive encumbrances were overstated by \$2,754, 3) interest earned and unexpended in the amount of \$342 and a credit for (\$24) for disallowed EDP expenditures, and 4) overstatement of excess incentive expenditures in the amount of \$218. 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.

Note 12 – Notes Payable – TRANS

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

Short-term debt activity for the year ended June 30, 2009 was as follows:

	Beginning Balance <u>July 1, 2008</u>	<u>Draws</u>	<u>Repayments</u>	Ending Balance <u>June 30, 2009</u>
TRANS	\$ -	\$ 10,000	\$ (10,000)	\$ -

The County did not issue tax anticipation notes for the 2009-10 year.

County of Imperial
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009
(Dollars in Thousands)

Note 13 – Deficit Fund Net Assets

Deficits not visible in the basic financial statements are as follows:

- Closure/Postclosure Fund – Deficit net assets of (\$2,660) are the result of revenues being inadequate to cover expenses.
- Centralized Mail System Fund – Deficit net assets of (\$36) are the result of revenues being inadequate to cover expenditures. Management intends to fund deficit net assets with adjusted future charges over the next four years.

Note 14 – Prior Period Adjustment

A prior period adjustment of (\$889) was made to decrease the beginning fund balance of Public Works Roads, and to decrease the beginning net assets of governmental activities on the Statement of Activities. This adjustment was made due to the prior's year's loan receivable for LTA funds for the City of Calexico.

The restatement of Public Works Roads beginning fund balance and net assets for the governmental activities is summarized as follows:

<u>Public Works Roads</u>	
Fund balance at July 1, 2008	\$ 7,290
Prior period adjustment	<u>(889)</u>
Fund balance at July 1, 2008, as restated	<u>\$ 6,401</u>
<u>Governmental Activities</u>	
Net assets at July 1, 2008, as previously stated	\$ 138,838
Prior period adjustment	<u>(889)</u>
Net assets at July 1, 2008, as restated	<u>\$ 137,949</u>

A prior period adjustment of \$425,433 was made to increase the beginning net assets of the Pension Trust and other Employee Benefits on the Statement of Changes in Fiduciary Net Assets. This adjustment was made due to the Imperial County Employee's Retirement System's conversion to the accounting system used by the County.

<u>Pension Trust and other Employee Benefits</u>	
Net assets at July 1, 2008, as previously stated	\$ 7,734
Prior period adjustment	<u>425,433</u>
Net assets at July 1, 2008, as restated	<u>\$ 433,167</u>





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



COUNTY OF IMPERIAL
Required Supplementary Information
For the Fiscal Year Ended June 30, 2009

Schedule of Funding Progress
(amounts express in millions)

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Plan Assets (b)	Total Unfunded Actuarial Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (e)	UAAL As A Percentage of Annual Covered Payroll (c/e)
6-30-09	\$ 507.6	\$ 487.4	\$ 20.2	96.0%	93.5	21.6%
6-30-08	466.4	449.7	16.7	96.4%	86.0	19.4%
6-30-07	437.2	420.3	16.9	96.1%	77.8	21.7%
6-30-06	402.0	390.3	11.7	97.1%	71.7	16.3%
6-30-05	366.2	361.4	4.8	98.7%	67.9	7.1%
6-30-04	321.2	326.6	(5.4)	101.7%	67.9	(8.0%)
6-30-03	307.3	301.0	6.3	97.9%	67.7	9.3%
6-30-02	281.3	276.7	4.6	98.4%	71.7	6.4%
6-30-01	259.1	286.5	(27.4)	110.6%	62.8	(43.6%)
6-30-00	230.0	306.6	(76.6)	133.3%	52.7	(145.4%)
6-30-99	207.2	262.1	(54.9)	126.5%	44.7	(122.8%)
6-30-98 (a);(b)	189.7	239.9	(50.2)	126.5%	41.0	(122.4%)
6-30-97	166.7	171.7	(5.0)	103.0%	41.7	(12.0%)
6-30-96 (a);(b)	146.2	132.5	13.7	90.6%	39.6	34.6%
6-30-95 (a)	143.2	118.7	24.5	82.9%	40.3	60.8%

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

(b) Assets valuation was converted to Market Value.

COUNTY OF IMPERIAL
Required Supplementary Information
For the Fiscal Year Ended June 30, 2008 and 2009

Schedule of Funding Progress
Required under GASB 45
(amounts express in millions)

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>AAL Unit Credit</u>	<u>UAAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
6-30-08	\$ -	\$ 168.8	\$ 168.8	0.0%	\$ 81,001	208.4%
6-30-09	\$ -	\$ 180.4	\$ 180.4	0.0%	\$ 84,241	214.8%

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
Year Ended June 30, 2009
(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	\$ 28,418	\$ 28,418	\$ 27,217	\$ (1,201)
Licenses and permits	2,914	2,935	2,194	(741)
Fines, Forfeitures & Penalties	3,841	3,841	4,906	1,065
Use of Money & Property	2,477	2,838	2,590	(248)
Intergovernmental Aid	91,512	90,847	81,874	(8,973)
Federal aid	45,295	45,295	50,568	5,273
Charges for Services	21,028	22,996	27,878	4,882
Total revenues	<u>195,485</u>	<u>197,170</u>	<u>197,227</u>	<u>57</u>
Expenditures:				
Current:				
General Government	25,947	26,349	20,270	6,079
Public Protection	62,712	66,610	62,912	3,698
Health & Sanitation	35,432	34,869	30,517	4,352
Public Assistance	83,369	83,580	82,437	1,143
Public Ways & Facilities	680	743	661	82
Total expenditures	<u>208,140</u>	<u>212,151</u>	<u>196,797</u>	<u>15,354</u>
Excess of revenues over expenditures	<u>(12,655)</u>	<u>(14,981)</u>	<u>430</u>	<u>15,411</u>
Other financing sources (uses):				
Transfers	-	-	-	-
Changes in Reserves	-	-	-	-
Endowment Funds	-	-	(462)	(462)
COP Bonds Uses	-	-	-	-
Proceeds of COP Bonds	-	-	-	-
Net change in fund balances	<u>(12,655)</u>	<u>(14,981)</u>	<u>(32)</u>	<u>14,949</u>
Fund balances - beginning	<u>46,272</u>	<u>46,272</u>	<u>46,272</u>	<u>-</u>
Fund balances - ending	<u>\$ 33,617</u>	<u>\$ 31,291</u>	<u>\$ 46,240</u>	<u>\$ 14,949</u>

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

County of Imperial
Notes to Required Supplementary Information-
Budget Comparisons

June 30, 2009

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

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

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

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

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

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

Non-major Governmental Funds

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.

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

Public Works Solid Waste - 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.

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

Sheriff's Information Technology System – This budget was established to account for activities related to the expenses regarding the modernization of the Sheriff's Department Information Systems.

Federal Asset Forfeiture - In addition to any other fees required by law, a processing fee of eight dollars (\$8) shall be assessed for each disbursement of money collected under a writ of attachment, execution, possession, or sale,. But excluding any action by the district attorney's office for the establishment or enforcement of a child support obligation. The fee shall be collected from the judgment debtor in addition to, and in the same manner as, the money collected under the writ. All proceeds of this fee shall be deposited in a special fund in the county treasury. A separate accounting of funds deposited shall be maintained fo reach depositor, and funds deposited shall be for the exclusive use of the depositor.

Seventy percent of the moneys in the special fund shall be expended to supplement the county's cost for vehicle fleet replacement and equipment for the sheriff and the marshal. Thirty percent of the moneys in the special fund shall be expended to supplement the county's cost of vehicle and equipment maintenance for the sheriff and the marshal, and for the county's expenses in administering the funds.

No fee shall be charged where the only disbursement is the return of the judgment creditor's deposit for costs.

BioTerrorism Preparedness – This account was established to account for funds dedicated to the preparation of a Bio Terrorism Response plan.

Medi-Cal/CMSP - To separate the Medi-Cal and CMSP revenues and expenditures from our general fund. Per CEO request.

Imperial County Economic Development Funds (ICCED) - The ICCED funds account for revenues and expenditures for various activities and programs including USDA Small Business RLF, ICCED Special Expense Fund, Home Biz Micro-Training, ICCED Micro-Lending Program, USDA POE Waste Water, Gossner Foods, USDA RLF ICCED, ICCED Housing Rehab., Census 2000 County Cost, Heber Housing Rehab. 2000, Ocotillo Housing Rehab., Colonia Technical Asst. Prg., CDBG Micro-Enterprise, CDBG Revolving Loan Fund, CDBG General 1984, CDBG 1984 Jobs Bill, CDBG State, CDBG 1985, Heber Housing Rehab., Mesquite Lake CDBG, Geo. Info. Sys. ICCED, Colonia II Planning Grant, CDBG, Scattered Sites Housing, Colonia III & IV Grant, Enterprise Community, POE Colonia Water Svc., Home Funds 2001, Rural Business Enterprise, Econ. Dev. PTA Grant, CITCA E-Commerce, CDBG Business Loans/Infrastructure, Comm. Adj. Inv. Prg. Grant, Complete Planning & Tech., and CDBG Housing Rehab.

Other Special Revenue Funds - Account for revenues received for various activities and programs including Public Health Environmental Serv., Violence Against Women Pros. Unit, Gateway CSA, IV Food Bank, High Risk Youth TR Student, Major Narco Vert. Pros., HIDTA District Attorney, Juvenile Crime Enforce. & ACG II, School to Work, New River Task Force, Partner Public Health, WIA Funds, Youth Opp. Grant-SOS, SOS Grant Probation, Local Law Enforcement Block Grant, Drug Court, Glamis Dune Grant, Sugar Cane Prj. Ag. Ext., Assessor PTA Program, Fish & Game, Statutory Rape Vertical Prosecution Unit, Office of Emergency Service, Geothermal Admin., Substance Abuse/Perinatal, Probation Training, Sheriff Standard Training, City of Imperial Fire Service, HIDTA Grant Sheriff, Child Abuse (AB1733), E.C. Training Center CYA, Victim Witness Asst., IVAG, Park Bond Act Pioneer Park, Substance Abuse, AB 75 Health, Internet Access Info. Syst., Whitefly Mgmt. Comm., Integrated Waste Mgmt., P.W. Solid Waste Disposal, 1980 Park Bond Act, Desert Agri., Inst., Air Pollution Hazardous Material, Air Pollution Control Special, Park Bond Act Red Hill, Park Bond Act Heber Dunes, Special Prosecutions Unit, Area Agency on Aging, Tobacco Education, Park Bond Act 1988, ARID, OET, Volunteer Program, Source Reduction Recy. Elm., Fiber Optic Network, CNG Facility, Federal Asset Forfeiture, State Asset Forfeiture, Prior Fed. Asset Forfeiture, California Witness Prog., Substance Abuse & Crime Prev., AB 1913 Probation, EDA Grant Probation, SARB Probation, EPSDT Probation, Substance Abuse 2000 Prop. 36, EPSDT FRC Brawley Probation, Star Grant OET, 2000 LLEBG Grant, CX Gang Violence Supp., ICCFFC Juv. Hall Rec. Home, Reclamation Grant, 2001-03 LLEBG Prg., Boating Grant Salton Sea, Street Interdiction Team, Inmate Parenting, Bio-Terrorism Preparedness, IVROP Probation, FAA Grant # 14 Sec. Reg., TSA Grant Security, COPPS School Com. Pol, LLEBG 2002 LB-BX, Off-Highway Enforcement, District Attorney IVSIT.

Non-major Governmental Funds

Capital Projects Funds

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

Debt Service Fund

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

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Assets:				
Cash and cash equivalents	\$ 33,649	\$ 522	\$ 5,502	\$ 39,673
Cash with Fiscal Agent	2	-	-	2
Deposits with Others	64	-	-	64
Receivables (net):				
Accounts	5,122	252	-	5,374
Interest	158	7	22	187
Taxes	161	-	-	161
Loan	13,107	-	-	13,107
Due from other funds	2,978	1	-	2,979
Inventories and Prepaid Expenses	339	-	-	339
	<u>\$ 55,580</u>	<u>\$ 782</u>	<u>\$ 5,524</u>	<u>\$ 61,886</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,065	\$ 562	\$ -	\$ 1,627
Accrued Payroll	713	-	-	713
Interest Payable	4	1	-	5
Due to other funds	10,175	1	-	10,176
	<u>11,957</u>	<u>564</u>	<u>-</u>	<u>12,521</u>
Fund balances:				
Reserved for:				
Encumbrances	2,327	3	-	2,330
Inventories	339	-	-	339
Debt Service	-	-	5,524	5,524
Loan/Deposits with Others	13,171	-	-	13,171
Other	20	1	-	21
Unreserved, undesignated	27,766	214	-	27,980
	<u>43,623</u>	<u>218</u>	<u>5,524</u>	<u>49,365</u>
Total fund balances	<u>43,623</u>	<u>218</u>	<u>5,524</u>	<u>49,365</u>
Total liabilities and fund balances	<u>\$ 55,580</u>	<u>\$ 782</u>	<u>\$ 5,524</u>	<u>\$ 61,886</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Special Revenue Funds	Capital Projects Funds	Debt Service Funds	Total
Revenues:				
Taxes	\$ 3,817	\$ -	\$ -	\$ 3,817
Licenses & Permits	1,417	-	-	1,417
Fines, Forfeitures & Penalties	2,069	204	-	2,273
Use of Money & Property	682	106	71	859
State Aid	34,444	122	-	34,566
Federal Aid	9,660	3,338	-	12,998
Charges for Services	10,981	1,789	-	12,770
Sale of Fixed Assets	-	-	-	-
Other Revenues	1,359	107	5,331	6,797
Total Revenues	64,429	5,666	5,402	75,497
Expenditures:				
Current:				
General Government	283	6,024	4,999	11,306
Public Protection	13,366	-	-	13,366
Health & Sanitation	9,625	-	-	9,625
Public Assistance	21,643	-	-	21,643
Public Ways & Facilities	12,987	-	-	12,987
Education	-	-	-	-
Total expenditures	57,904	6,024	4,999	68,927
Other Financing Sources (Uses):				
Changes in Reserves	573	(381)	-	192
Transfers In (Out)	268	-	-	268
Total Other Financing Sources (Uses)	841	(381)	-	460
Net change in fund balances	7,366	(739)	403	7,030
Fund balances - beginning	37,146	957	5,121	43,224
Prior period adjustment	(889)	-	-	(889)
Fund balances-beginning restated	36,257	957	5,121	42,335
Fund balances - ending	\$ 43,623	\$ 218	\$ 5,524	\$ 49,365

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Library</u>	<u>Fire Protection</u>	<u>Public Works Roads</u>	<u>State/ Federal Jail Improvements</u>	<u>Criminal Justice Facilities</u>
Assets:					
Cash and cash equivalents	\$ 505	\$ 1,345	\$ 11,183	\$ 1,829	\$ 3,927
Cash with Fiscal Agent	-	-	-	-	-
Deposits with Others	-	-	-	-	-
Receivables (net):					
Accounts	1	15	3	104	48
Interest	2	-	47	8	18
Taxes	12	149	-	-	-
Loan	-	-	-	-	-
Due from other funds	5	491	576	-	1
Inventories and Prepaid Expenses	-	-	339	-	-
	<u>\$ 525</u>	<u>\$ 2,000</u>	<u>\$ 12,148</u>	<u>\$ 1,941</u>	<u>\$ 3,994</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 3	\$ 70	\$ 200	\$ 5	\$ -
Accrued Payroll	9	107	182	-	-
Interest Payable	-	-	-	-	-
Due to other funds	2	481	250	13	-
	<u>14</u>	<u>658</u>	<u>632</u>	<u>18</u>	<u>-</u>
Fund balances:					
Reserved for:					
Encumbrances	-	233	361	168	-
Inventories	-	-	339	-	-
Debt Service	-	-	-	-	-
Loan/Deposits with Others	-	-	-	-	-
Other	-	-	-	-	-
Unreserved, undesignated	511	1,109	10,816	1,755	3,994
	<u>511</u>	<u>1,342</u>	<u>11,516</u>	<u>1,923</u>	<u>3,994</u>
Total liabilities and fund balances	<u>\$ 525</u>	<u>\$ 2,000</u>	<u>\$ 12,148</u>	<u>\$ 1,941</u>	<u>\$ 3,994</u>

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Geothermal Admin.	Serv. Authority Freeway Emerg.	Federal Asset Forfeiture	AB443 Local Law Enforcement	Bio- Terrorism Prepard
Assets:					
Cash and cash equivalents	\$ 1,179	\$ 956	\$ 1,095	\$ 1,803	\$ 228
Cash with Fiscal Agent	-	-	-	-	-
Deposits with Others	-	-	-	-	-
Receivables (net):					
Accounts	-	-	-	-	-
Interest	5	4	5	8	2
Taxes	-	-	-	-	-
Loan	-	-	-	-	-
Due from other funds	16	-	-	-	10
Inventories and Prepaid Expenses	-	-	-	-	-
Total assets	\$ 1,200	\$ 960	\$ 1,100	\$ 1,811	\$ 240
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 1	\$ 15	\$ -	\$ 25
Accrued Payroll	-	-	-	9	-
Interest Payable	-	-	-	-	-
Due to other funds	95	-	1	-	155
Total Liabilities	95	1	16	9	180
Fund balances:					
Reserved for:					
Encumbrances	-	-	19	-	71
Inventories	-	-	-	-	-
Debt Service	-	-	-	-	-
Loan/Deposits with Others	-	-	-	-	-
Other	-	-	-	-	-
Unreserved, undesignated	1,105	959	1,065	1,802	(11)
Total fund balances	1,105	959	1,084	1,802	60
Total liabilities and fund balances	\$ 1,200	\$ 960	\$ 1,100	\$ 1,811	\$ 240

COUNTY OF IMPERIAL
Combining Balance Sheet
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Medi-Cal/ CMSP Fund	All American Canal Lining	ICCED Funds	Other Special Revenue Funds	Total
Assets:					
Cash and cash equivalents	\$ 2,914	\$ 910	\$ (327)	\$ 6,102	\$ 33,649
Cash with Fiscal Agent	-	-	-	2	2
Deposits with Others	-	-	53	11	64
Receivables (net):					
Accounts	441	-	607	3,903	5,122
Interest	18	4	2	35	158
Taxes	-	-	-	-	161
Loan	-	-	13,107	-	13,107
Due from other funds	-	-	8	1,871	2,978
Inventories and Prepaid Expenses	-	-	-	-	339
Total assets	\$ 3,373	\$ 914	\$ 13,450	\$ 11,924	\$ 55,580
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 46	\$ -	\$ 40	\$ 660	\$ 1,065
Accrued Payroll	-	-	-	406	713
Interest Payable	-	-	1	3	4
Due to other funds	1,777	-	32	7,369	10,175
Total Liabilities	1,823	-	73	8,438	11,957
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	1,475	2,327
Inventories	-	-	-	-	339
Debt Service	-	-	-	-	-
Loan/Deposits with Others	-	-	13,160	11	13,171
Other	-	-	-	20	20
Unreserved, undesignated	1,550	914	217	1,980	27,766
Total fund balances	1,550	914	13,377	3,486	43,623
Total liabilities and fund balances	\$ 3,373	\$ 914	\$ 13,450	\$ 11,924	\$ 55,580

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Library</u>	<u>Fire Protection</u>	<u>Public Works Roads</u>	<u>State/ Federal Jail Improvements</u>
Revenues:				
Taxes	\$ 319	\$ 3,498	\$ -	\$ -
Licenses & Permits	-	-	231	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	12	-	184	40
Intergovernmental	55	102	16,069	31
Federal Aid	-	-	-	581
Charges for Services	76	2,084	1,180	38
Sale of Fixed Assets	-	-	-	-
Other Revenues	45	-	10	-
Total Revenues	<u>507</u>	<u>5,684</u>	<u>17,674</u>	<u>690</u>
Expenditures:				
Current:				
General Government		-	-	-
Public Protection	-	4,782	-	302
Health & Sanitation	-	-	-	-
Public Assistance	554	-	-	-
Public Ways & Facilities	-	-	12,656	-
Total expenditures	<u>554</u>	<u>4,782</u>	<u>12,656</u>	<u>302</u>
Other Financing Sources (Uses):				
Changes in Reserves	-	-	97	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>97</u>	<u>-</u>
Net change in fund balances	(47)	902	5,115	388
Fund balances - beginning	558	440	7,290	1,535
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(889)</u>	<u>-</u>
Fund balances-beginning restated	<u>558</u>	<u>440</u>	<u>6,401</u>	<u>1,535</u>
Fund balances - ending	<u>\$ 511</u>	<u>\$ 1,342</u>	<u>\$ 11,516</u>	<u>\$ 1,923</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Criminal Justice Facilities</u>	<u>Geothermal Admin.</u>	<u>Serv. Authority Freeway Emerg.</u>	<u>Federal Asset Forefeiture</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	748	-	-	276
Use of Money & Property	88	28	22	27
Intergovernmental	-	-	146	-
Federal Aid	-	158	-	-
Charges for Services	71	46	25	23
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	20
Total Revenues	<u>907</u>	<u>232</u>	<u>193</u>	<u>346</u>
Expenditures:				
Current:				
General Government	-	-	-	-
Public Protection	251	-	-	295
Health & Sanitation	-	-	-	-
Public Assistance	-	213	-	-
Public Ways & Facilities	-	-	81	-
Total expenditures	<u>251</u>	<u>213</u>	<u>81</u>	<u>295</u>
Other Financing Sources (Uses):				
Changes in Reserves	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	656	19	112	51
Fund balances - beginning	3,338	1,086	847	1,033
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances-beginning restated	<u>3,338</u>	<u>1,086</u>	<u>847</u>	<u>1,033</u>
Fund balances - ending	<u>\$ 3,994</u>	<u>\$ 1,105</u>	<u>\$ 959</u>	<u>\$ 1,084</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	AB443 Local Law Enforcement	Bio Terror Preparedness	Medi-Cal CMSP Fund	All American Canal Lining
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	-	-	-	-
Fines, Forfeitures & Penalties	-	-	-	-
Use of Money & Property	42	7	78	14
Intergovernmental	500	401	6,654	-
Federal Aid	-	-	-	-
Charges for Services	43	11	48	-
Sale of Fixed Assets	-	-	-	-
Other Revenues	-	-	-	900
Total Revenues	585	419	6,780	914
Expenditures:				
Current:				
General Government	-	-	-	-
Public Protection	430	527	-	-
Health & Sanitation	-	-	-	-
Public Assistance	-	-	7,665	-
Public Ways & Facilities	-	-	-	-
Total expenditures	430	527	7,665	-
Other Financing Sources (Uses):				
Changes in Reserves	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balances	155	(108)	(885)	914
Fund balances - beginning	1,647	168	2,435	-
Prior period adjustment	-	-	-	-
Fund balances-beginning restated	1,647	168	2,435	-
Fund balances - ending	\$ 1,802	\$ 60	\$ 1,550	\$ 914

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	ICCED Funds	Other Special Revenue Funds	Total
Revenues:			
Taxes	\$ -	\$ -	\$ 3,817
Licenses & Permits	-	1,186	1,417
Fines, Forfeitures & Penalties	-	1,045	2,069
Use of Money & Property	-	140	682
Intergovernmental	416	10,070	34,444
Federal Aid	137	8,784	9,660
Charges for Services	171	7,165	10,981
Sale of Fixed Assets	-	-	-
Other Revenues	-	384	1,359
Total Revenues	<u>724</u>	<u>28,774</u>	<u>64,429</u>
Expenditures:			
Current:			
General Government	-	283	283
Public Protection	-	6,779	13,366
Health & Sanitation	-	9,625	9,625
Public Assistance	760	12,451	21,643
Public Ways & Facilities	-	250	12,987
Total expenditures	<u>760</u>	<u>29,388</u>	<u>57,904</u>
Other Financing Sources (Uses):			
Changes in Reserves	388	88	573
Transfers In (Out)	16	252	268
Total Other Financing Sources (Uses)	<u>404</u>	<u>340</u>	<u>841</u>
Net change in fund balances	368	(274)	7,366
Fund balances - beginning	13,009	3,760	37,146
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(889)</u>
Fund balances-beginning restated	<u>13,009</u>	<u>3,760</u>	<u>36,257</u>
Fund balances - ending	<u>\$ 13,377</u>	<u>\$ 3,486</u>	<u>\$ 43,623</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Library
For the Fiscal Year Ended June 30, 2009
(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	\$ 344	\$ 344	\$ 319	\$ (25)
Fines, Forfeitures and Penalties	1	1	-	(1)
Use of Money & Property	10	10	12	2
Intergovernmental Revenue	49	53	55	2
Charges for Services	45	58	76	18
Other Revenues	45	45	45	-
	<u>494</u>	<u>511</u>	<u>507</u>	<u>(4)</u>
Total revenues				
Expenditures:				
Education:				
Salaries and Benefits	504	512	413	99
Services and Supplies	150	161	130	31
Other Charges	-	2	2	-
Capital Outlay	9	9	9	-
Other Financing	(2)	(2)	-	(2)
Intra Fund Transfers	(197)	(197)	-	(197)
Contribution Non-County	-	-	-	-
	<u>464</u>	<u>485</u>	<u>554</u>	<u>(69)</u>
Total expenditures				
Other Financing Sources:				
Changes in Reserves	-	-	-	-
Transfers In (Out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Excess of revenues over expenditures	<u>30</u>	<u>26</u>	<u>(47)</u>	<u>65</u>
Fund balances - beginning	<u>558</u>	<u>558</u>	<u>558</u>	<u>-</u>
Fund balances - ending	<u>\$ 588</u>	<u>\$ 584</u>	<u>\$ 511</u>	<u>\$ 65</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Fire Protecton
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 2,720	\$ 2,720	\$ 3,498	\$ 778
Use of Money & Property	-	-	-	-
Intergovernmental Revenues	79	121	102	(19)
Charges for Services	1,864	1,864	2,084	220
Other Revenues	-	-	-	-
Sale of Fixed Assets	-	-	-	-
Total revenues	<u>4,663</u>	<u>4,705</u>	<u>5,684</u>	<u>979</u>
Expenditures:				
Public Protection:				
Salaries and Benefits	3,416	3,416	3,283	133
Services and Supplies	1,331	1,481	1,311	170
Other Charges	97	97	142	(45)
Capital Outlay	182	558	221	337
Other Financing	(357)	(587)	(175)	(412)
Intra Fund Transfers	(6)	224	-	224
Inter Fund Transfers	-	-	-	-
Contingencies	2	2	-	2
Total expenditures	<u>4,665</u>	<u>5,191</u>	<u>4,782</u>	<u>409</u>
Other Financing Sources:				
Changes in Reserves	-	-	-	-
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>(2)</u>	<u>(486)</u>	<u>902</u>	<u>(1,388)</u>
Fund balances - beginning	<u>440</u>	<u>440</u>	<u>440</u>	<u>-</u>
Fund balances - ending	<u>\$ 438</u>	<u>\$ (46)</u>	<u>\$ 1,342</u>	<u>\$ (1,388)</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Public Works Roads
For the Fiscal Year Ended June 30, 2009
(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 & Permits	\$ 180	\$ 180	\$ 231	\$ 51
Use of Money & Property	100	100	184	84
Intergovernmental Revenue	13,119	14,402	16,069	1,667
Charges for Current Services	1,676	1,676	1,180	(496)
Other Revenues	-	-	10	10
Sale of Fixed Assets	-	-	-	-
Total revenues	<u>15,075</u>	<u>16,358</u>	<u>17,674</u>	<u>1,316</u>
Expenditures:				
Public Ways & Facilities:				
Salaries and Benefits	6,253	6,253	5,355	898
Services and Supplies	9,749	17,894	5,667	12,227
Other Charges	246	313	313	-
Capital Outlay	262	2,392	2,164	228
Other Financing	-	(916)	(916)	-
Intra Fund Transfers	-	(5,760)	-	(5,760)
Inter Fund Transfers	108	112	73	39
Contingencies	50	50	-	50
Total expenditures	<u>16,668</u>	<u>20,338</u>	<u>12,656</u>	<u>7,682</u>
Other Financing Sources:				
Changes in Reserves	-	-	97	(97)
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>97</u>	<u>-</u>
Excess of revenues over expenditures	<u>(1,593)</u>	<u>(3,980)</u>	<u>5,115</u>	<u>(9,095)</u>
Fund balances - beginning	7,290	7,290	7,290	-
Prior period adjustment	<u>(889)</u>	<u>(889)</u>	<u>(889)</u>	<u>-</u>
Fund balances-beginning restated	<u>6,401</u>	<u>6,401</u>	<u>6,401</u>	<u>-</u>
Fund balances - ending	<u>\$ 4,808</u>	<u>\$ 2,421</u>	<u>\$ 11,516</u>	<u>\$ (9,095)</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
State/Federal Jail Improvements
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money & Property	\$ 29	\$ 29	\$ 40	\$ 11
Fines, Forfeitures and Penalties	-	-	-	-
Intergovernmental Revenue	30	30	31	1
Federal aid	324	324	581	257
Changes for Services	-	-	38	38
Total revenues	<u>383</u>	<u>383</u>	<u>690</u>	<u>307</u>
Expenditures:				
Public Protection:				
Services and Supplies	176	232	217	15
Capital Outlay	-	144	85	59
Intra Fund Transfers	-	(129)	-	(129)
Inter Fund Transfers	52	52	-	52
Total expenditures	<u>228</u>	<u>299</u>	<u>302</u>	<u>(3)</u>
Other Financing Sources:				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>155</u>	<u>84</u>	<u>388</u>	<u>(304)</u>
Fund balances - beginning	<u>1,535</u>	<u>1,535</u>	<u>1,535</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,690</u>	<u>\$ 1,619</u>	<u>\$ 1,923</u>	<u>\$ (304)</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Criminal Justice Facilities
For the Fiscal Year Ended June 30, 2009
(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:				
Fines, Forfeitures & Penalties	\$ 750	\$ 750	\$ 748	\$ (2)
Use of Money & Property	60	60	88	28
Intergovernmental Revenues	-	-	-	-
Charges for Services	-	-	71	71
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	810	810	907	97
Expenditures:				
Public Protection:				
Services and Supplies	1	1	1	-
Other Charges	147	147	147	-
Capital Assets	-	-	-	-
Other Financing	-	31	103	(72)
Intrafund Transfers	-	(31)	-	(31)
Interfund Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	148	148	251	(103)
Other Financing Sources:				
Transfers In (Out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	662	662	656	6
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	3,338	3,338	3,338	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 4,000	\$ 4,000	\$ 3,994	\$ 6
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Geothermal Administration
For the Fiscal Year Ended June 30, 2009
(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	\$ 30	\$ 30	\$ 28	\$ (2)
Federal Revenues	20	20	158	138
Charges for Services	-	-	46	46
Total revenues	<u>50</u>	<u>50</u>	<u>232</u>	<u>182</u>
Expenditures:				
Public Assistance:				
Salaries & Benefits	71	23	23	-
Services and Supplies	178	226	190	36
Other Charges	-	-	-	-
Other Financing	-	246	-	246
Intra-Fund Transfers	-	(246)	-	(246)
Total expenditures	<u>249</u>	<u>249</u>	<u>213</u>	<u>36</u>
Other Financing Sources:				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>(199)</u>	<u>(199)</u>	<u>19</u>	<u>(218)</u>
Fund balances - beginning	<u>1,086</u>	<u>1,086</u>	<u>1,086</u>	<u>-</u>
Fund balances - ending	<u>\$ 887</u>	<u>\$ 887</u>	<u>\$ 1,105</u>	<u>\$ (218)</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Service Authority Freeway Emergency
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money & Property	\$ 24	\$ 24	\$ 22	\$ (2)
Intergovernmental Revenue	139	139	146	7
Charges for Services	-	-	25	25
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	163	163	193	30
Expenditures:				
Public Ways & Facilities:				
Services and Supplies	92	92	81	11
Intra Fund Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	92	92	81	11
Other Financing Sources:				
Transfers In (Out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	-	-	-
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	71	71	112	(41)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	847	847	847	-
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 918	\$ 918	\$ 959	\$ (41)

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
Federal Asset Forfeiture
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Use of Money & Property	\$ 16	\$ 16	\$ 27	\$ 11
Fines, Forfeitures & Penalties	535	535	276	(259)
Charges for Services	-	-	23	23
Other Revenues	-	-	20	20
Total revenues	<u>551</u>	<u>551</u>	<u>346</u>	<u>(205)</u>
Expenditures:				
Public Protection:				
Services and Supplies	101	128	103	25
Capital Outlay	-	32	33	(1)
Other Financing	159	159	159	-
Intra Fund Transfers	(159)	(209)	-	(209)
Total expenditures	<u>101</u>	<u>110</u>	<u>295</u>	<u>(185)</u>
Other Financing Sources:				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>450</u>	<u>441</u>	<u>51</u>	<u>390</u>
Fund balances - beginning	<u>1,033</u>	<u>1,033</u>	<u>1,033</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,483</u>	<u>\$ 1,474</u>	<u>\$ 1,084</u>	<u>\$ 390</u>

COUNTY OF IMPERIAL
Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual
AB 443 Local Law Enforcement Grant
For the Fiscal Year Ended June 30, 2009
(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	\$ 25	\$ 25	\$ 42	\$ 17
Intergovernmental Revenue	500	500	500	-
Charges for Services	-	-	43	43
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	525	525	585	60
Expenditures:				
Public Protection:				
Salaries and Benefits	376	376	318	58
Services and Supplies	118	118	10	108
Capital Outlay	-	102	102	-
Intra Fund Transfers	-	-	-	-
Total expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	494	596	430	166
Other Financing Sources:				
Transfers In (Out)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Total Other Financing Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	31	(71)	155	(226)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	1,647	1,647	1,647	-
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 1,678	\$ 1,576	\$ 1,802	\$ (226)

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Bio Terrorism Preparedness
Year Ended June 30, 2009
(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	\$ -	\$ -	\$ 7	\$ 7
Intergovernmental Revenue	606	526	401	(125)
Charges for Services	-	-	11	11
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	606	526	419	(107)
Expenditures:				
Public Protection:				
Salaries and Benefits	-	-	-	-
Services and Supplies	606	676	491	185
Other Charges	-	-	-	-
Capital Outlay	-	41	36	5
Intra Fund Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	606	717	527	190
Excess of revenues over expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	(191)	(108)	83
Other financing sources (uses):				
Transfers In (Out)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Net change in fund balances	-	(191)	(108)	83
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	168	168	168	-
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 168	\$ (23)	\$ 60	\$ 83

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Medi-Cal CMSP Fund
Year Ended June 30, 2009
(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	\$ -	\$ -	\$ 78	\$ 78
Intergovernmental Revenue	6,890	7,434	6,654	(780)
Charges for Services	-	-	48	48
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	6,890	7,434	6,780	(654)
Expenditures:				
Public Protection:				
Salaries and Benefits	-	-	-	-
Services and Supplies	-	-	-	-
Other Charges	6,890	6,890	7,305	(415)
Capital Outlay	-	544	355	189
Inter Fund Transfers	-	-	5	(5)
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	6,890	7,434	7,665	(231)
Excess of revenues over expenditures	-	-	(885)	(885)
Other financing sources (uses):				
Transfers In (Out)	-	-	-	-
Net change in fund balances	-	-	(885)	(885)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	2,435	2,435	2,435	-
Fund balances - ending	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 2,435	\$ 2,435	\$ 1,550	\$ (885)

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
All American Canal Lining
Year Ended June 30, 2009
(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	\$ -	\$ -	\$ 14	\$ 14
Intergovernmental Revenue	-	-	-	-
Other Revenues	-	-	900	900
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	914	914
Expenditures:				
Public Protection:				
Salaries and Benefits	-	-	-	-
Services and Supplies	-	-	-	-
Other Charges	-	-	-	-
Capital Outlay	-	-	-	-
Inter Fund Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	914	914
Other financing sources (uses):				
Transfers In (Out)	-	-	-	-
Net change in fund balances	-	-	914	914
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 914</u>	<u>\$ 914</u>

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
ICCED Funds
Year Ended June 30, 2009
(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	\$ 8	\$ 8	\$ -	\$ (8)
Intergovernmental Revenue	984	2,240	416	(1,824)
Federal aid	-	-	137	137
Charges for Services	180	180	171	(9)
Other Revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,172	2,428	724	(1,704)
Expenditures:				
Public Assistance:				
Salaries and Benefits	-	-	-	-
Services and Supplies	1,199	2,455	552	1,903
Other Charges	-	-	-	-
Capital Outlay	-	-	208	(208)
Intra Fund Transfers	-	-	-	-
Inter Fund Transfers	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,199	2,455	760	1,695
Excess of revenues over expenditures	(27)	(27)	(36)	(9)
Other financing sources (uses):				
Changes in Reserves	-	-	388	(388)
Transfers In (Out)	-	-	16	(16)
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	(27)	(27)	368	(413)
Fund balances - beginning	<hr/>	<hr/>	<hr/>	<hr/>
	13,009	13,009	13,009	-
Fund balances - ending	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 12,982	\$ 12,982	\$ 13,377	\$ (413)

COUNTY OF IMPERIAL
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Other Special Revenue Funds
Year Ended June 30, 2009
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Licenses & Permits	\$ 1,070	\$ 1,070	\$ 1,186	\$ (116)
Fines, Forfeitures & Penalties	138	1,038	1,045	(7)
Use of Money & Property	127	77	140	(63)
Intergovernmental Revenue	15,446	20,468	10,070	10,398
Federal aid	10,588	10,830	8,784	2,046
Charges for Services	9,773	11,206	7,165	4,041
Sale of Fixed Assets	-	-	-	-
Other Revenues	468	494	384	110
Total revenues	37,610	45,183	28,774	16,409
Expenditures:				
Current:				
General Government	395	395	283	112
Public Protection	9,108	12,600	6,779	5,821
Health & Sanitation	8,558	11,307	9,625	1,682
Public Assistance	19,095	22,086	12,451	9,635
Public Ways & Facilities	271	291	250	41
Total expenditures	37,427	46,679	29,388	17,291
Excess of revenues over expenditures	183	(1,496)	(614)	(882)
Other financing sources (uses):				
Changes in Reserves	-	-	88	(88)
Transfers In (Out)	-	-	252	(252)
Net change in fund balances	183	(1,496)	(274)	(1,222)
Fund balances - beginning	3,760	3,760	3,760	-
Fund balances - ending	\$ 3,943	\$ 2,264	\$ 3,486	\$ (1,222)



Internal Service Funds

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

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

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

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

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

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

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

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

Internal Service Funds

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

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

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

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

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

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

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

COUNTY OF IMPERIAL
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

	<u>Garage Operating</u>	<u>Central Dupl.</u>	<u>Central. Mail System</u>	<u>Flood Control</u>	<u>Comm. Services</u>
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 3,204	\$ 4	\$ (162)	\$ 174	\$ 460
Receivables (net):					
Accounts	-	-	-	-	-
Interest	15	-	-	1	2
Due from Other Funds	253	-	54	-	5
Inventories and Prepaid Expenses	32	-	42	-	-
Total Current Assets	<u>3,504</u>	<u>4</u>	<u>(66)</u>	<u>175</u>	<u>467</u>
Noncurrent Assets:					
Land	23				
Construction in progress	-	-	-	-	-
Structures & Improvements	163	-	-	-	-
Vehicles	6,516	-	-	-	-
Equipment	122	-	51	-	803
Accumulated Depreciation	(4,635)	-	(21)	-	(745)
Total Noncurrent Assets	<u>2,189</u>	<u>-</u>	<u>30</u>	<u>-</u>	<u>58</u>
Total Assets	<u>\$ 5,693</u>	<u>\$ 4</u>	<u>\$ (36)</u>	<u>\$ 175</u>	<u>\$ 525</u>
LIABILITIES:					
Current Liabilities:					
Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	70	-	-	-	1
Interest Payable	-	-	-	-	-
Accrued Payroll	23	-	-	-	-
Due to Other Funds	5	-	-	-	9
Current portion of compensated absences	8	-	-	-	-
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Long Term Liabilities:					
Compensated Absences	69	-	-	-	-
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
NET ASSETS:					
Invested in Capital Assets, net of related debt	2,189	-	30	-	58
Restricted	2,442	-	1	-	308
Unrestricted	887	4	(67)	175	149
Total Net Assets	<u>\$ 5,518</u>	<u>\$ 4</u>	<u>\$ (36)</u>	<u>\$ 175</u>	<u>\$ 515</u>

COUNTY OF IMPERIAL
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

	<u>Liability Insurance</u>	<u>Workers' Comp. Benefits</u>	<u>Unemp. Insurance</u>	<u>Medical Plan</u>	<u>Dental/ Vision Plan</u>
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 3,036	\$ 18,834	\$ 1,272	\$ 14,896	\$ 828
Receivables (net):				-	-
Accounts	-	-	-	-	-
Interest	13	85	6	72	4
Due from Other Funds	42	-	-	-	-
Inventories and Prepaid Expenses	-	-	-	-	-
Total Current Assets	<u>3,091</u>	<u>18,919</u>	<u>1,278</u>	<u>14,968</u>	<u>832</u>
Noncurrent Assets:					
Land					
Construction in progress	-	-	-	-	-
Structures & Improvements	-	-	-	-	-
Vehicles	-	-	-	-	-
Equipment	-	-	-	-	-
Accumulated Depreciation	-	-	-	-	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,091</u>	<u>\$ 18,919</u>	<u>\$ 1,278</u>	<u>\$ 14,968</u>	<u>\$ 832</u>
LIABILITIES:					
Current Liabilities:					
Claims Payable	\$ 2,462	\$ 6,757	\$ -	\$ 2,414	\$ 108
Accounts Payable	6	-	-	172	13
Interest Payable	-	-	-	-	-
Accrued Payroll	-	-	-	-	-
Due to Other Funds	83	103	34	110	37
Current portion of compensated absences	-	-	-	-	-
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>2,551</u>	<u>6,860</u>	<u>34</u>	<u>2,696</u>	<u>158</u>
Long Term Liabilities:					
Compensated Absences	-	-	-	-	-
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>2,551</u>	<u>6,860</u>	<u>34</u>	<u>2,696</u>	<u>158</u>
NET ASSETS:					
Invested in Capital Assets, net of related debt	-	-	-	-	-
Restricted	(2,462)	(6,756)	-	(2,414)	(108)
Unrestricted	3,002	18,815	1,244	14,686	782
Total Net Assets	<u>\$ 540</u>	<u>\$ 12,059</u>	<u>\$ 1,244</u>	<u>\$ 12,272</u>	<u>\$ 674</u>

COUNTY OF IMPERIAL
Combining Statement of Net Assets
Internal Service Funds
June 30, 2009
(amounts expressed in thousands)

	<u>Medical Malpractice</u>	<u>Auto</u>	<u>Information Systems</u>	<u>Workers Comp Court Tail Claims</u>	<u>Total</u>
ASSETS:					
Current Assets:					
Cash and cash equivalents	\$ 1,121	\$ 2,970	\$ 336	\$ 290	\$ 47,263
Receivables (net):					
Accounts	-	-	2	-	2
Interest	5	13	1	1	218
Due from Other Funds	-	-	229	-	583
Inventories and Prepaid Expenses	-	-	-	-	74
Total Current Assets	<u>1,126</u>	<u>2,983</u>	<u>568</u>	<u>291</u>	<u>48,140</u>
Noncurrent Assets:					
Land					23
Construction in progress	-	-	-	-	-
Structures & Improvements	-	-	-	-	163
Vehicles	-	-	-	-	6,516
Equipment	-	-	515	-	1,491
Accumulated Depreciation	-	-	(515)	-	(5,916)
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,277</u>
Total Assets	<u>\$ 1,126</u>	<u>\$ 2,983</u>	<u>\$ 568</u>	<u>\$ 291</u>	<u>\$ 50,417</u>
LIABILITIES:					
Current Liabilities:					
Claims Payable	\$ -	\$ -	\$ -	\$ -	\$ 11,741
Accounts Payable	-	-	3	-	265
Interest Payable	-	-	-	-	-
Accrued Payroll	-	-	53	-	76
Due to Other Funds	10	17	23	-	431
Current portion of compensated absences	-	-	16	-	24
Capital Lease Obligations-					
Current Portion	-	-	-	-	-
Total Current Liabilities	<u>10</u>	<u>17</u>	<u>95</u>	<u>-</u>	<u>12,537</u>
Long Term Liabilities:					
Compensated Absences	-	-	86	-	155
Capital Lease Obligations-					
Net of Current Portion	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>86</u>	<u>-</u>	<u>155</u>
Total Liabilities	<u>10</u>	<u>17</u>	<u>181</u>	<u>-</u>	<u>12,692</u>
NET ASSETS:					
Invested in Capital Assets, net of related debt	-	-	-	-	2,277
Restricted	-	-	(99)	-	(9,088)
Unrestricted	1,116	2,966	486	291	44,536
Total Net Assets	<u>\$ 1,116</u>	<u>\$ 2,966</u>	<u>\$ 387</u>	<u>\$ 291</u>	<u>\$ 37,725</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Garage Operating	Central Duplicating	Centralized Mail System	Flood Control	Comm. Services
Operating Revenues:					
Charges for Services	\$ 3,222	\$ 4	\$ 628	\$ 5	\$ 185
Other Revenues	-	-	35	-	-
Total Operating Revenues	<u>3,222</u>	<u>4</u>	<u>663</u>	<u>5</u>	<u>185</u>
Operating Expenses:					
Salaries and Benefits	508	-	7	-	1
Services and Supplies	2,025	-	583	6	143
Depreciation	608	-	5	-	29
Total Operating Expenses	<u>3,141</u>	<u>-</u>	<u>595</u>	<u>6</u>	<u>173</u>
Operating Income (Loss)	<u>81</u>	<u>4</u>	<u>68</u>	<u>(1)</u>	<u>12</u>
Non-operating Revenues (Expenses):					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	-
Changes in Designated Reserve	-	-	-	-	-
Interest - Income	71	2	-	4	11
Total Non-Operating Revenues	<u>71</u>	<u>2</u>	<u>-</u>	<u>4</u>	<u>11</u>
Net Income (Loss) before Transfers	<u>152</u>	<u>6</u>	<u>68</u>	<u>3</u>	<u>23</u>
Transfers in (out):					
Transfers In	126	(119)	-	-	13
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	<u>126</u>	<u>(119)</u>	<u>-</u>	<u>-</u>	<u>13</u>
Change in Net Assets	<u>278</u>	<u>(113)</u>	<u>68</u>	<u>3</u>	<u>36</u>
Net Assets - Beginning	<u>5,240</u>	<u>117</u>	<u>(104)</u>	<u>172</u>	<u>479</u>
Net Assets - Ending	<u>\$ 5,518</u>	<u>\$ 4</u>	<u>\$ (36)</u>	<u>\$ 175</u>	<u>\$ 515</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	<u>Liability Insurance</u>	<u>Workers' Compensation Benefits</u>	<u>Unemployment Insurance</u>	<u>Medical Plan</u>	<u>Dental/ Vision Plan</u>
Operating Revenues:					
Charges for Services	\$ 2,090	\$ 5,925	\$ 615	\$ 20,271	\$ 1,077
Other Revenues	-	-	-	27	-
Total Operating Revenues	<u>2,090</u>	<u>5,925</u>	<u>615</u>	<u>20,298</u>	<u>1,077</u>
Operating Expenses:					
Salaries and Benefits	-	-	-	-	-
Services and Supplies	5,511	5,422	450	20,395	1,352
Depreciation	-	-	-	-	-
Total Operating Expenses	<u>5,511</u>	<u>5,422</u>	<u>450</u>	<u>20,395</u>	<u>1,352</u>
Operating Income (Loss)	<u>(3,421)</u>	<u>503</u>	<u>165</u>	<u>(97)</u>	<u>(275)</u>
Non-operating Revenues (Expenses):					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	-
Changes in Designated Reserve	-	-	-	-	-
Interest - Income	91	422	27	373	22
Total Non-Operating Revenues	<u>91</u>	<u>422</u>	<u>27</u>	<u>373</u>	<u>22</u>
Net Income (Loss) before Transfers	<u>(3,330)</u>	<u>925</u>	<u>192</u>	<u>276</u>	<u>(253)</u>
Transfers in (out):					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>(3,330)</u>	<u>925</u>	<u>192</u>	<u>276</u>	<u>(253)</u>
Net Assets - Beginning	<u>3,870</u>	<u>11,134</u>	<u>1,052</u>	<u>11,996</u>	<u>927</u>
Net Assets - Ending	<u>\$ 540</u>	<u>\$ 12,059</u>	<u>\$ 1,244</u>	<u>\$ 12,272</u>	<u>\$ 674</u>

COUNTY OF IMPERIAL
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Medical Malpractice	Auto	Information Systems	Workers Comp Court Tail Claims	Total
Operating Revenues:					
Charges for Services	\$ 151	\$ 94	\$ 1,848	\$ 7	\$ 36,122
Other Revenues	-	-	-	-	62
Total Operating Revenues	<u>151</u>	<u>94</u>	<u>1,848</u>	<u>7</u>	<u>36,184</u>
Operating Expenses:					
Salaries and Benefits	-	-	1,465	-	1,981
Services and Supplies	64	278	121	-	36,350
Depreciation	-	-	-	-	642
Total Operating Expenses	<u>64</u>	<u>278</u>	<u>1,586</u>	<u>-</u>	<u>38,973</u>
Operating Income (Loss)	<u>87</u>	<u>(184)</u>	<u>262</u>	<u>7</u>	<u>(2,789)</u>
Non-operating Revenues (Expenses):					
Gain (Loss) on Sale of Fixed Assets	-	-	-	-	-
Changes in Designated Reserve	-	-	-	-	-
Interest - Income	25	74	2	7	1,131
Total Non-Operating Revenues	<u>25</u>	<u>74</u>	<u>2</u>	<u>7</u>	<u>1,131</u>
Net Income (Loss) before Transfers	<u>112</u>	<u>(110)</u>	<u>264</u>	<u>14</u>	<u>(1,658)</u>
Transfers in (out):					
Transfers In	-	-	-	-	20
Transfers Out	-	-	-	-	-
Total Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>
Change in Net Assets	<u>112</u>	<u>(110)</u>	<u>264</u>	<u>14</u>	<u>(1,638)</u>
Net Assets - Beginning	<u>1,004</u>	<u>3,076</u>	<u>123</u>	<u>277</u>	<u>39,363</u>
Net Assets - Ending	<u>\$ 1,116</u>	<u>\$ 2,966</u>	<u>\$ 387</u>	<u>\$ 291</u>	<u>\$ 37,725</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Garage Operating	Central Duplicating	Centralized Mail System
Cash flows from operating activities:			
Cash received from users	\$ 3,222	\$ 3	\$ 663
Cash received from operating activities	-	2	78
Cash paid to suppliers	(2,028)	-	(582)
Cash paid to employees	(508)	-	(7)
Cash paid for operating activities	-	-	-
Net cash provided by operating activities	<u>686</u>	<u>5</u>	<u>152</u>
Cash flows from noncapital financing activities:			
Transfers In	-	(119)	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>(119)</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	71	1	-
Net increase in cash and cash equivalents	<u>757</u>	<u>(113)</u>	<u>152</u>
Cash and cash equivalents - beginning	<u>2,447</u>	<u>117</u>	<u>(314)</u>
Cash and cash equivalents - ending	<u>\$ 3,204</u>	<u>\$ 4</u>	<u>\$ (162)</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 81	\$ 4	\$ 68
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	608	-	5
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	(3)	1	-
Decrease (Increase) in prepaid expenses	1	-	(4)
Decrease (Increase) in due from other funds	7	-	83
Increase (Decrease) in accounts payable	(23)	-	-
Increase (Decrease) in accrued liabilities	3	-	-
Increase (Decrease) in due to other funds	4	-	-
Increase (Decrease) in insurance loss expense	-	-	-
Increase (Decrease) in compensated absences	8	-	-
Total adjustments	<u>605</u>	<u>1</u>	<u>84</u>
Net cash provided by operating activities	<u>\$ 686</u>	<u>\$ 5</u>	<u>\$ 152</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Flood Control	Comm. Services	Liability Insurance
Cash flows from operating activities:			
Cash received from users	\$ 5	\$ 184	\$ 2,089
Cash received from operating activities	-	-	-
Cash paid to suppliers	(6)	(143)	(4,183)
Cash paid to employees	-	(1)	-
Cash paid for operating activities	-	(7)	(49)
Net cash provided by operating activities	<u>(1)</u>	<u>33</u>	<u>(2,143)</u>
Cash flows from noncapital financing activities:			
Transfers In	-	-	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	4	11	91
Net increase in cash and cash equivalents	3	44	(2,052)
Cash and cash equivalents - beginning	<u>171</u>	<u>416</u>	<u>5,088</u>
Cash and cash equivalents - ending	<u>\$ 174</u>	<u>\$ 460</u>	<u>\$ 3,036</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (1)	\$ 12	\$ (3,421)
Adjustments to reconcile operating income (loss) to net			
Cash provided by operating activities:			
Depreciation expense	-	29	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	-	-	10
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	-	-	-
Increase (Decrease) in accounts payable	-	1	(29)
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	-	(9)	95
Increase (Decrease) in insurance loss expense	-	-	1,202
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	<u>-</u>	<u>21</u>	<u>1,278</u>
Net cash provided by operating activities	<u>\$ (1)</u>	<u>\$ 33</u>	<u>\$ (2,143)</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Workers'		
	Compensation	Unemployment	Medical
	Benefits	Insurance	Plan
Cash flows from operating activities:			
Cash received from users	\$ 5,925	\$ 615	\$ 20,298
Cash received from operating activities	1,153	22	495
Cash paid to suppliers	(5,422)	(450)	(20,395)
Cash paid to employees	-	-	-
Cash paid for operating activities	-	-	-
Net cash provided by operating activities	<u>1,656</u>	<u>187</u>	<u>398</u>
Cash flows from noncapital financing activities:			
Transfers In	-	-	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	422	27	373
Net increase in cash and cash equivalents	<u>2,078</u>	<u>214</u>	<u>771</u>
Cash and cash equivalents - beginning	<u>16,756</u>	<u>1,058</u>	<u>14,125</u>
Cash and cash equivalents - ending	<u>\$ 18,834</u>	<u>\$ 1,272</u>	<u>\$ 14,896</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 503	\$ 165	\$ (97)
Adjustments to reconcile operating income (loss) to net			
Cash provided by operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	(5)	(1)	(2)
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	-	-	-
Increase (Decrease) in accounts payable	(8)	-	(147)
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	(1)	23	68
Increase (Decrease) in insurance loss expense	1,167	-	576
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	<u>1,153</u>	<u>22</u>	<u>495</u>
Net cash provided by operating activities	<u>\$ 1,656</u>	<u>\$ 187</u>	<u>\$ 398</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Dental/ Vision Plan	Medical Malpractice	Auto
Cash flows from operating activities:			
Cash received from users	\$ 1,077	\$ 151	\$ 94
Cash received from operating activities	64	7	6
Cash paid to suppliers	(1,352)	(64)	(278)
Cash paid to employees	-	-	-
Cash paid for operating activities	-	-	-
Net cash provided by operating activities	<u>(211)</u>	<u>94</u>	<u>(178)</u>
Cash flows from noncapital financing activities:			
Transfers In	-	-	-
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	<u>22</u>	<u>25</u>	<u>74</u>
Net increase in cash and cash equivalents	(189)	119	(104)
Cash and cash equivalents - beginning	<u>1,017</u>	<u>1,002</u>	<u>3,074</u>
Cash and cash equivalents - ending	<u>\$ 828</u>	<u>\$ 1,121</u>	<u>\$ 2,970</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ (275)	\$ 87	\$ (184)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	-	-
Decrease (Increase) in accounts receivable	-	-	-
Decrease (Increase) in interest receivable	1	-	(9)
Decrease (Increase) in prepaid expenses	-	-	-
Decrease (Increase) in due from other funds	-	-	-
Increase (Decrease) in accounts payable	(28)	-	-
Increase (Decrease) in accrued liabilities	-	-	-
Increase (Decrease) in due to other funds	26	7	15
Increase (Decrease) in insurance loss expense	65	-	-
Increase (Decrease) in compensated absences	-	-	-
Total adjustments	<u>64</u>	<u>7</u>	<u>6</u>
Net cash provided by operating activities	<u>\$ (211)</u>	<u>\$ 94</u>	<u>\$ (178)</u>

COUNTY OF IMPERIAL
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2009
(amounts expressed in thousands)

	Information Systems	Workers Comp Court Tail Claims	Total
Cash flows from operating activities:			
Cash received from users	\$ 1,847	\$ 7	\$ 36,180
Cash received from operating activities	183	1	2,011
Cash paid to suppliers	(121)	-	(35,024)
Cash paid to employees	(1,465)	-	(1,981)
Cash paid for operating activities	-	-	(56)
Net cash provided by operating activities	<u>444</u>	<u>8</u>	<u>1,130</u>
Cash flows from noncapital financing activities:			
Transfers In	-	-	(119)
Transfers Out	-	-	-
Net cash provided by (used) in non-capital financing activities	<u>-</u>	<u>-</u>	<u>(119)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	-	-	-
Proceeds from sale of equipment	-	-	-
Net cash used by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Interest received	<u>2</u>	<u>7</u>	<u>1,130</u>
Net increase in cash and cash equivalents	446	15	2,141
Cash and cash equivalents - beginning	<u>(110)</u>	<u>275</u>	<u>45,122</u>
Cash and cash equivalents - ending	<u>\$ 336</u>	<u>\$ 290</u>	<u>\$ 47,263</u>
Reconciliation of operating income (loss) to net cash			
Provided by operating activities:			
Operating Income (Loss)	\$ 262	\$ 7	\$ (2,789)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	-	-	642
Decrease (Increase) in accounts receivable	(3)	-	(3)
Decrease (Increase) in interest receivable	(1)	1	(8)
Decrease (Increase) in prepaid expenses	-	-	(3)
Decrease (Increase) in due from other funds	140	-	230
Increase (Decrease) in accounts payable	2	-	(232)
Increase (Decrease) in accrued liabilities	9	-	12
Increase (Decrease) in due to other funds	19	-	247
Increase (Decrease) in insurance loss expense	-	-	3,010
Increase (Decrease) in compensated absences	16	-	24
Total adjustments	<u>182</u>	<u>1</u>	<u>3,919</u>
Net cash provided by operating activities	<u>\$ 444</u>	<u>\$ 8</u>	<u>\$ 1,130</u>





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



COUNTY OF IMPERIAL
Capital Assets Used in the Operation of Government Funds
Schedule by Source*
June 30, 2009
(amounts expressed in thousands)

Governmental fund capital assets:

Land	\$	4,060
Construction in progress		6,614
Infrastructure		83,202
Structures and Improvements		62,700
Vehicles		4,550
Furniture and Equipment		<u>37,067</u>
Total governmental funds capital assets	\$	<u><u>198,193</u></u>

Investments in governmental funds capital assets by source:

General Fund	\$	169,600
Special Revenue Funds		26,327
Capital Projects		<u>2,266</u>
Total governmental funds capital assets	\$	<u><u>198,193</u></u>

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

COUNTY OF IMPERIAL
Capital Assets Used in the Operation of Government Funds
Schedule by Function and Activity*
June 30, 2009
(amounts expressed in thousands)

	Land	Construction in Progress	Infrastructure	Structures & Improvements	Vehicles	Furniture & Equipment	Total
General Government	\$ 3,936	\$ 6,614	\$ 83,202	\$ 38,218	\$ 532	\$ 4,467	\$ 136,969
Public Protection	15	-	-	21,434	1,876	14,466	37,791
Public Ways & Facilities	38	-	-	806	975	10,911	12,730
Health & Sanitation	14	-	-	2,121	629	4,303	7,067
Public Assistance	-	-	-	-	538	2,856	3,394
Education	57	-	-	121	-	64	242
Total government funds capital assets	<u>\$ 4,060</u>	<u>\$ 6,614</u>	<u>\$ 83,202</u>	<u>\$ 62,700</u>	<u>\$ 4,550</u>	<u>\$ 37,067</u>	<u>\$ 198,193</u>

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

COUNTY OF IMPERIAL
Capital Assets Used in the Operation of Government Funds
Schedule of Changes By Function and Activity*
June 30, 2009

(amounts expressed in thousands)

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
General Government	\$ 131,038	15,902	9,970	136,970
Public Protection	35,308	5,705	3,222	37,791
Public Ways and Facilities	11,139	2,125	535	12,729
Health and Sanitation	7,369	738	1,040	7,067
Public Assistance	3,654	319	579	3,394
Education	321	-	79	242
Total governmental funds capital assets	<u>\$ 188,829</u>	<u>\$ 24,789</u>	<u>\$ 15,425</u>	<u>\$ 198,193</u>

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





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.	97-102
REVENUE CAPACIT These schedules contain trend information to help the reader assess the County's most significant local revenue source, the property tax.	103-106
DEBT CAPACIT 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.	107-108
ECONOMIC AND DEMOGRAPHIC INFORMATIO These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	109-110
OPERATING INFORMATI Theses 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.	111-112

Sources: 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 Assets By Component (Unaudited)
 Last Six Fiscal Years (In Thousands)
 (Accrual Basis of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Governmental activities						
Invested in capital assets, net of related debt	69,583	69,910	73,290	78,571	84,166	88,479
Restricted	10,674	10,235	21,214	20,834	35,331	31,457
Unrestricted	(14,844)	(9,179)	4,545	22,629	19,341	28,470
Total governmental activities net assets	<u>65,413</u>	<u>70,966</u>	<u>99,049</u>	<u>122,034</u>	<u>138,838</u>	<u>148,406</u>
Business-type activities						
Invested in capital assets, net of related debt	5,582	5,106	6,215	7,819	8,310	10,061
Restricted	(1,922)	653	446	1,213	972	878
Unrestricted	(170)	(2,300)	(1,409)	(2,562)	(1,742)	(1,073)
Total business-type activities net assets	<u>3,490</u>	<u>3,459</u>	<u>5,252</u>	<u>6,470</u>	<u>7,540</u>	<u>9,866</u>
Primary government						
Invested in capital assets, net of related debt	75,165	75,016	79,505	86,390	92,476	98,540
Restricted	8,752	10,888	21,660	22,047	36,303	32,335
Unrestricted	(15,014)	(11,479)	3,136	20,067	17,599	27,397
Total primary government net assets	<u><u>68,903</u></u>	<u><u>74,425</u></u>	<u><u>104,301</u></u>	<u><u>128,504</u></u>	<u><u>146,378</u></u>	<u><u>158,272</u></u>

Notes:

- (1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34.
- (2) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are 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 Assets (Unaudited)
Last Six Fiscal Years (In thousands)
(Accrual Basis of Accounting)

	Fiscal Year					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Program Revenues						
Governmental Activities						
Charges for services						
General Government	\$ 25,872	\$ 41,204	\$ 43,043	\$ 43,117	\$ 45,239	\$ 42,535
Public Protection	8,174	14,456	25,021	27,338	27,423	8,276
Health & Sanitation	2,142	6,758	7,495	5,355	5,524	6,898
Public Assistance	8,245	1,454	1,200	1,651	2,590	2,559
Public Ways & Facilities	19	5,260	4,948	5,214	4,279	1,527
Total Charges for services	<u>44,452</u>	<u>69,132</u>	<u>81,707</u>	<u>82,675</u>	<u>85,055</u>	<u>61,795</u>
Operating grants and contributions	142,178	124,198	143,428	154,930	163,407	185,253
Total governmental activities program revenues	<u>186,630</u>	<u>193,330</u>	<u>225,135</u>	<u>237,605</u>	<u>248,462</u>	<u>247,048</u>
Business Activities						
Charges for services						
Airport	477	601	557	743	763	728
Closure/Postclosure	253	294	1,153	64	-	200
County Services Areas, other	39	203	109	435	335	682
Total Charges for services	<u>769</u>	<u>1,098</u>	<u>1,819</u>	<u>1,242</u>	<u>1,098</u>	<u>1,610</u>
Operating grants and contributions	1,637	1,795	2,131	3,857	4,687	4,359
Total business-type activities program revenues	<u>2,406</u>	<u>2,893</u>	<u>3,950</u>	<u>5,099</u>	<u>5,785</u>	<u>5,969</u>
Total primary government program revenues	<u>\$ 189,036</u>	<u>\$ 196,223</u>	<u>\$ 229,085</u>	<u>\$ 242,704</u>	<u>\$ 254,247</u>	<u>\$ 67,764</u>
Net (Expense) Revenue						
Governmental activities	(44,291)	(46,730)	(29,149)	(35,719)	(43,955)	(60,245)
Business-type activities	<u>(685)</u>	<u>(189)</u>	<u>32</u>	<u>(1,012)</u>	<u>(1)</u>	<u>(220)</u>
Total primary government net expenses	<u>\$ (44,976)</u>	<u>\$ (46,919)</u>	<u>\$ (29,117)</u>	<u>\$ (36,731)</u>	<u>\$ (43,956)</u>	<u>\$ (60,465)</u>

Notes:

(1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34.

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 Six Fiscal Years (In thousands)
(Modified Accrual Basis of Accounting)

	Fiscal Year					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
General Fund						
Reserved for:						
Encumbrances	1,850	4,401	2,259	2,737	2,727	1,673
Inventories	267	276	275	265	280	287
Capital Outlay	1,227	1,023	1,023	1,023	3,023	3,023
COPS	2,054	1,829	1,829	1,886	1,866	1,818
Endowment Op Funds	20,554	18,147	25,207	24,575	20,632	20,113
Other Purposes	1,677	3,078	3,178	3,489	5,089	5,089
Unreserved:						
Designated	-	-	-	-	-	-
Undesignated	2,767	5,658	8,415	14,017	12,655	14,237
Total General Fund	<u>30,396</u>	<u>34,412</u>	<u>42,186</u>	<u>47,992</u>	<u>46,272</u>	<u>46,240</u>
All Other Governmental Funds:						
Reserved for:						
Encumbrances	1,918	4,138	10,881	6,986	6,047	2,330
Inventories	248	241	238	295	242	339
Debt Service	6,580	3,445	4,128	4,979	5,121	5,524
Loan	1,928	2,411	6,846	8,560	12,782	13,172
Other Purposes	-	-	8	14	20	20
Unreserved:						
Special Revenue Funds	15,741	14,433	8,273	15,313	19,052	27,766
Capital Project/Debt Service Funds	1,453	1,333	(966)	(1,271)	(40)	214
Total Other Governmental Funds	<u>27,868</u>	<u>26,001</u>	<u>29,408</u>	<u>34,876</u>	<u>43,224</u>	<u>49,365</u>
Total Governmental Fund Balances	<u>58,264</u>	<u>60,413</u>	<u>71,594</u>	<u>82,868</u>	<u>89,496</u>	<u>95,605</u>

Notes:

(1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34.

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 Six Fiscal Years (In thousands)
 (Modified Accrual Basis of Accounting)

	Fiscal Year					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Revenues (by source):						
Taxes	22,083	21,259	25,701	34,718	28,634	31,034
Licenses and permits	1,601	3,027	3,649	4,120	4,019	3,611
Fines, Forfeitures & Penalties	4,059	5,554	6,006	6,716	10,715	7,179
Use of Money & Property	1,979	2,055	3,447	3,076	6,665	3,449
Intergovernmental Aid	86,890	93,869	109,027	109,395	116,194	116,440
Federal Aid	55,287	52,522	43,861	53,334	55,698	63,566
Charges for Services	20,744	30,123	29,176	32,696	35,871	40,648
Sale of Fixed Assets	4	-	-	-	-	-
Other	7,768	5,539	6,077	5,791	5,073	6,797
Total revenues	<u>200,415</u>	<u>213,948</u>	<u>226,944</u>	<u>249,846</u>	<u>262,869</u>	<u>272,724</u>
Expenditures (by function):						
Current:						
General Government	20,990	27,706	28,286	26,745	32,020	31,576
Public Protection	54,889	56,879	62,721	71,174	73,029	76,278
Health & Sanitation	30,903	30,450	33,544	35,396	38,573	40,142
Public Assistance	81,025	83,457	87,353	90,826	97,939	104,080
Public Ways & Facilities	9,710	10,701	14,315	16,939	14,613	13,648
Total expenditures	<u>197,517</u>	<u>209,193</u>	<u>226,219</u>	<u>241,080</u>	<u>256,174</u>	<u>265,724</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>2,898</u>	<u>4,755</u>	<u>725</u>	<u>8,766</u>	<u>6,695</u>	<u>7,000</u>
Other financing sources (uses):						
Changes in Reserves	-	-	3,553	2,662	4,556	192
Transfers	-	250	-	684	(84)	268
Proceeds of Endowment Funds	-	(2,631)	7,061	(838)	(4,437)	(462)
Proceeds of COP bonds	-	-	-	-	-	-
COP Bonds Uses	(1,444)	(225)	(158)	-	(102)	-
Total other financing sources and uses	<u>(1,444)</u>	<u>(2,606)</u>	<u>10,456</u>	<u>2,508</u>	<u>(67)</u>	<u>(2)</u>
Net Change in Fund Balances	1,454	2,149	11,181	11,274	6,628	6,998
Fund Balances - beginning	56,810	58,264	60,413	71,594	82,868	89,496
Prior period adjustment	-	-	-	-	-	(889)
Fund Balances - beginning restated	<u>56,810</u>	<u>58,264</u>	<u>60,413</u>	<u>71,594</u>	<u>82,868</u>	<u>88,607</u>
Fund Balances - ending	<u>58,264</u>	<u>60,413</u>	<u>71,594</u>	<u>82,868</u>	<u>89,496</u>	<u>95,605</u>

Notes:

- (1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34
 (2) 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 Six Fiscal Years (In thousands)
(Accrual Basis of Accounting)

Expenses	Fiscal Year					
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Governmental Activities						
General Government	\$ 48,541	\$ 52,221	\$ 52,251	\$ 53,901	\$ 62,229	\$ 70,541
Public Protection	53,715	56,879	62,722	71,174	73,030	76,276
Health & Sanitation	30,701	30,450	33,545	35,396	38,574	40,142
Public Assistance	84,073	83,775	87,353	90,826	97,939	104,080
Public Ways & Facilities	9,452	10,701	14,315	16,939	14,612	13,648
Interest on long-term liabilities	4,439	6,034	4,098	5,088	6,033	2,606
Total governmental activities expenses	<u>230,921</u>	<u>240,060</u>	<u>254,284</u>	<u>273,324</u>	<u>292,417</u>	<u>307,293</u>
Business Activities						
Airport	784	936	1,045	1,028	964	1,189
Closure/Postclosure	264	24	-	1,963	237	682
County Services Areas, other	2,043	2,122	2,873	3,120	4,585	4,318
Total business-type activities expenses	<u>3,091</u>	<u>3,082</u>	<u>3,918</u>	<u>6,111</u>	<u>5,786</u>	<u>6,189</u>
Total primary government	<u>\$ 234,012</u>	<u>\$ 243,142</u>	<u>\$ 258,202</u>	<u>\$ 279,435</u>	<u>\$ 298,203</u>	<u>\$ 313,482</u>

Notes:

(1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34.

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 Six Fiscal Years (In thousands)
 (Accrual Basis of Accounting)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Net (Expense) Revenue						
Governmental activities	(44,291)	(46,730)	(29,149)	(35,719)	(43,955)	(60,245)
Business-type activities	(685)	(189)	32	(1,012)	(1)	(220)
Total primary government net expenses	\$ (44,976)	\$ (46,919)	\$ (29,117)	\$ (36,731)	\$ (43,956)	\$ (60,465)
General Revenues and Other Changes in Net Assets:						
Governmental activities:						
Taxes						
Property	12,347	10,951	13,894	21,601	15,767	19,358
Sales tax	9,204	10,161	11,021	12,711	12,766	12,237
Franchises tax	670	708	480	403	400	429
Motor Vehicle in-lieu tax	8,405	15,049	14,642	16,495	19,355	18,760
Federal in-lieu	1,615	855	250	1,803	1,803	2,923
Grants and other governmental revenues not restricted to specific programs	11,082	12,142	15,545	4,834	3,961	11,230
Unrestricted investment earnings	2,452	1,960	2,595	2,079	7,536	5,478
Gain/(Loss) on sale of capital assets	97	457	473	168	36	-
Other	-	-	-	-	-	-
Transfers	-	-	(1,668)	(1,390)	(865)	287
Total governmental activities	45,872	52,283	57,232	58,704	60,759	70,702
Business-type activities:						
Unrestricted investment earnings	134	158	194	210	-	214
Other	-	-	(101)	630	206	2,619
Gain/(Loss) on sale of capital assets	-	-	-	-	-	-
Transfers	-	-	1,668	1,390	865	(287)
Total business-type activities	134	158	1,761	2,230	1,071	2,546
Total primary government	46,006	52,441	58,993	60,934	61,830	73,248
Changes in Net Assets:						
Governmental activities	1,581	5,553	28,083	22,985	16,804	10,457
Business-type activities	(551)	(31)	1,793	1,218	1,070	2,326
Total primary government	1,030	5,522	29,876	24,203	17,874	12,783

Notes:

(1) Trend information is available only for the last six fiscal years due to the implementation of GASB 34.

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 Six Fiscal Years (Dollars amounts in thousands)

Fiscal Year	(2) Secured	(3) Unsecured	(4) Exempt	Total Taxable Assessed Value	Total Direct Tax Rate
2003-04	6,441,252,283	614,099,278	(93,695,938)	6,961,655,623	1.00%
2004-05	6,759,672,331	514,480,864	(151,917,916)	7,122,235,279	1.00%
2005-06	7,301,850,102	560,222,210	(181,431,422)	7,680,640,890	1.00%
2006-07	8,033,410,811	604,211,231	(202,934,989)	8,434,687,053	1.00%
2007-08	9,651,605,367	643,829,309	(217,340,458)	10,078,094,218	1.00%
2008-09	10,416,842,369	786,667,943	(276,531,982)	10,926,978,330	1.00%

Notes:

- (1) Reliable data is available only for the last six fiscal years.
- (2) Secured property is generally real property, defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.
- (3) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.
- (4) 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.
- (5) 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 Six Fiscal Years

Fiscal Year	County Direct Rates		Overlapping Rates		Total
	Imperial County General	Cities	Schools (2)		
2003-04	1.000000%	0.000000%	0.110553%		1.110553%
2004-05	1.000000%	0.000000%	0.064100%		1.064100%
2005-06	1.000000%	0.016975%	0.075761%		1.092736%
2006-07	1.000000%	0.016410%	0.047802%		1.064212%
2007-08	1.000000%	0.009845%	0.039679%		1.049524%
2008-09	1.000000%	0.005490%	0.037340%		1.042830%

Notes:

- (1) Reliable data is available only for the last six fiscal years.
- (2) 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, 2009 and June 30, 2004

Taxpayer	Fiscal year Ended June 30, 2009			Fiscal year Ended June 30, 2004		
	Net Assesed Value	Rank	Percentage of Net Assesed Value	Net Assesed Value	Rank	Percentage of Net Assesed Value
Magma Power Company	\$ 383,009,050	1	3.51%	\$ 377,331,616	1	5.42%
United States Gypsum Co.	179,179,615	2	1.64%	306,926,474	2	4.41%
Western Mesquite Mine Inc.	151,840,704	3	1.39%			
Orcal Geothermal Inc.	106,532,347	4	0.97%			
Imperial Valley Mall II, LP	80,363,567	5	0.74%			
Second Imperial Geothermal Company	78,504,523	6	0.72%			
National Beef California LP	71,264,280	7	0.65%			
San Diego Gas & Electric Company	63,663,228	8	0.58%			
North Baja Pipeline, LLC	49,990,481	9	0.46%			
Salton Sea Unit # 5	44,804,532	10	0.41%	122,131,309	4	1.75%
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>\$ 1,209,152,327</u>		<u>11.07%</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 Six Fiscal Years

Fiscal Year	Total Secured Levy	Collections within the fiscal year of the Levy		Delinquent Tax Collections*	Amount	% of Levy
		Amount	% of Levy			
2003-04	79,148,668	76,173,515	96.24%	1,975,153	78,148,668	98.74%
2004-05	81,208,057	77,123,152	94.97%	3,884,905	81,008,057	99.75%
2005-06	88,555,796	85,162,179	96.17%	3,293,617	88,455,796	99.89%
2006-07	104,649,082	98,466,976	94.09%	3,453,369	101,920,344	97.39%
2007-08	123,929,417	111,426,428	89.91%	5,310,589	116,737,017	94.20%
2008-09	125,490,813	114,054,899	90.89%	9,637,163	123,692,062	98.57%

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

Notes:

(1) Reliable data for delinquent tax collections is available only for the last six fiscal years.

Source:

Imperial County Auditor-Controller Office

Table 11

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

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-08
Governmental Activities:						
Certificates of Participation	8,160	7,345	6,500	5,620	4,700	3,750
Pension Obligation Bonds	65,405	64,345	63,215	62,010	60,725	59,355
Notes and Loans	2,932	2,932	1,350	1,260	1,170	1,080
Business-Type Activities:						
Capital Lease Obligations	1,429	1,642	1,444	811	559	370
Total Primary Government	77,926	76,264	72,509	69,701	67,154	64,555
Percentage of Personal income (1)	2.48%	2.37%	2.15%	1.94%	1.76%	1.79%
Per Capita (1)	\$ 529	508	472	444	418	376

(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 Six Fiscal Years
 (in thousands)

<u>Fiscal Year</u>	<u>Assessed Value (2)</u>	<u>Legal Debt Limit (3)</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin (4)</u>	<u>Legal Debt Margin/Debt Limit</u>
2003-04	6,961,655	87,021	-	87,021	100%
2004-05	7,122,235	89,028	-	89,028	100%
2005-06	7,680,640	96,008	-	96,008	100%
2006-07	8,434,687	105,434	-	105,434	100%
2007-08	10,078,094	125,976	-	125,976	100%
2008-09	10,926,978	136,587	-	136,587	100%

Notes:

- (1) Reliable data is available only for the last six years.
- (2) Assessed Value does not include tax exempt property. Property value data can be found in the "Assessed Value of Taxable Property" schedule.
- (3) 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.
- (4) 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 Six Fiscal Years

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Unemployment Rate (4)</u>
2003	150,909	\$ 3,145,670	\$ 21,347	15.60%
2004	156,562	3,219,340	21,451	17.10%
2005	161,800	3,368,284	21,974	16.10%
2006	166,585	3,590,721	22,871	15.40%
2007	172,672	3,820,826	23,757	18.10%
2008	176,158	3,600,000 *	21,000 *	22.90%

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)
 2008 Annual Averages

<u>Industry</u>	<u>Percentage of County Employment</u>
Services	19.70%
Retail Trade	14.30%
Manufacturing	5.00%
Government	35.40%
Mining and Construction	3.10%
Finance, Insurance and Real Estate	2.50%
Wholesale Trade	3.60%
Agriculture	22.00%
Transportation and Public Utilities	<u>0.80%</u>
Total	100.00% (1)

(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 Six 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>	<u>Recreation</u>	<u>Special District</u>
2003-04	241	782	92	451	419	17		16
2004-05	233	696	92	506	460	17		20
2005-06	241	718	91	509	448	18	6	18
2006-07	243	724	91	509	490	19	6	18
2007-08	243	755	107	528	512	23	6	20
2008-09	240	714	103	446	506	21	6	21

Note:

1) County employees by function/program is only available for the last six fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.

Table 16

County of Imperial
 Capital Assets Statistics by Function (Unaudited)
 Last Six 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>
2003-04	650	1169	30	235	153	14
2004-05	744	1387	30	240	147	13
2005-06	762	1450	30	247	153	14
2006-07	768	1485	32	253	172	15
2007-08	800	1874	33	252	200	10
2008-09	642	1326	32	138	110	6

Note:

- (1) Capital assets and infrastructure statistics by function/program is only available for the last six fiscal years due to the change in the County's functions as a result of the implementation of GASB 34.





SINGLE AUDIT SECTION

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





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

To the Board of Supervisors
County of Imperial, California

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Imperial, California, as of and for the year ended June 30, 2009, which collectively comprise the County of Imperial's basic financial statements and have issued our report thereon dated March 26, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Imperial's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Imperial's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Imperial's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Imperial's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Imperial's financial statements that is more than inconsequential will not be prevented or detected by the County of Imperial's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Imperial's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Hutchinson and Bloodgood LLP

March 26, 2010



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

To the Board of Supervisors
County of Imperial, California

Compliance

We have audited the compliance of County of Imperial, California, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. County of Imperial, California's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of County of Imperial, California's management. Our responsibility is to express an opinion on County of Imperial, California's compliance based on our audit.

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

In our opinion, County of Imperial, California complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of County of Imperial, California, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered County of Imperial, California's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Imperial, California's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that result in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Imperial, California as of and for the year ended June 30, 2009, and have issued our report thereon dated March 26, 2010. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the County of Imperial's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Hutchinson and Bloodgood LLP

March 26, 2010

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Economic Development - Planning Asst.	11.302	07-86-06307	\$ 60,000
		Subtotal 11.302	<u>60,000</u>
TOTAL DEPARTMENT OF COMMERCE			<u><u>60,000</u></u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Housing and Community Development			
** Community Development Block Grants			
CDBG Freeze Grant	14.228	07-FREZ-2834	59,626
CDBG Workforce Housing Reward	14.228	04-WFH-0777	26,914
CDBG Workforce Housing Reward	14.228	07-WFH-200	126,287
CDBG Planning & Technical	14.228	07-PTAE-3341	8,622
CDBG Planning & Technical	14.228	07-PTAG-3680	3,636
CDBG Colonia Projects	14.228	06-STBG-2808	127,711
CDBG Colonia Projects	14.228	05-STBG-1546	87,155
CDBG Home Buyer & Housing Rehb	14.228	06-STBG-2506	22,713
OTC Business Loan Consultant	14.228	06-EDBG-2562	1,636
Home First Time Homebuyers	14.228	05-HOME-2145	<u>13,745</u>
			478,045
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u><u>478,045</u></u>
<u>U.S. DEPARTMENT OF LABOR</u>			
Passed Through State Department of Employment Development:			
**One Stop Career Center Initiative	17.257	Not Available	<u>3,771,006</u>
		Subtotal 17.257	<u>3,771,006</u>
**Workforce Investment Act	17.258	Not Available	<u>1,391,526</u>
		Subtotal 17.258	<u>1,391,526</u>
TOTAL DEPARTMENT OF LABOR			<u><u>5,162,532</u></u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

Federal Grant/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	Pass-Through Grantor's Number	Program Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed Through State Department of Transportation:			
Highway Planning & Construction: Resurface Various County Roads	20.205	STPLH5958	<u>721,139</u>
		Subtotal 20.205	<u>721,139</u>
Rehabilitate Airport/Runway	20.106	03-06-0109-21	260,632
Rehabilitate Airport	20.106	DTFA08-03-C-21855	529,245
Airport Erosion	20.106	DTFA08-04-C-21821	943,979
Rehabilitate Airport/Runway	20.106	03-06-0109-22	739,202
Rehabilitate Airport/Runway	20.106	03-06-0109-23	398,417
Rehabilitate Airport/Runway	20.106	03-06-0109-24	<u>1,089,116</u>
		Subtotal 20.106	<u>3,960,591</u>
Airport Security	97.090	HSTS0208HSLR177	<u>23,670</u>
		Subtotal 97.090	<u>23,670</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u><u>4,705,400</u></u>

U.S. DEPARTMENT OF AGRICULTURE

Passed Through State Department of Food and Agriculture:

Crop Disaster Program-Light Brwn Apple Moth	10.073	08-0749	11,955
Crop Disaster Program-Glassy Winged Sharpshtr	10.073	07-0150-1	231,543
Crop Disaster Program-Asian Psyllid	10.073	08-0778	63,976
Crop Disaster Program-Pest Detection	10.073	08-0715	<u>74,402</u>
		Subtotal 10.073	<u>381,876</u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
Passed Through State Department of Social Services:			
**Food Stamps	10.551	Not Available	<u>35,184,256</u>
		Subtotal 10.551	<u>35,184,256</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>35,566,132</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed Through State Office of Emergency Services:			
Emergency Assistance Mgmt.	97.042	2008-09	<u>33,482</u>
		Subtotal 97.042	<u>33,482</u>
Homeland Security Grant	97.073	2007-8	<u>597,729</u>
		Subtotal 97.073	<u>597,729</u>
TOTAL EMERGENCY MANAGEMENT AGENCY			<u>631,211</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Passed Through State Office of Criminal Justice:			
Victim/Witness Natl Child Alliance	16.547	VW06200130V0CA	<u>73,257</u>
		Subtotal 16.547	<u>73,257</u>
Edward Byrne Memorial Formula Grant	16.58	2007-DJ-BX-0760	3,677
Edward Byrne Memorial Formula Grant	16.58	2008-DJ-BX-0624	11,700
Office of Criminal Justice Planning Special Prosecutions Unit	16.58	DC 08210130	<u>191,711</u>
		Subtotal 16.580	<u>207,088</u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
Passed Through State Office of Criminal Justice (cont):			
H.I.D.T.A. Grant - Sheriff	16.0	2008/2009	1,129,850
H.I.D.T.A. Grant - DA	16.0	I8PSCP501Z	<u>238,381</u>
		Subtotal 16.0	<u>1,368,231</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u><u>1,648,576</u></u>
 <u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Passed Through Governor's Office of Homeland Security:			
Operation Stonegarden Grant	97.067	2008-1	<u>466,608</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY		Total	<u><u>466,608</u></u>
 <u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Border Environment Cooperation Comm.	66.034	TAA-06-026	12,000
Border Environment Cooperation Comm.	66.034	TAA-07-003	27,000
CAA Special Purpose Activities -Air Quality	66.034	XA-99936801-0	<u>99,990</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY		Total	<u><u>138,990</u></u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed Through State Department of Health Services:			
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	95-117L2006-07	<u>141,236</u>
		Subtotal 93.116	<u>141,236</u>
AIDS Master Grant Case Management	93.917	07-65051	40,932
I.C. Ryan White CARE Consortia	93.917	06-55751	<u>51,869</u>
		Subtotal 93.917	<u>92,801</u>
Maternal and Child Health Service Block Grant:			
MCH Coordinator/PH Nutritionist/AFLP	93.994	200813	<u>205,831</u>
		Subtotal 93.994	<u>205,831</u>
Passed Through State Department of Health Services:			
Medi-Cal Admin. (MAA)	93.0	04-35090	934,046
Childhood Lead Poisoning	93.0	08-85058	19,138
Nutrition Education	93.0	07-65323	43,403
California Children Service (CCS)	93.0	200613	164,999
Targeted Case Management	93.0	13-0712	193,821
Child Health Disb. (CHDP)	93.0	CHDP 13	<u>248,596</u>
		Subtotal 93.0	<u>1,604,003</u>
Bioterrorism Preparedness	93.889	EPO-08-14	<u>87,289</u>
		Subtotal 93.889	<u>87,289</u>
Total State Dept. of Health			<u>2,131,160</u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
Passed Through State Department of Alcohol and Drug Programs:			
Alcohol and Drug Abuse and Mental Health Services Block Grant:			
Vista Sands Children's Intensive Day Treatment Program	93.958	SAMHSA SFY 2008-09	<u>359,128</u>
		Subtotal 93.958	<u>359,128</u>
Stewart B. McKinney/Homeless	93.150	MH 1772 B	<u>48,806</u>
		Subtotal 93.150	<u>48,806</u>
Club Live	93.959	FFY 2009	3,000
Friday Night Live	93.959	FFY 2009	3,000
SAPT	93.959	SCC 13(08/09)	<u>1,018,186</u>
		Subtotal 93.959	<u>1,024,186</u>
Federal Medi-Cal	93.778	SCC 13(08/09)	<u>447,334</u>
		Subtotal 93.778	<u>447,334</u>
Total State Dept. of Alcohol & Drug Programs			<u>1,879,454</u>
Passed Through State Department of Social Services:			
**Child Support Enforcement	93.563	Not Available	<u>4,012,615</u>
		Subtotal 93.563	<u>4,012,615</u>
**TANF Temporary Need	93.558	Not Available	17,745,440
**Asst. Payments-Maint. Assist.	93.558	Not Available	<u>18,363,856</u>
		Subtotal 93.558	<u>36,109,296</u>
Total State Dept. of Social Services			<u>40,121,911</u>

**COUNTY OF IMPERIAL, CALIFORNIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grant/Pass-Through Grantor/ Program Title</u>	<u>Federal C.F.D.A. Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Program Expenditures</u>
Passed Through State Department Office of Aging:			
Title VII-B Elder Abuse Prev.	93.041	AP-0809-24	<u>3,285</u>
		Subtotal 93.041	<u>3,285</u>
Title VII-A Ombudsman	93.042	AP-0809-24	<u>21,954</u>
		Subtotal 93.042	<u>21,954</u>
Title III D - Disease Prevention	93.043	AP-0809-24	<u>12,997</u>
		Subtotal 93.043	<u>12,997</u>
Title III B - Support Services Senior Centers	93.044	AP-0809-24	<u>199,910</u>
		Subtotal 93.044	<u>199,910</u>
Title III C-1 & C-2	93.045	AP-0809-24	<u>347,556</u>
		Subtotal 93.045	<u>347,556</u>
Title III E Family Caregiver Service	93.052	AP-0809-24	<u>101,912</u>
		Subtotal 93.052	<u>101,912</u>
NSIP Meal Subsidiary III	93.053	AP-0809-24	<u>69,047</u>
		Subtotal 93.053	<u>69,047</u>
Total Passes Through State Dept. of Aging			<u>756,661</u> *
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>44,889,186</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 93,746,680</u>
* Footnote: Direct Funding State Department Office of Aging:			State Funds
Title III C-1 & C-2	93.045	AP-0809-24	152,265
Community Based Service Programs		AP-0809-24	356,187
Special Deposit Fund		AP-0809-24	<u>2,878</u>
Total State Dept. of Aging		Total State Funds	<u>511,330</u>

COUNTY OF IMPERIAL, CALIFORNIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2009

PROGRAM

FINDING/NONCOMPLIANCE

QUESTIONED
COSTS

There are no current year findings.

COUNTY OF IMPERIAL, CALIFORNIA

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For The Year Ended June 30, 2009

CONDITION

RECOMMENDATION

STATUS

There are no prior year findings.

COUNTY OF IMPERIAL, CALIFORNIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2009

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Imperial and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2. Loans Receivable

The following are loans receivable by the County of Imperial, California, relating to the described federal program as of June 30, 2009:

	Federal CFDA Number	Amount
Passed through State Department of Housing And Community Development:		
State block grant 1992	14.228	\$ 117,948
State block grant 1994	14.228	94,055
State block grant 1996	14.228	241,734
State block grant 1998	14.228	171,389
State block grant 2002	14.228	386,332
State block grant 2004	14.228	510,638
State block grant program income	14.228	<u>546,267</u>
		<u>2,068,363</u>
Home First-Time Homebuyer Program 2000	14.228	374,616
Home First-Time Homebuyer Program 2002	14.228	2,690,987
Home First-Time Homebuyer Program 2005	14.228	695,887
Home New Rental Construction Project 2003	14.228	3,536,000
Home New Rental Construction Project 2004	14.228	<u>3,604,000</u>
		<u>10,901,490</u>
Total passed through State Department of Housing And Community Development:		<u>\$12,969,853</u>
USDA Small Business Revolving Loan Fund		<u>\$ 76,084</u>

