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Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Ordinance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the Ordinance as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Ordinance, we:

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

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

## **Report on Internal Control over Compliance**

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



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

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

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

**Glendale, California**  
**January 1, 2024**



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**Section I – Compliance Findings**

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No findings were noted for the year ended June 30, 2023.

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**OTHER INFORMATION**

**ASSETS**

Cash and cash equivalents	\$ 10,716,790
Interest receivable	<u>91,861</u>
<b>Total assets</b>	<b>\$ <u>10,808,651</u></b>

**Fund Balance**

Restricted for road repairs and maintenance	<u>10,808,651</u>
<b>Total fund balance</b>	<b><u>10,808,651</u></b>
 <b>Total liabilities and fund balance</b>	 <b>\$ <u>10,808,651</u></b>

**County of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Change in Fund Balance**  
**Year Ended June 30, 2023**  
**(Unaudited)**

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<b>Revenues</b>		
Sales tax	\$	4,386,952
Interest earnings		291,579
	<b>Total revenues</b>	<u>4,678,531</u>
<b>Expenditures</b>		
Road repairs and maintenance		3,733,666
	<b>Total expenditures</b>	<u>3,733,666</u>
<b>Excess of Revenues Over Expenditures</b>		<u>944,865</u>
<b>Other Financing (Uses) Sources</b>		
Transfers out to the County		(3,367,560)
Transfers in to the County		84,181
	<b>Total other financing uses</b>	<u>(3,283,379)</u>
<b>Change in Fund Balance</b>		<u>(2,338,514)</u>
<b>Fund Balance</b>		
Beginning of year		13,147,165
End of year	\$	<u><u>10,808,651</u></u>

County of Imperial  
Measure D Sales Tax Fund  
Schedule of Revenues, Expenditures and Change in Fund Balance  
Budget and Actual  
Ended June 30, 2023  
(Unaudited)

	Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Sales tax	\$ 2,500,000	\$ 4,386,952	\$ 1,886,952
Interest earnings	75,000	291,579	216,579
<b>Total revenues</b>	<u>2,575,000</u>	<u>4,678,531</u>	<u>2,103,531</u>
<b>Expenditures</b>			
Road repairs and maintenance	4,400,522	3,733,666	666,856
<b>Total expenditures</b>	<u>4,400,522</u>	<u>3,733,666</u>	<u>666,856</u>
<b>Excess of Revenues Over Expenditures</b>	<u>(1,825,522)</u>	<u>944,865</u>	<u>2,770,387</u>
<b>Other Financing Sources (Uses)</b>			
Transfers out to the County	(3,607,943)	(3,367,560)	240,383
Transfers in to the County	4,979,375	84,181	(4,895,194)
<b>Total other financing sources (uses)</b>	<u>1,371,432</u>	<u>(3,283,379)</u>	<u>(4,654,811)</u>
<b>Change in Fund Balance</b>	<u>\$ (454,090)</u>	<u>(2,338,514)</u>	<u>\$ (1,884,424)</u>
<b>Fund Balance</b>			
Beginning of year		13,147,165	
End of year		<u>\$ 10,808,651</u>	

<u>STREET</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT</u>
Various Roads in Bombay Beach			Overlay
Various Roads in Desert Shores			Overlay
Various Roads in Heber			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea Beach			Overlay
Various Roads in Imperial County			Overlay
Various Roads in Niland			Overlay
Various Roads in Octotillo			Overlay
Various Roads in Seeley			Overlay
Various Roads in Winterhaven			Overlay
Various County Maintained Bridges			Repairs/Replacement as Needed
Diehl Road (13)	Drew Road (WR)	West 2 Miles	Overlay
Wixom Road (12)	Drew Road {WR}	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Reconstruct
Araz (A2N07)	1-8	Winterhaven Drive (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Road (EE)	McDonald Road (76)	Pond Road (78)	Overlay
Boarts Road (53)	SR86	Kalin Road (WE)	Overlay
Bowker Road (EH)	Cole Road (6)	Jasper Road (8)	Overlay
Bowker Road (EH)	SR98	Anza Road (2)	Overlay
Boyd Road (34)	Poore Road (EV)	Highline Road (EZ)	Overlay/Widen
Brandt Road	Gardner Road	Fredricks Road	Overlay
Brandt Road	Rutherford Road	Bannister Road	Overlay
Brockman Road (WL)	Kramer Road	McCabe Road (14)	Reconstruct
Brockman Road (WL)	SR98	McCabe Road (14)	Overlay/Widen
Cady Road	Loveland Road	Forrester Road	Overlay
Casey Road (EM)	Boyd Road (34)	Keystone Road (36)	Overlay
Chick Road (16)	SR111	1 1/2 Miles West	Overlay/Widen
Clark Road (WC)	Horne Road {16}	Wahl Road (10)	Overlay
Drew Road (WR)	Kubler Road (9)	SR98	Overlay
Drew Road (WR)	Lions Road (9)	Kubler Road	Overlay
Evan Hewes (2A23)	Drew Road (WR)	Westmoreland Road (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes	Plaster City	Ocotillo	Overlay
Evan Hewes (2A23)	Westmorland Road	Bennett Road (WP)	Overlay
Evan Hewes (2A23)	SR115	Gordons Well Road	Overlay
Forrester Road (WJ)	1-8	Evan Hewes (2A23)	Overlay
Fredricks Road	Brandt Road	Kalin Road	Overlay
Gentry Road (WI)	Walker Road (58)	New River	Overlay
Harris Road (32)	SR111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Road (32)	Holt Road (ER)	SR115	Overlay/Widen

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Hartshorn Road (29)	Webb Road (EX)	Highline Road (EZ)	Overlay
Harvey Road	Schartz Road	Carey Road	Reconstruct
Haskell Road	El Centro Avenue	Havens Road	Reconstruct
Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road	Fredricks Road	Bannister Road	Overlay
Kalin Road	Bannister Road	Walker Road	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct
Kershaw Road (EC)	Titworth Road (58)	Rutherford Road (54)	Overlay
Keystone Road (36)	Poore Road (EV)	(EV)	Overlay/Widen
Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
Lathrop Road	Worthington Road	Neckel Road	Overlay
Loveland Road	Fredricks Road	Andre Road	Overlay
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	Humberg Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road	West End	Overlay
Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
Ogilby Road (3M01)	Railroad Tracks	SR78	Overlay
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Reugger Road (61)	Reeves Road	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Miles East	Overlay
Rutherford Road (54)	SR115	Hastain Road (EO)	Overlay
Rutherford Road (54)	SR111	Best Road (EC)	Overlay
Schartz Road (40)	Dogwood Road	SR111	Overlay/ Reconstruct
Seybert Road (EI)	SR78	Sillman Road (45)	Overlay
Silsbee Road (WMM)	Aten Road (24)	Hackelman Road (22)	Reconstruct
Slaton Road	9th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	SR1115	Norrish Road (25)	Overlay
Spa Road (9008)	Hot Mineral Spa Road	Coachella Canal Road	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby Road at Dogwood Road			Signals
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EO)	Overlay
Yocum Road	SR111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

# Draft 2/1/24



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