



## Request for Proposals (RFP)

### Fiscal and Compliance Audit Services for SB325 Funds for Transportation Development Act (TDA) County Project No. 5416ADM

Prepared By:

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Administrative Analyst III

**Deadline for Submissions: June 2, 2026 4:00 P.M.**

Imperial County  
Department of Public Works  
155 S. 11<sup>th</sup> Street  
El Centro, CA 92243

**RFP Released May 7, 2026**

PROPOSALS MUST BE SUBMITTED ON THE SPECIFIED DATE AND TIME. THE COUNTY WILL NOT CONSIDER PROPOSALS RECEIVED AFTER THE DUE DATE. AN AMENDMENT IS CONSIDERED A NEW PROPOSAL AND WILL NOT BE ACCEPTED AFTER THE SPECIFIED DATE AND TIME.

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## **EXHIBITS**

A – Sample Proposal Evaluation Form

B – Sample Consultant Agreement for Services and Minimum Insurance Amounts\*

***\*No changes shall be made to consultant agreement.***

C – Fiscal Year 2022-2023 Audit Report

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# Request for Proposals (RFP) for Fiscal and Compliance Audit Services for SB325 funds for Transportation Development Act (TDA) County Project Number 5416ADM

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## I. PURPOSE AND BACKGROUND

The Imperial County Department of Public Works (hereinafter ICDPW) is responsible for acquiring and utilizing Transportation Development Act (hereinafter TDA) funds for the County of Imperial; and is required to certify compliance of its administration of these funds. The TDA requires that fiscal audits be performed by December 31 of each year, in order to receive funds for the following year. The audits must be conducted in compliance with relevant sections of the Transportation Development Act.

ICDPW requests proposals for professional audit services from qualified certified public accountant individuals or firms, to perform the required performance audits of Imperial County’s administration of SB325 Article 8a, Article 8e, and Article 3 Funds. The intent of this RFP is to procure a five year agreement for fiscal audits for FY 2024-2025, FY 2025-2026, FY 2026-2027, FY 2027-2028, and FY 2028-2029.

This Request for Proposal (RFP) describes the project, the scope of required services, the consultant selection process, and the minimum information that must be included in the proposal.

Qualified entities are invited to submit written proposals for consideration in accordance with this request. By submitting the proposal, the consultant is representing itself as a qualified professional with experience necessary to perform the scope of required services. These services will be conducted under a contract with the County of Imperial, hereinafter referred to as “County” and the consultant entity is hereinafter referred to as “Consultant”. A sample Consultant Agreement and insurance requirements are attached as Attachment B.

The contract will be regulated according to the provisions of the TDA, and all applicable Federal, State and local laws and ordinances. The primary objective of the audit will be to report on the compliance and fiduciary capacity of the County of Imperial with respect to its administration of TDA funds. The audits must be conducted to satisfy the requirements of the Secretary of State’s Business, Transportation and Housing Agency as set forth in the TDA, as published by the State Department of Transportation PUC Sections 99245; CCR 6662, 6664, 6665, and 6667. The audits shall be performed in accordance with generally accepted auditing standards for financial audits as set forth in the U.S. General Accounting Office’s Government Auditing Standards.

TDA References and Resources
<i>TDA Statutes and California Codes of Regulations</i> , Caltrans, 2018 (Complete text of TDA laws and regulations.) Available online at <a href="https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-all1y.pdf">https://dot.ca.gov/-/media/dot-media/programs/rail-mass-transportation/documents/f0009844-tda-07-2018-all1y.pdf</a>
Caltrans’ Website for the TDA program: <a href="https://dot.ca.gov/programs/rail/transportation-development-act">https://dot.ca.gov/programs/rail/transportation-development-act</a>

## Proposed Schedule of Events

Issue Request for Proposals	May 7, 2026
Deadline for Written Requests for Clarification	May 18, 2026
Proposals Due	June 2, 2026
Consultant Selection	June 2026
County Awards Contract	July/August 2026
Notice to Proceed	August/September 2026

## II. SCOPE OF WORK

The County of Imperial is required to have annual financial statements and fiscal/compliance audits of TDA funded activities. The selected audit firm will be responsible for preparing the draft and final fiscal compliance audit (financial statement), with an independent auditor's report; statement of revenues, expenditures and changes in fund balance; compliance statements; a management letter; and supplementary schedules as appropriate.

The work must be done according to the provisions of the TDA, and all applicable Federal, State and local laws and ordinances; and must be in conformance with all standards as described in the Introduction of this RFP.

Consultant must establish communications and interaction with ICDPW staff and with the staff of the Imperial County Auditor-Controller.

The Consultant will review the most recent prior performance audit, and assess the County's implementation of audit recommendations. The Consultant will make determinations as to whether recommendations which have not been implemented are (a) no longer applicable, (b) infeasible, or (c) should still be implemented. If a prior audit recommendation has not been implemented but still has merit, the Consultant should include the prior audit recommendation in the current audit report. The Consultant will evaluate recommendations which have been implemented or are being implemented. For these recommendations, the Consultant should assess the benefits provided (or likely to be provided) by the recommendation. Significant accomplishments in implementing prior recommendations should be recognized.

Draft audits will be delivered to the Director of Public Works or his designee for review and comment by October 31 of each year. The final audit will be delivered to the Director of Public Works by November 15 of each year, who will submit it for acceptance by the Imperial County Board of Supervisors. The audit is due in final form to the State Controller by December 31 of each calendar year.

Upon completion of this project, the accumulated documentation becomes the property of the County. The selected consultant will turn over all data, documents, reports, graphs, maps etc. to the ICDPW staff upon delivery of the final report.

### III. RESPONSIBILITIES OF THE COUNTY

1. The County will direct the development of the project, provide management oversight, and conduct administrative arrangements only.
2. The County will pay an agreed upon amount within 30 days after receipt of an invoice. County will retain 5% of each invoice until completion of project. Completion of project is when ICDPW formally accepts the final document and/or a presentation is completed during a regularly scheduled meeting at the Imperial County Board of Supervisors meeting.
3. The County will not provide dedicated workspace facilities, but upon request will provide a conference room for meetings with the Department and the Consultant.
4. The County reserves the right to perform any portion of the scope of work by County staff or other consultants should the County determine it would be in the best interest of the County to do so.

### IV. PROPOSAL CONTENT AND INFORMATION

Proposals should be typed, organized and concise, yet comprehensive.

#### **General Requirements**

1. Provide a cover letter.
2. State the interpretation of the work to be performed. State a positive commitment to perform the work in the required manner and time frame; include a basic summary; and demonstrate an understanding of the project. Provide a statement that the offer is valid for at least a ninety (90) day period.
3. Provide the name(s) of the primary and/or alternate individuals authorized to respond to this RFP. Include titles, addresses, e-mail, and phone numbers.
4. The Consultant is representing itself as a qualified professional in fiscal and compliance auditing services. Therefore, it is acceptable to submit recommendations and comments for consideration on format, process, schedule, and additional content of projects. The County will consider comments and recommendations; however is not required to select any of the recommendations or comments.
5. Expensive bindings, colored displays, promotional materials, etc., are neither necessary nor desired. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements, and on completeness and clarity of content.

#### **Table of Contents**

Include a table of contents with identification of each section and page number.

#### **Summary of Qualifications and Experience**

1. State whether the firm is local, regional, national or international.
2. Identify the owner(s) of the firm and legal status (sole proprietor, corporation, etc.).
3. Give the location of the office from which work is anticipated to be done and the number of employees of the company.
4. Identify the qualifications and resumes of all individuals who will be associated with this service. Include professional registrations and affiliations.
5. Summarize specific experiences and qualification for similar and related projects; federally funded, state funded, and locally funded. Describe the services previously performed such as studies, reports, etc. List at least three (3) references with telephone numbers and email contact addresses.

### **Analysis of Effort/Methodology**

1. Describe the approach for how the work will be performed. The proposal shall indicate any specific techniques or methodology to be utilized.
2. The proposal shall include a sample project timeline with specific tasks envisioned for this project, including staffing.
3. Indicate what participation, data and products will be requested from the County.
4. Indicate deliverables to be provided and when.

### **Cost and Fees**

1. It is requested that responders submit a not-to-exceed fee cost quote to perform the services set forth in the scope of required services. Provide a clear breakdown of the costs by phase including staff or by item, by hour. No subcontractors shall be utilized without prior authorization by County. Costs and fees are to be submitted in a separate sealed envelope. Costs should be organized for full time hourly rates. Such hourly rates should be fully burdened or loaded, including full compensation for all overhead and profit. Billing rates shall include provision for normal office costs, including but not limited to office rental, utilities, insurance, cell phone or radio, equipment, normal supplies and materials, in-house reproduction services and local travel costs. As much as possible, a not-to-exceed fee cost quote breakdown by phase of the project based on billable hours is desirable.
2. Submit itemized hourly fee schedule for additional services beyond the scope of work.
3. Costs and Fees must be provided within a separate sealed envelope within the submittal of the proposal.

## **V. EVALUATION OF PROPOSALS**

*Sample evaluation criteria for proposals are attached for your information as Exhibit A.*

The County will utilize a one-step selection process.

The Evaluations Committee will determine if qualifications are met in reviewing the proposals. Once the proposals are reviewed and the qualifications considered, recommendations will then be submitted to the County Board of Supervisors for final selection.

The County reserves the right to select any consultant who is determined qualified and may not correlate to a number 1, number 2, or even number 3 originally ranked consultant. The County reserves the right to reject any and all proposals submitted and/or request additional information for clarification.

Proposals are to be sent no later than 4:00 P.M. on June 2, 2026 using the PlanetBids Vendor Portal.

## VI. CONTRACT

A Sample Agreement and Insurance Requirements are attached as Exhibit B.

Subconsultants shall not be used for the services specified herein. The County seeks to do business directly with a financial consulting firm.

Audit services will be completed for each fiscal year beginning fiscal year 2024-2025. Services must be in compliance with local, state and federal auditing requirement. Agreement for services will be for Fiscal Year 2024-2025 and will end for Fiscal Year 2028-2029, unless otherwise terminated as provided for in the agreement

Consultant shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by the contract.

## VII. CLOSING ITEMS

A pre-proposal conference will not be scheduled for this project.

This RFP is being posted on the Department's Projects Out to Bid webpage located at: <https://publicworks.imperialcounty.org/projects-out-to-bid/> and the County's PlanetBids portal located at: <https://vendors.planetbids.com/portal/64020/portal-home>. Prospective consultants must be registered with PlanetBids to access RFP documents and submit questions, proposals, and cost estimates. To register, please use the following link: <https://vendors.planetbids.com/portal/64020/portal-home>

Clarification desired by a respondent relating to definition or interpretation shall be requested using the PlanetBids Q&A section no later 4:00 P.M. on Monday, May 18, 2026.

Oral explanation or instructions shall not be considered binding on behalf of the County.

Any modifications to this solicitation will be issued by the County as a written addendum posted to the Projects Out to Bid webpage and County PlanetBids portal. Consultants will be prompted to acknowledge any addenda issued for this project prior to proceeding with proposal submission on PlanetBids; however, to be deemed responsive to the RFP, each Consultant must include executed copies of all addenda within their proposal submission.

Proposals for this project must be submitted using the “Place Bid” button on the RFP’s posting on PlanetBids no later than 4:00 P.M. on Tuesday, June 2, 2026.

The County will not consider proposals received after the specified time and date. An amendment is considered a new proposal and will not be accepted after the specified time and date.

This RFP does not commit the County of Imperial to award a contract or pay any costs associated with the preparation of a proposal. The County reserves the right to cancel, in part or in its entirety, this solicitation should this be in the best interest of the County.

# EXHIBIT “A”



**PROPOSAL EVALUATION FORM**

**Request for Proposal for Fiscal and Compliance Audit Services for SB325 Funds for Transportation Development Act (TDA); Imperial County Project Number 5416 ADM**

Prepared May 4, 2026 by N.Robles

DATE: \_\_\_\_\_

EVALUATOR: \_\_\_\_\_

RESPONDENT: \_\_\_\_\_

**RATING POINTS:**

- 5 = excellent
- 4 = good
- 3 = above average
- 2 = average
- 1 = below average
- 0 = unsatisfactory

<b>CRITERIA</b>	<b>WEIGHT FACTOR</b>	<b>X</b>	<b>RATING</b>	<b>=</b>	<b>WEIGHTED RATING</b>
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- |  |               |  |       |   |       |
|--|---------------|--|-------|---|-------|
| • Responsiveness & understanding of work to be done, i.e. scope of required services                     | <b>(0.20)</b> |  | _____ | = | _____ |
| • Approach to be followed and the tasks to be performed, including detailed steps and resources required | <b>(0.20)</b> |  | _____ | = | _____ |
| • Specific experience with similar and related projects  | <b>(0.15)</b> |  | _____ | = | _____ |
| • Capacity to perform the scope of work and the ability to conclude in a timely manner                   | <b>(0.15)</b> |  | _____ | = | _____ |
| • Quality of staff based on recent experience  | <b>(0.10)</b> |  | _____ | = | _____ |
| • References   | <b>(0.10)</b> |  | _____ | = | _____ |
| • Overall quality of proposal, including qualifications and thoroughness.                                | <b>(0.10)</b> |  | _____ | = | _____ |

**Total Score** \_\_\_\_\_

**EXHIBIT “B”**

**INSURANCE COVERAGE AND LIMITS:**

Liability coverage shall be at least as broad as Insurance Services Office (ISO) CGL Policy CG 00 01. No modifications or endorsements are allowed that would reduce, limit, restrict, or exclude coverage under the standard unmodified ISO CGL policy coverages.

<b><u>Insurance</u></b>	<b><u>Minimum Limit*</u></b>
Professional Liability (Errors and Omissions)	Insurance appropriate to the Contractor’s profession, with limit no less than <b>\$1,000,000</b> per occurrence or claim, <b>\$1,000,000</b> aggregate.
Workers Compensation, Coverage A	as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than <b>\$1,000,000</b> per accident for bodily injury or disease.
Employers Liability, Coverage B	\$1,000,000
Commercial General Liability (including Contractual Liability):	Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than <b>\$3,000,000</b> per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
Comprehensive Automobile Liability (owned, hired & non-owned vehicles) Bodily Injury & Property Damage	ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than <b>\$1,000,000</b> per accident for bodily injury and property damage.

**ADDITIONAL ENDORSEMENT REQUIRED:**

1. Waiver of Subrogation (Rights of Recovery) endorsement of Workers’ Compensation
2. Additional Insured Endorsement for “ongoing operations” at least as broad as ISO CG 2010 Scheduled form, or Automatic form CG 2038.
3. Additional Insured Endorsement for “completed operations” at least as broad as ISO CG 2037 Scheduled form, or Automatic form CG 2040.
4. Primary & non-contributory coverage (at least as broad as ISO CG 20 01)

**Special Risks or Circumstances**

The COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

# SAMPLE

## AGREEMENT FOR SERVICES

«Consultant\_Business\_Name»

THIS AGREEMENT FOR SERVICES (“Agreement”), made and entered into effective the \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the County of Imperial, a political subdivision of the State of California, by and through its Department of Public Works (“COUNTY”) and «Consultant\_Business\_Name», «Consultant\_Business\_Type» (“CONSULTANT”) (individually, “Party;” collectively, “Parties”).

### RECITALS

**WHEREAS**, COUNTY desires to retain a qualified individual, firm or business entity to provide «Contract\_Services» for «Project\_Name»; «Project\_Number» (“Project”); and

**WHEREAS**, CONSULTANT represents that it is qualified and experienced to perform the services; and

**WHEREAS**, COUNTY desires to engage CONSULTANT to provide services by reason of its qualifications and experience for performing such services, and CONSULTANT has offered to provide the required services for the Project on the terms and in the manner set forth herein.

**NOW, THEREFORE**, in consideration of their mutual covenants, COUNTY and CONSULTANT have and hereby agree to the following:

#### **1. DEFINITIONS.**

**1.1.** “Request for Proposal” or “RFP” shall mean that document that describes the Project and project requirements to prospective bidders entitled, “«Name\_of\_RFP»,” dated «Date\_of\_RFP». The Request for Proposal is attached hereto as **Exhibit “A”** and incorporated herein by this reference.

**1.2.** “Proposal” shall mean CONSULTANT’s document entitled, “«Name\_of\_Proposal»,” dated «Date\_of\_Proposal» and submitted to COUNTY’s Department of Public Works. The Proposal is attached hereto as **Exhibit “B”** and incorporated herein by reference.

#### **2. CONTRACT COORDINATION.**

**2.1.** The Director of Public Works or his/her designee shall be the representative of COUNTY for all purposes under this Agreement. The Director of Public Works or his/her designee is hereby designated as the Contract Manager for COUNTY. He/she shall supervise the progress and

1 execution of this Agreement.

2       **2.2.** CONSULTANT shall assign a single Contract Manager to have overall responsibility for  
3 the progress and execution of this Agreement. Should circumstances or conditions subsequent to the  
4 execution of this Agreement require a substitute Contract Manager for any reason, the Contract Manager  
5 designee shall be subject to the prior written acceptance and approval of COUNTY’s Contract Manager.

6 **3. DESCRIPTION OF WORK.**

7       CONSULTANT shall provide all materials and labor to perform this Agreement consistent with  
8 the RFP and the Proposal, as set forth in **Exhibits “A” and “B.”** In the event of a conflict amongst this  
9 Agreement, the RFP, and the Proposal, the RFP shall take precedence over the Proposal and this  
10 Agreement shall take precedence over both.

11 **4. WORK TO BE PERFORMED BY CONSULTANT.**

12       **4.1.** CONSULTANT shall comply with all terms, conditions and requirements of the Proposal  
13 and this Agreement.

14       **4.2.** CONSULTANT shall perform such other tasks as necessary and proper for the full  
15 performance of the obligations assumed by CONSULTANT hereunder.

16       **4.3.** CONSULTANT shall:

17               **4.3.1.** Procure all permits and licenses, pay all charges and fees, and give all notices  
18 that may be necessary and incidental to the due and lawful prosecution of the services to be performed  
19 by CONSULTANT under this agreement;

20               **4.3.2.** Keep itself fully informed of all existing and proposed federal, state and local laws,  
21 ordinances, regulations, orders and decrees which may affect those engaged or employed under this  
22 Agreement;

23               **4.3.3.** At all times observe and comply with, and cause all of its employees to observe  
24 and comply with all of said laws, ordinances, regulations, orders and decrees mentioned above; and

25               **4.3.4.** Immediately report to COUNTY’s Contract Manager in writing any discrepancy  
26 or inconsistency it discovers in said laws, ordinances, regulations, orders and decrees mentioned above  
27 in relation to any plans, drawings, specifications or provisions of this Agreement.

28 **5. REPRESENTATIONS BY CONSULTANT.**

1           **5.1.**   CONSULTANT understands and agrees that COUNTY has limited knowledge in the  
2 multiple areas specified in the Proposal. CONSULTANT has represented itself to be an expert in these  
3 fields and understands that COUNTY is relying upon such representation.

4           **5.2.**   CONSULTANT represents and warrants that it is a lawful entity possessing all required  
5 licenses and authorities to do business in the State of California and perform all aspects of this  
6 Agreement.

7           **5.3.**   CONSULTANT shall not commence any work under this Agreement or provide any  
8 other services, or materials, in connection therewith until CONSULTANT has received written  
9 authorization from COUNTY's Contract manager to do so.

10          **5.4.**   CONSULTANT represents and warrants that the people executing this Agreement on  
11 behalf of CONSULTANT have the authority of CONSULTANT to sign this Agreement and bind  
12 CONSULTANT to the performance of all duties and obligations assumed by CONSULTANT herein.

13          **5.5.**   CONSULTANT represents and warrants that any employee, contractor and/or agent who  
14 will be performing any of the duties and obligations of CONSULTANT herein possess all required  
15 licenses and authorities, as well as the experience and training, to perform such tasks.

16          **5.6.**   CONSULTANT represents and warrants that the allegations contained in the Proposal are  
17 true and correct.

18          **5.7.**   CONSULTANT understands that COUNTY considers the representations made herein  
19 to be material and would not enter into this Agreement with CONSULTANT if such representations  
20 were not made.

21          **5.8.**   CONSULTANT understands and agrees not to discuss this Agreement or work  
22 performed pursuant to this Agreement with anyone not a party to this Agreement without the prior  
23 permission of COUNTY. CONSULTANT further agrees to immediately advise COUNTY of any  
24 contacts or inquiries made by anyone not a party to this Agreement with respect to work performed  
25 pursuant to this Agreement.

26          **5.9.**   Prior to accepting any work under this Agreement, CONSULTANT shall perform a due  
27 diligence review of its files and advise COUNTY of any conflict or potential conflict CONSULTANT  
28 may have with respect to the work requested.

1           **5.10.** CONSULTANT understands and agrees that in the course of performance of this  
2 Agreement CONSULTANT may be provided with information or data considered by the owner or the  
3 COUNTY to be confidential. COUNTY shall clearly identify such information and/or data as  
4 confidential. CONSULTANT shall take all necessary steps necessary to maintain such confidentiality  
5 including but not limited to restricting the dissemination of all material received to those required to  
6 have such data in order for CONSULTANT to perform under this Agreement.

7           **5.11.** CONSULTANT represents that the personnel dedicated to this project as identified in  
8 CONSULTANT’s Proposal, will be the people to perform the tasks identified therein. CONSULTANT  
9 will not substitute other personnel or engage any contractors to work on any tasks identified herein  
10 without prior written notice to COUNTY.

11 **6.     TERM OF AGREEMENT.**

12           This Agreement shall commence on the date first written above and shall remain in effect until  
13 the services provided as outlined in Paragraph 3, (“DESCRIPTION OF WORK”), have been  
14 completed, unless otherwise terminated as provided for in this Agreement.

15 **7.     COMPENSATION.**

16           **7.1.** The total compensation payable under this Agreement shall not exceed  
17 «Cost of Original Contract», unless otherwise previously agreed to in writing by COUNTY.

18           **7.2.** The fee for any additional services required by COUNTY will be computed either on a  
19 negotiated lump sum basis or upon actual hours and expenses incurred by CONSULTANT and based  
20 on CONSULTANT’s current standard rates as set forth in the Proposal. Additional services or costs  
21 will not be paid without a prior written agreement between the Parties.

22           **7.3.** Except as provided under paragraph 7.1 and 7.2, COUNTY shall not be responsible to  
23 pay CONSULTANT any compensation, out of pocket expenses, fees, reimbursement of expenses or  
24 other remuneration.

25 **8.     PAYMENT.**

26           **8.1.** CONSULTANT shall bill COUNTY on a time and material basis as set forth in **Exhibit**  
27 **“A.”** COUNTY shall pay CONSULTANT for completed and approved services upon presentation of its  
28 itemized billing.

1           **8.2.** COUNTY shall have the right to retain five percent (5%) of the total of amount of each  
2 invoice, not to exceed five percent (5%) of the total compensation amount of the completed project.  
3 “Completion of the Project” is when the work to be performed has been completed in accordance with this  
4 Agreement, as determined by COUNTY, and all subcontractors, if any, have been paid in full by  
5 CONSULTANT. Upon completion of the Project CONSULTANT shall bill COUNTY the retention for  
6 payment by COUNTY.

7           **9.     METHOD OF PAYMENT.**

8           CONSULTANT shall at any time prior to the fifteenth (15<sup>th</sup>) day of any month, submit to  
9 COUNTY a written claim for compensation for services performed. The claim shall be in a format  
10 approved by COUNTY. No payment shall be made by COUNTY prior to the claims being approved in  
11 writing by COUNTY’s Contract Manager or his/her designee. CONSULTANT may expect to receive  
12 payment within a reasonable time thereafter and in any event in the normal course of business within  
13 thirty (30) days after the claim is submitted.

14           **10.   TIME FOR COMPLETION OF THE WORK.**

15           The Parties agree that time is of the essence in the performance of this Agreement. Program  
16 scheduling shall be as described in Exhibits unless revisions are approved by both COUNTY’s  
17 Contract Manager and CONSULTANT’s Contract Manager. Time extensions may be allowed for  
18 delays caused by COUNTY, other governmental agencies or factors not directly brought about by the  
19 negligence or lack of due care on the part of CONSULTANT.

20           **11.   MAINTENANCE AND ACCESS OF BOOKS AND RECORDS.**

21           CONSULTANT shall maintain books, records, documents, reports and other materials  
22 developed under this Agreement as follows:

23           **11.1.** CONSULTANT shall maintain all ledgers, books of accounts, invoices, vouchers,  
24 canceled checks, and other records relating to CONSULTANT’s charges for services or expenditures  
25 and disbursements charged to COUNTY for a minimum period of three (3) years, or for any longer  
26 period required by law, from the date of final payment to CONSULTANT pursuant to this Agreement.

27           **11.2.** CONSULTANT shall maintain all reports, documents, and records, which demonstrate  
28 performance under this Agreement for a minimum period of five (5) years, or for any longer period

1 required by law, from the date of termination or completion of this Agreement.

2 **11.3.** Any records or documents required to be maintained by CONSULTANT pursuant to  
3 this Agreement shall be made available to COUNTY for inspection or audit at any time during  
4 CONSULTANT's regular business hours provided that COUNTY provides CONSULTANT with  
5 seven (7) days advanced written or e-mail notice. Copies of such documents shall, at no cost to  
6 COUNTY, be provided to COUNTY for inspection at CONSULTANT's address indicated for receipt  
7 of notices under this Agreement.

8 **12. SUSPENSION OF AGREEMENT.**

9 COUNTY's Contract Manager shall have the authority to suspend this Agreement, in whole or  
10 in part, for such period as deemed necessary due to unfavorable conditions or to the failure on the part  
11 of CONSULTANT to perform any provision of this Agreement. CONSULTANT will be paid the  
12 compensation due and payable to the date of suspension.

13 **13. TERMINATION.**

14 COUNTY retains the right to terminate this Agreement for any reason by notifying  
15 CONSULTANT in writing twenty (20) days prior to termination and by paying the compensation due  
16 and payable to the date of termination; provided, however, if this Agreement is terminated for fault of  
17 CONSULTANT, COUNTY shall be obligated to compensate CONSULTANT only for that portion of  
18 CONSULTANT's services which are of benefit to COUNTY. Said compensation is to be arrived at by  
19 mutual agreement between COUNTY and CONSULTANT; should the parties fail to agree on said  
20 compensation, an independent arbitrator shall be appointed and the decision of the arbitrator shall be  
21 binding upon the parties.

22 **14. INSPECTION.**

23 CONSULTANT shall furnish COUNTY with every reasonable opportunity for COUNTY to  
24 ascertain that the services of CONSULTANT are being performed in accordance with the requirements  
25 and intentions of this Agreement. All work done and materials furnished, if any, shall be subject to  
26 COUNTY's Contract Manager's inspection and approval. The inspection of such work shall not  
27 relieve CONSULTANT of any of its obligations to fulfill its Agreement as prescribed.

28 **15. OWNERSHIP OF MATERIALS.**

1 All original drawings, videotapes, studies, sketches, computations, reports, information, data  
2 and other materials given to or prepared or assembled by or in the possession of CONSULTANT  
3 pursuant to this Agreement shall become the permanent property of COUNTY and shall be delivered  
4 to COUNTY upon demand, whether or not completed, and shall not be made available to any  
5 individual or organization without the prior written approval of COUNTY.

6 **16. INTEREST OF CONSULTANT.**

7 **16.1.** CONSULTANT covenants that it presently has no interest, and shall not acquire any  
8 interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with  
9 the performance of the services hereunder.

10 **16.2.** CONSULTANT covenants that, in the performance of this Agreement, no sub-  
11 contractor or person having such an interest shall be employed.

12 **16.3.** CONSULTANT certifies that no one who has or will have any financial interest under  
13 this Agreement is an officer or employee of COUNTY.

14 **17. INDEMNIFICATION.**

15 **17.1.** CONSULTANT agrees to the fullest extent permitted by law to indemnify, defend,  
16 protect and hold COUNTY and its representatives, officers, directors, designees, employees,  
17 successors and assigns harmless from any and all claims, expenses, liabilities, losses, causes of actions,  
18 demands, losses, penalties, attorneys' fees and costs, in law or equity, of every kind and nature  
19 whatsoever arising out of or in connection with CONSULTANT's negligent acts and omissions or  
20 willful misconduct under this Agreement ("Claims"), whether or not arising from the passive  
21 negligence of COUNTY, but does not include Claims that are the result of the negligence or willful  
22 misconduct of COUNTY.

23 **17.2.** CONSULTANT agrees to defend with counsel acceptable to COUNTY, indemnify and  
24 hold COUNTY harmless from all Claims, including but not limited to:

25 **17.2.1.** Personal injury, including but not limited to bodily injury, emotional injury,  
26 sickness or disease or death to persons including but not limited to COUNTY's representatives,  
27 officers, directors, designees, employees, agents, successors and assigns, subcontractors and other third  
28 parties and/or damage to property of anyone (including loss of use thereof) arising out of

1 CONSULTANT's negligent performance of, or willful misconduct surrounding, any of the terms  
2 contained in this Agreement, or anyone directly or indirectly employed by CONSULTANT or anyone  
3 for whose acts CONSULTANT may be liable;

4 **17.2.2.** Liability arising from injuries to CONSULTANT and/or any of  
5 CONSULTANT's employees or agents arising out of CONSULTANT's negligent performance of, or  
6 willful misconduct surrounding, any of the terms contained in this Agreement, or anyone directly or  
7 indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

8 **17.2.3.** Penalties imposed upon account of the violation of any law, order, citation, rule,  
9 regulation, standard, ordinance or statute caused by the negligent action or inaction, or willful  
10 misconduct of CONSULTANT or anyone directly or indirectly employed by CONSULTANT or  
11 anyone for whose acts CONSULTANT may be liable;

12 **17.2.4.** Infringement of any patent rights which may be brought against COUNTY  
13 arising out of CONSULTANT's work;

14 **17.2.5.** Any violation or infraction by CONSULTANT of any law, order, citation, rule,  
15 regulation, standard, ordinance or statute in any way relating to the occupational health or safety of  
16 employees; and

17 **17.2.6.** Any breach by CONSULTANT of the terms, requirements or covenants of this  
18 Agreement.

19 **17.3.** These indemnification provisions shall extend to Claims occurring after this Agreement  
20 is terminated, as well as while it is in force.

21 **18. INDEPENDENT CONTRACTOR.**

22 In all situations and circumstances arising out of the terms and conditions of this Agreement,  
23 CONSULTANT is an independent contractor, and as an independent contractor, the following shall  
24 apply:

25 **18.1.** CONSULTANT is not an employee or agent of COUNTY and is only responsible for  
26 the requirements and results specified by this Agreement or any other agreement.

27 **18.2.** CONSULTANT shall be responsible to COUNTY only for the requirements and results  
28 specified by this Agreement and except as specifically provided in this Agreement, shall not be subject

1 to COUNTY's control with respect to the physical actions or activities of CONSULTANT in  
2 fulfillment of the requirements of this Agreement.

3 **18.3.** CONSULTANT is not, and shall not be, entitled to receive from, or through, COUNTY,  
4 and COUNTY shall not provide, or be obligated to provide, CONSULTANT with Workers'  
5 Compensation coverage or any other type of employment or worker insurance or benefit coverage  
6 required or provided by any Federal, State or local law or regulation for, or normally afforded to, an  
7 employee of COUNTY.

8 **18.4.** CONSULTANT shall not be entitled to have COUNTY withhold or pay, and COUNTY  
9 shall not withhold or pay, on behalf of CONSULTANT, any tax or money relating to the Social  
10 Security Old Age Pension Program, Social Security Disability Program, or any other type of pension,  
11 annuity, or disability program required or provided by any Federal, State or local law or regulation.

12 **18.5.** CONSULTANT shall not be entitled to participate in, nor receive any benefit from, or  
13 make any claim against any COUNTY fringe program, including, but not limited to, COUNTY's  
14 pension plan, medical and health care plan, dental plan, life insurance plan, or any other type of benefit  
15 program, plan, or coverage designated for, provided to, or offered to COUNTY's employees.

16 **18.6.** COUNTY shall not withhold or pay, on behalf of CONSULTANT, any Federal, State,  
17 or local tax, including, but not limited to, any personal income tax, owed by CONSULTANT.

18 **18.7.** CONSULTANT is, and at all times during the term of this Agreement, shall represent  
19 and conduct itself as an independent contractor, not as an employee of COUNTY.

20 **18.8.** CONSULTANT shall not have the authority, express or implied, to act on behalf of,  
21 bind or obligate COUNTY in any way without the written consent of COUNTY.

22 **19. INSURANCE.**

23 **19.1.** CONSULTANT hereby agrees at its own cost and expense to procure and maintain,  
24 during the entire term of this Agreement and any extended term therefore, insurance in a sum  
25 acceptable to COUNTY and adequate to cover potential liabilities arising in connection with the  
26 performance of this Agreement and in any event not less than the minimum limit set forth in the  
27 "Minimum Insurance Amounts" attachment to the Plans and Specifications (**Exhibit A**) which are  
28 incorporated as if set forth fully herein.

1           **19.2. Special Insurance Requirements.** All insurance required shall:

2           **19.2.1.** Be procured from California admitted insurers (licensed to do business in  
3 California) with a current rating by Best's Key Rating Guide, acceptable to COUNTY. A rating of at  
4 least A-VII shall be acceptable to COUNTY; lesser ratings must be approved in writing by COUNTY.

5           **19.2.2.** Be primary coverage as respects COUNTY and any insurance or self-insurance  
6 maintained by COUNTY shall be in excess of CONSULTANT's insurance coverage and shall not  
7 contribute to it.

8           **19.2.3.** Name The Imperial County Department of Public Works and the County of  
9 Imperial and their officers, employees, and volunteers as additional insured on all policies, except  
10 Workers' Compensation insurance and Errors & Omissions insurance, and provide that COUNTY may  
11 recover for any loss suffered by COUNTY due to CONSULTANT's negligence.

12           **19.2.4.** State that it is primary insurance and regards COUNTY as an additional insured  
13 and contains a cross-liability or severability of interest clause.

14           **19.2.5.** Not be canceled, non-renewed or reduced in scope of coverage until after thirty  
15 (30) days written notice has been given to COUNTY. CONSULTANT may not terminate such  
16 coverage until it provides COUNTY with proof that equal or better insurance has been secured and is  
17 in place. Cancellation or change without prior written consent of COUNTY shall, at the option of  
18 COUNTY, be grounds for termination of this Agreement.

19           **19.2.6.** If this Agreement remains in effect more than one (1) year from the date of its  
20 original execution, COUNTY may, at its sole discretion, require an increase to liability insurance to the  
21 level then customary in similar COUNTY Agreements by giving sixty (60) days notice to  
22 CONSULTANT.

23           **19.3. Additional Insurance Requirements.**

24           **19.3.1.** COUNTY is to be notified immediately of all insurance claims. COUNTY is  
25 also to be notified if any aggregate insurance limit is exceeded.

26           **19.3.2.** The comprehensive or commercial general liability shall contain a provision of  
27 endorsements stating that such insurance:  
28



County of Imperial  
Department of Public Works  
155 South 11th Street  
El Centro, CA 92243

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**19.6. Additional Insurance.** Nothing in this, or any other provision of this Agreement, shall be construed to preclude CONSULTANT from obtaining and maintaining any additional insurance policies in addition to those required pursuant to this Agreement.

**20. PREVAILING WAGE.**

**20.1.** CONSULTANT acknowledges that any work that qualifies as a “public work” within the meaning of California Labor Code section 1720 shall cause CONSULTANT, and its sub-consultants, to comply with the provisions of California Labor Code sections 1775 et seq.

**20.2.** When applicable, copies of the prevailing rate of per diem wages shall be on file at COUNTY’s Department of Public Works and available to CONSULTANT and any other interested party upon request. CONSULTANT shall post copies of the prevailing wage rate of per diem wages at the Project site.

**20.3.** CONSULTANT hereby acknowledges and stipulates to the following:

**20.3.1.** CONSULTANT has reviewed and agrees to comply with the provisions of Labor Code section 1776 regarding retention and inspection of payroll records and noncompliance penalties; and

**20.3.2.** CONSULTANT has reviewed and agrees to comply with the provisions of Labor Code section 1777.5 regarding employment of registered apprentices; and

**20.3.3.** CONSULTANT has reviewed and agrees to comply with the provisions of Labor Code section 1810 regarding the legal day’s work; and

**20.3.4.** CONSULTANT has reviewed and agrees to comply with the provisions of Labor Code section 1813 regarding forfeiture for violations of the maximum hours per day and per week provisions contained in the same chapter.

**20.3.5** CONSULTANT has reviewed and agrees to comply with any applicable provisions for those Projects subject to Department of Industrial Relations (DIR) Monitoring and Enforcement of prevailing wages. COUNTY hereby notifies CONSULTANT that CONSULTANT is

1 responsible for complying with the requirements of Senate Bill 854 (SB854) regarding certified payroll  
2 record reporting. Further information concerning the requirements of SB854 is available on the DIR  
3 website located at: <http://www.dir.ca.gov/Public-Works/PublicWorksEnforcement.html>.

4 **21. WORKERS' COMPENSATION CERTIFICATION.**

5 **21.1.** Prior to the commencement of work, CONSULTANT shall sign and file with  
6 COUNTY the following certification: "I am aware of the provisions of California Labor Code §§3700  
7 et seq. which require every employer to be insured against liability for workers' compensation or to  
8 undertake self-insurance in accordance with the provisions of that code, and I will comply with such  
9 provisions before commencing the performance of the work of this contract."

10 **21.2.** This certification is included in this Agreement and signature of the Agreement shall  
11 constitute signing and filing of the certificate.

12 **21.3.** CONSULTANT understands and agrees that any and all employees, regardless of hire  
13 date, shall be covered by Workers' Compensation pursuant to statutory requirements prior to beginning  
14 work on the Project.

15 **21.4.** If CONSULTANT has no employees, initial here: \_\_\_\_\_.

16 **22. ASSIGNMENT.**

17 Neither this Agreement nor any duties or obligations hereunder shall be assignable by  
18 CONSULTANT without the prior written consent of COUNTY. CONSULTANT may employ other  
19 specialists to perform services as required with prior approval by COUNTY.

20 **23. NON-DISCRIMINATION.**

21 During the performance of this Agreement, CONSULTANT and its subcontractors shall not  
22 unlawfully discriminate, harass or allow harassment against any employee or applicant for  
23 employment because of sex, race, color, ancestry, religious creed, national origin, physical disability  
24 (including HIV and AIDS), mental disability, medical condition (cancer), age (over forty (40)), marital  
25 status and denial of family care leave. CONSULTANT and its subcontractors shall insure that the  
26 evaluation and treatment of their employees and applicants for employment are free from such  
27 discrimination and harassment. CONSULTANT and its subcontractors shall comply with the  
28 provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the

1 applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285 et seq.).  
2 The applicable regulations of the Fair Employment and Housing Commission implementing  
3 Government Code §12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code  
4 of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth  
5 in full. The applicable regulations of §504 of the Rehabilitation Act of 1973 (29 U.S.C. §794 (a)) are  
6 incorporated into this Agreement by reference and made a part hereof as if set forth in full.  
7 CONSULTANT and its subconsultants shall give written notice of their obligations under this clause  
8 to labor organizations with which they have a collective bargaining or other agreement.  
9 CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all  
10 subcontracts to perform work under this Agreement.

11 **24. NOTICES AND REPORTS.**

12 **24.1.** Any notice and reports under this Agreement shall be in writing and may be given by  
13 personal delivery or by mailing by certified mail, addressed as follows:

COUNTY	CONSULTANT
Director of Public Works	«Consultant_Business_Name»
155 South 11th Street	«Consultant_Street_Address»
El Centro, CA 92243	«Consultant_City_State»
County of Imperial	
Clerk of the Board of Supervisors	
940 W. Main Street, Suite 209	
El Centro, CA 92243	

17  
18  
19  
20 **24.2.** Notice shall be deemed to have been delivered only upon receipt by the Party, seventy-  
21 two (72) hours after deposit in the United States mail or twenty-four (24) hours after deposit with an  
22 overnight carrier.

23 **24.3.** The addressees and addresses for purposes of this paragraph may be changed to any  
24 other addressee and address by giving written notice of such change. Unless and until written notice of  
25 change of addressee and/or address is delivered in the manner provided in this paragraph, the addressee  
26 and address set forth in this Agreement shall continue in effect for all purposes hereunder.

27 **25. ENTIRE AGREEMENT.**

28 This Agreement contains the entire Agreement between COUNTY and CONSULTANT

1 relating to the transactions contemplated hereby and supersedes all prior or contemporaneous  
2 agreements, understandings, provisions, negotiations, representations, or statements, either written or  
3 oral.

4 **26. MODIFICATION.**

5 No modification, waiver, amendment, discharge, or change of this Agreement shall be valid  
6 unless the same is in writing and signed by both Parties.

7 **27. CAPTIONS.**

8 Captions in this Agreement are inserted for convenience of reference only and do not define,  
9 describe or limit the scope or the intent of this Agreement or any of the terms thereof.

10 **28. PARTIAL INVALIDITY.**

11 If any provision in this Agreement is held by a court of competent jurisdiction to be invalid,  
12 void, or unenforceable, the remaining provisions will nevertheless continue in full force without being  
13 impaired or invalidated in any way.

14 **29. GENDER AND INTERPRETATION OF TERMS AND PROVISIONS.**

15 As used in this Agreement and whenever required by the context thereof, each number, both  
16 singular and plural, shall include all numbers, and each gender shall include a gender.  
17 CONSULTANT as used in this Agreement or in any other document referred to in or made a part of  
18 this Agreement shall likewise include the singular and the plural, a corporation, a partnership,  
19 individual, firm or person acting in any fiduciary capacity as executor, administrator, trustee or in any  
20 other representative capacity or any other entity. All covenants herein contained on the part of  
21 CONSULTANT shall be joint and several if more than one person, firm or entity executes the  
22 Agreement.

23 **30. WAIVER.**

24 No waiver of any breach or of any of the covenants or conditions of this Agreement shall be  
25 construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of  
26 the same or any other covenant or condition.

27 **31. CHOICE OF LAW.**

28 This Agreement shall be governed by the laws of the State of California. This Agreement is

1 made and entered into in Imperial County, California. Any action brought by either party with respect  
2 to this agreement shall be brought in a court of competent jurisdiction within said County.

3 **32. AUTHORITY.**

4 **32.1.** Each individual executing this Agreement on behalf of CONSULTANT represents and  
5 warrants that:

6 **32.1.1.** He/She is duly authorized to execute and deliver this Agreement on behalf of  
7 CONSULTANT;

8 **32.1.2.** Such execution and delivery is in accordance with the terms of the Articles of  
9 Incorporation or Partnership, any by-laws or Resolutions of CONSULTANT and;

10 **32.1.3.** This Agreement is binding upon CONSULTANT accordance with its terms.

11 **32.2.** CONSULTANT shall deliver to COUNTY evidence acceptable to COUNTY of the  
12 foregoing within thirty (30) days of execution of this Agreement.

13 **33. COUNTERPARTS.**

14 This Agreement (as well as any amendments hereto) may be executed in any number of  
15 counterparts, each of which when executed shall be an original, and all of which together shall  
16 constitute one and the same Agreement. No counterparts shall be effective until all Parties have  
17 executed a counterpart hereof.

18 **34. REVIEW OF AGREEMENT TERMS.**

19 **34.1.** Each Party has received independent legal advice from its attorneys with respect to the  
20 advisability of making the representations, warranties, covenants and agreements provided for herein,  
21 and with respect to the advisability of executing this Agreement.

22 **34.2.** Each Party represents and warrants to and covenants with the other Party that:

23 **34.2.1.** This Agreement in its reduction to final written form is a result of extensive  
24 good faith negotiations between the Parties and/or their respective legal counsel;

25 **34.2.2.** The Parties and their legal counsel have carefully reviewed and examined this  
26 Agreement for execution by said Parties; and

27 **34.3.** Any statute or rule of construction that ambiguities are to be resolved against the  
28 drafting party shall not be employed in the interpretation of this Agreement.

1 **35. NON-APPROPRIATION.**

2 This Agreement is based upon the availability of public funding. In the event that public funds  
3 are unavailable and not appropriated for the performance of the services set forth in this Agreement,  
4 the Agreement shall be terminated without penalty after written notice to CONSULTANT of the  
5 unavailability and/or non-appropriation of funds.

6 **IN WITNESS WHEREOF**, the Parties have executed this Agreement on the day and year first  
7 above written.

8  
9 **County of Imperial**

**«Consultant\_Business\_Name»**

10  
11 By: \_\_\_\_\_  
12 , Chairman  
13 Imperial County Board of Supervisors

By: \_\_\_\_\_  
**«Consultant\_Name\_for\_Signature»**

14 **ATTEST:**

15  
16 \_\_\_\_\_  
17 Blanca Acosta, Clerk of the Board,  
18 County of Imperial, State of California

19 **APPROVED AS TO FORM:**

20 Katherine Turner,  
21 County Counsel

22  
23 By: \_\_\_\_\_  
24 «CC\_Attorney»,  
25 «CC\_Attorney\_Title»  
26  
27  
28

# EXHIBIT “C”

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
ARTICLE 3, ARTICLE 8(a) and ARTICLE 8(e)**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Supervisors  
County of Imperial, California

### Report on the Audit of the Financial Statements

#### **Opinions**

I have audited the accompanying financial statements of the Transportation Development Act (TDA) SB325 Funds for Article 3, Article 8(a), and Article 8(e) (the "TDA Non-Transit Funds") of the County of Imperial, California (the "County") as of and for the years ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TDA Non-Transit Funds Financial Statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the TDA Non-Transit Funds of the County, as of June 30, 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the TDA Non-Transit Funds of the County, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

#### **Emphasis of Matter**

As described in Note 1, the financial statements of the TDA Non-Transit Funds are not intended to, and do not fairly present the financial position of the County of Imperial as of June 30, 2023, and the changes in fund balance for the year then ended in conformity with accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the TDA Non-Transit Funds of the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the TDA Non-Transit Fund's of the County of Imperial's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the TDA Non-Transit Fund County of Imperial's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that I identified during the audit.

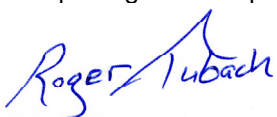
***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 13, 14 and 15 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2023, on my consideration of the County of Imperial TDA Non-Transit Fund's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Imperial TDA Non-Transit Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Imperial's internal control over financial reporting and compliance as it relates to the TDA Non-Transit Funds



El Centro, CA  
June 4, 2024

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 3  
BALANCE SHEET  
JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and Investments	\$ 279,384	\$ 247,796
Interest Receivable	260	0
Due from Other Governmental Agencies	<u>29,341</u>	<u>31,242</u>
Total Assets	<u>\$ 308,985</u>	<u>\$ 279,038</u>
 <b>Liabilities and Fund Balance</b>		
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>
Total Current Liabilities	<u>0</u>	<u>0</u>
 <b>Fund Balance</b>		
Restricted	<u>308,985</u>	<u>\$ 279,038</u>
Total Fund Balance	<u>\$ 308,985</u>	<u>\$ 279,038</u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 3  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
TDA Funds - SB325 Article 3	\$ 29,341	\$ 31,242
Interest Pooled Money	<u>606</u>	<u>0</u>
Total Revenues	<u>29,947</u>	<u>31,242</u>
 <b>Expenditures</b>		
Pedestrian and Bicycle	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
<b>Change in Fund Balance</b>	29,947	31,242
 <b>Fund Balance</b>		
Fund Balance, Beginning of Year	<u>279,038</u>	<u>247,796</u>
Fund Balance, End of Year	<u>\$ 308,985</u>	<u>\$ 279,038</u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 8(a)  
BALANCE SHEET  
JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and Investments	<u>\$ 0</u>	<u>\$ 0</u>
Total Assets	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
 <b>Liabilities and Fund Balance</b>		
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>
Total Current Liabilities	<u>0</u>	<u>0</u>
 <b>Fund Balance</b>		
Restricted	<u>0</u>	<u>0</u>
Total Fund Balance	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 8(a)  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
TDA Funds - SB325 Article 8(a)	<u>\$ 0</u>	<u>\$ 0</u>
Total Revenues	<u>0</u>	<u>0</u>
 <b>Expenditures</b>		
Streets and Roads	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
<b>Change in Fund Balance</b>	<u>0</u>	<u>0</u>
 <b>Fund Balance</b>		
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>
Fund Balance, End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 8(e)  
BALANCE SHEET  
JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Cash and Investments	\$ 137,363	\$ 122,585
Interest Receivable	122	0
Due from Other Governmental Agencies	<u>13,308</u>	<u>14,616</u>
Total Assets	<u>\$ 150,793</u>	<u>\$ 137,201</u>
 <b>Liabilities and Fund Balance</b>		
Accounts Payable	<u>\$ 0</u>	<u>\$ 0</u>
Total Current Liabilities	<u>                    </u>	<u>                    </u>
 <b>Fund Balance</b>		
Restricted	<u>\$ 150,793</u>	<u>\$ 137,201</u>
Total Fund Balance	<u>\$ 150,793</u>	<u>\$ 137,201</u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUND - ARTICLE 8(e)  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
TDA Funds - SB325 Article 8(e)	\$ 13,308	\$ 14,616
Interest Pooled Money	<u>284</u>	<u>0</u>
Total	<u>13,592</u>	<u>14,616</u>
 <b>Expenditures</b>		
Pedestrian and Bicycle	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
<b>Change in Fund Balance</b>	<u>13,592</u>	<u>14,616</u>
 <b>Fund Balance</b>		
Fund Balance, Beginning of Year	<u>137,201</u>	<u>122,585</u>
Fund Balance, End of Year	<u>\$ 150,793</u>	<u>\$ 137,201</u>

The Notes to the Financial Statements are an integral part of these statements.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3, ARTICLE 8(a) AND ARTICLE 8(e)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies**

The financial statements of the TDA Non-Transit Funds of the County are in conformity with accounting principles generally accepted in the United States of America applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting practices.

**The Reporting Entity**

The financial statements of the Transportation Development Act (TDA) Article 3, Article 8(a) and Article 8(e) Funds (TDA Non-Transit Funds) are intended to present the balance sheet, and statement of revenues, expenses and changes in fund balance of only those transactions attributed to the TDA Non-Transit Funds administered and disbursed by the County of Imperial (the "County").

**Fund Accounting**

The accounts of the County are organized on the basis of funds, which are considered to be separate accounting entities. Government resources are allocated to and for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds represented in the TDA Non-Transit Funds' financial statements are special revenue fund types. The TDA Non-Transit Funds accounted for the County's share of the TDA Article 3, Article 8(a), and Article 8(e) allocations and are legally restricted for specific purposes.

**Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. Financial statements for the special revenue fund type of governmental funds are presented using the current financial resources measurement focus and the modified accrual basis of accounting.

Basis of accounting refers to when revenues and the related assets and liabilities are recognized in the accounts and reported in the TDA Non-Transit Funds' financial statements. Specifically, it relates to the timing of measurements made, regardless of the nature of the measurement. Revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for nated interest on general long term-liabilities, which is recognized when due. Additionally, consistent with the flow of "current financial resources" measurement focus required for governmental fund financial statements, nated long-term indebtedness are reported as a long-term liability of the County, not as a liability of the fund.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; that is, when they become both measurable and available to finance expenditures in the fiscal period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For the TDA Non-Transit Funds, revenues and other governmental fund financial resources are recognized if measurable and collectible generally within 60 days following the end of the fiscal year. Revenues considered susceptible to accrual primarily include TDA Article 3 and Article 8(e) funds and interest.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3, ARTICLE 8(a) AND ARTICLE 8(e)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

*Cash and Investments*

TDA Non-Transit Funds pools cash resources with all funds in the County in order to facilitate the management of cash and achieve the goal of obtaining the highest yield with the greatest safety and least risk. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The County considers amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the County and are presented as "Cash and Investments" in the accompanying financial statements.

*Revenue Recognition*

Recognition of revenues arising from non-exchange transactions, which include revenues from taxes, certain grants, and contributions, is based on the primary characteristic from which the revenues are received by the County. Funds allocated under the capital improvements program obtain the characteristic of a voluntary non-exchange transaction similar to a grant.

Unavailable revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when the County receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualified expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

*Budgetary Control and Encumbrances*

The County adopts an annual budget on a basis consistent with accounting principles generally accepted in the United States of America and utilizes an encumbrance system as a management control technique to assist in controlling expenditures and enforcing revenue provisions.

*Use of Estimates*

The preparation of 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  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3, ARTICLE 8(a) AND ARTICLE 8(e)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 1. Summary of Significant Accounting Policies (Continued)**

Fund Balances

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable Fund Balance – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long-term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds

Restricted Fund Balance – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The County Board of Supervisors Council is considered the highest authority for the County.

Assigned Fund Balance – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Auditor Controller is authorized to determine and define the amount of assigned fund balances.

Unassigned Fund Balance – This amount indicates the portion of fund balance that do not fall into one of the above categories.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the County's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the County uses the unrestricted resources in the following order: committed, assigned, and unassigned.

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 3, ARTICLE 8(a) AND ARTICLE 8(e)  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 2 Cash and Investments**

The County maintains a Cash and Investment Pool that is available for use by all funds. The TDA Funds' cash is deposited in the County's internal investment pool, which is reported at fair value. Interest earned on the investment pool is distributed to the participating funds using a formula based on the average daily balance of each fund, The balance of the TDA Funds' Claim on Cash, as of June 30, 2023, and 2022, are as follows:

	<b>2023</b>	<b>2022</b>
TDA Article 3	<u>\$ 279,384</u>	<u>\$ 247,796</u>
TDA Article 8(a)	<u>\$ 0</u>	<u>\$ 0</u>
TDA Article 8(e)	<u>\$ 137,363</u>	<u>\$ 122,585</u>

*Credit Risk and Concentration of Credit Risk of the County's Internal Investment Pool*

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

**Note 3. Transportation Development Act Compliance Requirements (Restricted Fund Balance)**

Funds received pursuant to TDA Article 3 may only be used for pedestrian and bicycle projects as described in TDA Article 3.

Funds received pursuant to TDA Article 8(a) may only be used for local streets and roads which are provided for use by pedestrians and bicycles as described in TDA Article 8(a).

Funds received pursuant to TDA Article 8(e) may only be used for bus benches and bus shelters as described in TDA Article 8(e).

**Note 4. Contingencies**

The TDA funds are subject to program compliance audits by the grantors and their representatives.

**Note 5. Subsequent Events**

Management has reviewed the results of operations for the period of time from its year end June 30, 2023 through June 4, 2024 the date the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

**COUNTY OF IMPERIAL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
TRANSPORTATION DEVELOPMENT ACT - ARTICLE 3  
FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022**

	2023			2022		
	Budgeted Amounts	Actual Amounts	Variance- Favorable (Unfavorable)	Budgeted Amounts	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>						
TDA Funds - SB325 Article 3	\$ 0	\$ 29,341	\$ 29,341	\$ 0	\$ 31,242	\$ 31,242
Interest Pooled Money	<u>0</u>	<u>606</u>	<u>606</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>0</u>	<u>29,947</u>	<u>29,947</u>	<u>0</u>	<u>31,242</u>	<u>31,242</u>
Excess of revenues over expenditures	<u>\$ 0</u>	29,947	<u>\$ 29,947</u>	<u>\$ 0</u>	31,242	<u>\$ 31,242</u>
<b>Fund balance, Beginning of Year</b>		<u>279,038</u>			<u>247,796</u>	
<b>Fund balance, End of Year</b>		<u>\$ 308,985</u>			<u>\$ 279,038</u>	

**COUNTY OF IMPERIAL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION DEVELOPMENT ACT - ARTICLE 8(a)**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022**

	2023			2022		
	Budgeted Amounts	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>						
TDA Funds - SB325 Article 8(a)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Amount Available for Appropriations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over expenditures	<u>\$ 0</u>	0	<u>\$ 0</u>	<u>\$ 0</u>	0	<u>\$ 0</u>
 <b>Fund balance, Beginning of Year</b>		<u>0</u>			<u>0</u>	
 <b>Fund balance, End of Year</b>		<u>\$ 0</u>			<u>\$ 0</u>	

**COUNTY OF IMPERIAL**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**TRANSPORTATION DEVELOPMENT ACT - ARTICLE 8(e)**  
**FOR THE FISCAL YEARS ENDED JUNE 30, 2023 AND JUNE 30, 2022**

	2023			2022		
	Budgeted Amounts	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>						
TDA Funds - SB325 Article 8(e)	\$ 0	\$ 13,308	\$ 13,308	\$ 0	\$ 14,616	\$ 14,616
Interest Pooled Money	0	284	284	0	0	0
Total Revenues	0	13,592	13,592	0	14,616	14,616
Excess of revenues over expenditures	0	13,592	\$ 13,592	0	14,616	\$ 14,616
<b>Fund balance, Beginning</b>		137,201			122,585	
<b>Fund balance, End of Year</b>		\$ 150,793			\$ 137,201	

**INDEPENDENT AUDITOR'S 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* AND  
THE TRANSPORTATION DEVELOPMENT ACT**

To the Board of Supervisors of the County of Imperial  
El Centro, California

I have audited, in accordance with the generally accepted auditing standards 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, the financial statements of the Transportation Development Act (TDA) SB325 Funds for Article 3, Article 8(a), and Article 8(e) (the "TDA Non-Transit Funds") for the County of Imperial, CA (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TDA Non-Transit Funds' basic financial statements and have issued my report thereon dated June 4, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the County's internal control relating to the TDA Non-Transit Fund, allocated for non-transit purposes, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control as it relates to the TDA Non-Transit Funds. Accordingly, I do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the TDA Non-Transit Funds' financial statements are free of material misstatement, I performed tests of compliance with certain provisions of laws, regulations, contracts, grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and the TDA.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control related to the TDA Non-Transit Funds and on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Roger Tubach in blue ink.

June 4, 2024  
El Centro, CA

**INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE OF THE  
TRANSPORTATION DEVELOPMENT ACT  
ARTICLES 3, 8(a) AND 8(e) FUNDS**

To the Board of Supervisors of the County of Imperial  
El Centro, California

**Opinion on Compliance with Transportation Development Act Requirements**

I have examined the County of Imperial's (the County)'s compliance with the Transportation Development Act (TDA), Article 3, 8(a) and 8(e), that funds allocated to and received by the County were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations during the year ended June 30, 2023.

In my opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Transportation Development Act Fund allocated for non-transit purposes of the County for the year ended June 30, 2023.

**Basis for Opinion**

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of my report.

I am required to be independent of the County, and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion. My audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of the TDA requirements applicable to the County's Transportation Development Act Fund allocated for non-transit purposes.

**Auditor's Responsibilities for the Audit of Compliance**

My objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above, 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; the applicable statutes, rules, and regulations of the TDA; and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations 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 TDA that funds allocated to and received by the County were expended in conformance with applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations.

In performing an audit in accordance with GAAS; Government Auditing Standards; the applicable statutes, rules, and regulations of the TDA; and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, I:

- 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 applicable statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Imperial County Transportation Commission as required by Section 6666 of Title 21, Division 3, Chapter 2, Article 5.5 of the California Code of Regulations, 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.

I am 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 I identified during the audit.

**Purpose of this Report**

The purpose of this report on compliance is solely to describe the scope of my testing of compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.



June 4, 2024  
El Centro, CA

**COUNTY OF IMPERIAL  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
ARTICLE 3, ARTICLE 8(a) and ARTICLE 8(e)  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDING JUNE 30, 2023**

**Financial Statement Findings**

**Finding 2022-01 - (Material Weakness)**

**Financial Reporting**

**Criteria or Specific Requirement**

Management is responsible for a system of internal controls over financial reporting which should be designated to initiate, authorize, record, process and report financial data reliably in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The operations of the TDA Non-Transit Funds should be accounted for as separate funds which would have self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

**Condition**

The TDA Non-Transit Funds for the County of Imperial, CA (the "County") were commingled with the Public Works Road Construction Funds of the County in prior years. Revenues for the fiscal year ending June 30, 2022 have been recorded in separate self-balancing funds. However, prior year fund balances have not been recorded. Consequently, the TDA Non-Transit Funds do not properly reflect the balances in the Claim on Cash and Fund Balance accounts.

**Effect**

The County of Imperial Auditor's office is not able to provide separate financial statements for the TDA Non-Transit Funds for the fiscal year ending June 30, 2022. Adjusting journal entries are required to bring the financial statements to correct balances.

**Cause**

The activities of the TDA Non-Transit Funds are commingled with the County Public Works Road Construction Funds.

**Recommendation**

The TDA Non-Transit Funds should be adjusted to properly reflect the balances in the Claim on Cash and Fund Balance accounts.

**View of Responsible Officials and Planned Corrective Action**

The County agrees with this recommendation. The County will make adjustments, to the TDA Non-Transit Funds, so that the Claim on Cash and Fund Balance accounts are correctly stated.

**Status**

Implemented.