

George Nava
City of Brawley
Martha Cardenas-Singh
City of El Centro
Camilo Garcia
City of Calexico
Maria Nava-Froelich
City of Calipatria
Mike Goodsell
City of Holtville
Vice-Chair
Robert Amparano
City of Imperial



Chairperson
Luis Plancarte
County of Imperial
John Hawk
County of Imperial
Ana Beltran
City of Westmorland

David Aguirre
Executive Director
Cristi Lerma
Board Secretary

300 S. IMPERIAL AVE., SUITE 6
EL CENTRO, CA 92243-2875
PHONE: 1-877-RECYCLE
FAX: (760) 337-3184
www.ivrma.org

IMPERIAL VALLEY RESOURCE MANAGEMENT AGENCY
AGENDA

LARGE CONFERENCE ROOM
1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243

WEDNESDAY, AUGUST 28, 2024
6:00 PM (OR AFTER ICTC, LTA OR SAFE)

CHAIR: LUIS PLANCARTE

VICE CHAIR: ROBERT AMPARANO

In compliance with the Brown Act and Government Code Section 54957.5, agenda materials distributed 72 hours prior to the meeting, which are public records relating to open session agenda items, will be available for inspection by members of the public prior to the meeting on the IVRMA's website: <http://ivrma.org/>

In compliance with the Americans with Disabilities Act, Government Code Section 54954.2, please contact the Secretary to the Board at (760) 592-4494 if special assistance is needed to participate in a Board meeting, including accessibility and translation services. Assistance is provided free of charge. Notification of at least 48 hours prior to the meeting time will assist staff in assuring reasonable arrangements can be made to provide assistance at the meeting.

To Join Zoom Meeting click on the following link:

<https://us06web.zoom.us/j/83408533940?pwd=VdxUcb5mToRYOzXZigyOafYHLR0vEU.1>

To Join by phone dial (669) 444-9171

Meeting ID: 834 0853 3940

Passcode: 748879

I. CALL TO ORDER AND ROLL CALL

II. PUBLIC COMMENTS

This is an opportunity for members of the public to address the Board on any subject matter within the Board's jurisdiction, but not an item on the agenda. Any action taken because of public comment shall be limited to direction to staff. Each speaker should contact the Secretary to the Board at (760) 592-4494 or by email to cristilerma@imperialctc.org. When addressing the Board, state your name for the record prior to providing your comments. Please address the Board as a whole, through the Chairperson. Individuals will be given three (3) minutes to address the Board; groups or topics will be given a maximum of fifteen (15) minutes. Public comments will be limited to a maximum of 30 minutes. If additional time is required for public comments, they will be heard at the end of the meeting. Please remember to follow the Public Comment Code of Conduct: No profanity or obscenity, yelling or screaming, no slander or defamatory statements, no personal threats, or attacks, no hateful or demeaning language based on hate of a person's race, religion, sexual orientation, ethnicity, gender, or disability, respect all people that are present or watching, obey the direction of the Chair and Secretary to the Board.

**SERVING THE CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL,
WESTMORLAND, AND IMPERIAL COUNTY**

III. CONSENT CALENDAR

- A. IVRMA Board Draft Minutes for June 26, 2024 Page 4
- B. IVRMA Fiscal Audits for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23 Page 7

The Management Committee met on August 14, 2024, and forwards this item to the IVRMA Board for their review and approval after public comment, if any:

- 1. Receive and file the fiscal audits for the Imperial Valley Resource Management Agency, for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.

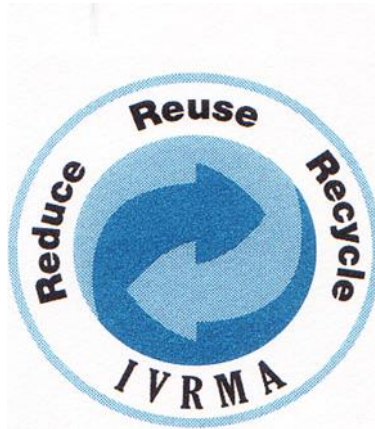
IV. ADJOURNMENT

III. CONSENT CALENDAR

III. CONSENT CALENDAR
III. CONSENT CALENDAR

A. IVRMA Board Draft Minutes for June 26, 2024

George Nava
 City of Brawley
Martha Cardenas-Singh
 City of El Centro
Raul Urena
 City of Calexico
Chair
Maria Nava-Froelich
 City of Calipatria
Chairperson
Mike Goodsell
 City of Holtville
Robert Amparano
 City of Imperial



Luis Plancarte
 County of Imperial
John Hawk
 County of Imperial
Ana Beltran
 City of Westmorland
David Aguirre
 Imperial County Transportation Commission
 /Administrator
Cristi Lerma
 Board Secretary

**MINUTES FOR
 June 26, 2024**

VOTING MEMBERS PRESENT:

City of Brawley	Absent
City of Calipatria	Maria Nava-Froelich
City of Calexico	Absent
City of Holtville	Mike Goodsell
City of El Centro	Martha Cardenas-Singh
City of Imperial	Robert Amparano
County of Imperial	Luis Plancarte
County of Imperial	Absent
City of Westmorland	Ana Beltran

STAFF PRESENT: David Aguirre, Michelle Bastidas, Marlene Flores, Esperanza Avila, Maricela Galarza, Katie Luna, Angela Delgadillo

OTHERS PRESENT: Eric Havens: Counsel; John Garcia, Gerard Chadergran: Caltrans

PUBLIC: None

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Plancarte at 6:16 p.m. and roll call was taken.

II. PUBLIC COMMENTS

There were none.

III. CONSENT CALENDAR

A. IVRMA Board Draft Minutes for May 22, 2024.

The motion was made by *Goodsell* and seconded by *Nava-Froelich*. Roll call vote was as follows:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Absent
City of El Centro	Yes

IVRMA Board Meeting Minutes

June 26, 2024

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City of Holtville	Yes
City of Imperial	Yes
County of Imperial (P)	Yes
County of Imperial (H)	Absent
City of Westmorland	Yes

Motion was carried.

IV. ACTION CALENDAR

A. Draft IVRMA FY 2024-25 Annual Budget

1. Adopted the Draft IVRMA Budget for FY 2024/2025.

The motion was made by *Amparano* and seconded by *Beltran*. Roll call vote was as follows:

Agency	Roll Call
City of Brawley	Absent
City of Calipatria	Yes
City of Calexico	Absent
City of El Centro	Yes
City of Holtville	Yes
City of Imperial	Yes
County of Imperial (P)	Yes
County of Imperial (H)	Absent
City of Westmorland	Yes

Motion was carried.

V. ADJOURNMENT

A. The meeting was adjourned at 6:26 p.m.

III. CONSENT CALENDAR

III. CONSENT CALENDAR
III. CONSENT CALENDAR

B. IVRMA Fiscal Audits for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23

1. Receive and file the fiscal audits for the Imperial Valley Resource Management Agency, for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.



300 S. IMPERIAL AVE., SUITE 6
EL CENTRO, CA 92243-2875
PHONE: (760) 337-4537
FAX: (760) 337-3184

August 20, 2024

Luis Plancarte, Chairman
Imperial County Transportation Commission
1503 N. Imperial Avenue, Suite 104
El Centro, CA 92243

SUBJECT: IVRMA Fiscal Audits for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23

Dear Commission Members:

In February 2020, the administration of the Imperial Valley Resource Management Agency (IVRMA) was officially transferred to the Imperial County Transportation Commission (ICTC) under Resolution 20-07. Prior to this transition, IVRMA managed its funds through a local bank and employed an external accounting firm for its accounting needs. Additionally, a different vendor conducted annual audits for the agency, with the last audit performed for the fiscal year 2018-19. The separate accounting firm would prepare specialized documentation for the sole use of the auditing firm. With the change in administration, several internal processes within IVRMA were revised to align more closely with ICTC's established procedures, particularly in accounting. This transition included transferring IVRMA's funds to a new account managed by the Imperial County Auditor/Controller Department.

Despite multiple attempts to continue using the previous accountant and auditor, document delivery challenges led to difficulties completing the required audits with the previous accounting firm and auditor. Additionally, staff turnover during the transition period contributed to further delays in completing the required audits. To address these issues and bring the agency back into compliance, ICTC engaged The Pun Group, a CPA firm, to conduct the necessary audits effectively. The audit for FY 2019-20 ultimately presented significant challenges due to documentation issues.

In accordance with State of California requirements, the Imperial Valley Resource Management Agency (IVRMA) is mandated to conduct independent fiscal audits of its financial activities annually. Attached, please find the complete fiscal audits for IVRMA for the following fiscal years: FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23. These audits were performed by the CPA firm The Pun Group.

- AB 939 – receipt and allocation by IVRMA of member agency's annual membership fees to the California Integrated Waste Management Act, for recycling programs and services (#1577001)

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

- Beverage and Container Recycling City/County Payment Program – receipt and allocation of funding under the CCPP, for beverage container recycling projects implemented by cities and counties to help reach the state’s 80% recycling goal (#1577002)
- (#1 Household Hazardous Waste – receipt and allocation of funding by HHW waste collections 577003)
- Used Oil Payment Program – receipt and allocation of funding under the CalRecycle Used Oil Program, for used oil and used oil filter collection and recycling program (#1577004)
- Waste Tire Cleanup & Waste Tire Amnesty – receipt and allocation of funding by CalRecycle for tire clean-up and recycling (#1577005)

The ICTC Management Committee met on August 14, 2024, and forwards this item to the IVRMA Board for their review and approval after public comment, if any:

1. Receive and file the fiscal audits for the Imperial Valley Resource Management Agency, for FY 2019-20, FY 2020-21, FY 2021-22, and FY 2022-23.

Sincerely,



David Aguirre
Executive Director

DA/mb/mg

Attachments

Imperial Valley Resource Management Agency

El Centro, California

Financial Statement and Independent Auditors' Report

June 30, 2020



Imperial Valley Resource Management Agency
June 30, 2020

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INDEPENDENT AUDITORS' REPORT



To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, California

Opinion

We have audited the accompanying statement of net position of the Imperial Valley Resource Management Agency (the "Agency") as of June 30, 2020, and the related notes to the financial statement.

Basis for Opinion

We conducted our audit of the statement of net position of the Agency in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Imperial Valley Resource Management Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified audit opinion.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 generally accepted auditing standards, in the United States of America 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 statement.

In performing an audit in accordance with generally accepted auditing standards in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 of the Agency'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the financial statement. 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statement, and other knowledge we obtained during our audit of the financial statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The PwC Group, LLP

Santa Ana, California
August 1, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

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**Imperial Valley Resource Management Agency
Management's Discussion and Analysis (Unaudited)
June 30, 2020**

The discussion and analysis of the financial performance of the Imperial Valley Resource Management Agency (the Agency) provides an overview of the Agency's financial position as of June 30, 2020. The intent of this discussion and analysis is to look at the Agency's financial performance as a whole; users of the financial statement should read this discussion.

FINANCIAL HIGHLIGHTS

The assets of the Agency exceeded its liabilities at the close of the 2019-2020 fiscal year by \$424,861 (Net Position) of which \$96,432 is restricted for the used oil program, \$154,120 is restricted for City-County program and the remaining \$174,309 is unrestricted net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's financial statement. This statement is organized so that readers can understand the Agency's financial position. The Agency's financial statement is comprised of two components: 1) Statement of Net Position and 2) Notes to the financial statements.

The Statement of Net Position presents information on all of the Agency's assets and liabilities. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The notes provide additional information that is essential to a full understanding of the data provided in the Statement of Net Position. The notes to the financial statements are presented on pages 11 through 16 of this report.

FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$424,861 (see below) at the close of the fiscal year.

	2020	2019	Change
Current assets and other assets	\$ 467,151	\$ 370,376	\$ 96,775
Total assets	<u>467,151</u>	<u>370,376</u>	<u>96,775</u>
Current liabilities	42,290	51,345	(9,055)
Total liabilities	<u>42,290</u>	<u>51,345</u>	<u>(9,055)</u>
Net position:			
Restricted	250,552	188,141	62,411
Unrestricted	174,309	130,890	43,419
Total net position	<u>\$ 424,861</u>	<u>\$ 319,031</u>	<u>\$ 424,861</u>

At the end of the current fiscal year, the Agency shows a positive balance in its unrestricted net position of \$174,309 that may be utilized in future years.

Imperial Valley Resource Management Agency
Management's Discussion and Analysis (Unaudited) (Continued)
June 30, 2020

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the Agency's current financial position, net position or operating results in terms of past, present and future.

Request for Information

This financial report is designed to provide our citizens, taxpayers, creditors and investors with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have any questions about this report or need additional financial information you may reach the Agency at (760) 337-4586.

FINANCIAL STATEMENT

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Imperial Valley Resource Management Agency
Statement of Net Position
June 30, 2020

ASSETS

Current assets:

Cash and investments	\$ 407,623
Receivables	
Accounts receivable	<u>59,528</u>
Total current assets	<u>467,151</u>
Total assets	<u>467,151</u>

LIABILITIES

Current liabilities:

Accounts payable	<u>42,290</u>
Total current liabilities	<u>42,290</u>
Total liabilities	<u>42,290</u>

NET POSITION

Restricted	
Used oil program	96,432
City-county program	154,120
Unrestricted	<u>174,309</u>
Total net position	<u>\$ 424,861</u>

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Imperial Valley Resource Management Agency
Notes to the Financial Statements
June 30, 2020

Note 1 – Reporting Entity

The Imperial Valley Resource Management Agency (Agency) was formed in 2005 under the Joint Powers Agreements pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, between the cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland, and the County of Imperial, all municipal corporations duly organized and existing under the laws of the State of California. The Agency provides coordination of economical and regional source reduction recycling of solid waste to meet the diversion requirements mandated by the California Integrated Waste Management Act of 1989 including the monitoring and reporting of source reduction recycling information. The Agency is governed by a Board consisting of nine directors chosen from the participating entities. During February 2020 under Resolution 20-07, administration of the Agency was transferred to Imperial Valley Transportation Commission.

Note 2 – Summary of Significant Accounting Policies

Financial statement presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

Basis of Accounting and Measurement Focus

The financial statement is presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the Agency’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position.

Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Investments

The Agency maintains cash and investments in the Imperial County Investment Pool. The Imperial County Investment Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. For further information regarding the Imperial County Investment Pool refer to the County of Imperial’s basic financial statements. Proceeds from the sale of bonds and amounts held for the repayment of principal and interest is held by a third-party fiscal agent. Funds held by the third-party fiscal agent are reported at fair value.

Net Position

Net position is classified in the following categories:

Restricted – This component of net position consist of restricted assets reduced by liabilities to those assets. The restrictions are placed by third parties or enabling legislation.

Unrestricted – This component of net position is the remaining amount of the assets and liabilities that are not included in the determination of the restricted component of net position.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2020

Note 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statement. Actual results could differ from those estimates.

Note 3 – Cash and Investments

At June 30, 2020, the Agency has \$407,623 deposited in the Imperial County Investment Pool.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2020, the Agency's deposit in the Imperial County Investment Pool, have a weighted average maturity of less than 12 months.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Imperial County Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investments of the Agency are in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The County does not have any investments in any one issuer (other than for Imperial County Investment Pools) that represent 5% or more of total County investments portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2020

Note 3 – Cash and Investments (Continued)

The California Government Code and the Imperial County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 4 – Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance through Public Entity Risk Management Agency.

Note 5 – Commitments and Contingencies

A. Operating Lease

The Agency has a rental agreement for office space. The rental agreements require monthly payments of \$950 through October 31, 2021. The rent payment schedule is as follows:

Year	Payments
2021	\$ 9,500
Total	\$ 9,500

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Imperial Valley Resource Management Agency

El Centro, California

Financial Statements and Independent Auditors' Report

June 30, 2021



Imperial Valley Resource Management Agency
June 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Imperial Valley Resource Management Agency (the "Agency"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2021, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. 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 GAAS and *Government Auditing Standards*, we:

- 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 of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Required Supplementary Information

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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Budgetary Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control over financial reporting and compliance.

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San Diego, California
May 31, 2024

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BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Statement of Net Position
June 30, 2021

ASSETS

Current assets:

Cash and cash equivalents	\$ 433,409
Total current assets	<u>433,409</u>
Total assets	<u>433,409</u>

LIABILITIES

Current liabilities:

Accounts payable	<u>12,758</u>
Total current liabilities	<u>12,758</u>
Total liabilities	<u>12,758</u>

NET POSITION

Restricted:

Used oil program	74,938
City-County program	<u>131,962</u>
Total restricted	<u>206,900</u>
Unrestricted	<u>213,751</u>
Total net position	<u>\$ 420,651</u>

Imperial Valley Resource Management Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2021

OPERATING REVENUES:

Memberships	\$ 441,360
Used oil program	46,091
Total operating revenues	487,451

OPERATING EXPENSES:

Operations and maintenance	80,132
Professional services	408,586
Other operating expenses	3,279
Total operating expenses	491,997

OPERATING INCOME (LOSS)

(4,546)

NONOPERATING REVENUES (EXPENSES):

Other revenues	336
Total nonoperating revenues (expenses)	336

Income (loss)

(4,210)

CHANGES IN NET POSITION

(4,210)

NET POSITION:

Beginning of year	424,861
End of year	\$ 420,651

Imperial Valley Resource Management Agency
Statement of Cash Flows
For the Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from member agencies	\$	441,360
Cash received for services provided		105,619
Cash payments for operating goods and services		(518,250)
Cash paid for other costs		(3,279)
		25,450
Net cash provided by (used in) operating activities		25,450

CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES:

Other non-capital revenues		336
		336
Net cash provided by non-capital and related financing activities		336
Net change in cash and cash equivalents		25,786

CASH AND CASH EQUIVALENTS:

Beginning of year		407,623
End of year	\$	433,409

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:

Operating (loss)	\$	(4,546)
Adjustments to reconcile operating income (loss) to net cash provided by/(used in) operating activities:		
(Increase) decrease in:		
Accounts receivable		59,528
Increase (decrease) in:		
Accounts payable		(29,532)
		29,996
Total adjustments		29,996
Net cash provided by (used in) operating activities	\$	25,450

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Notes to the Financial Statements
June 30, 2021

Note 1 – Reporting Entity

The Imperial Valley Resource Management Agency (the “Agency”) was formed in 2005 under the Joint Powers Agreements pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, between the cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland, and the County of Imperial, all municipal corporations duly organized and existing under the laws of the State of California. The Agency provides coordination of economical and regional source reduction recycling of solid waste to meet the diversion requirements mandated by the California Integrated Waste Management Act of 1989 including the monitoring and reporting of source reduction recycling information. The Agency is governed by a Board consisting of nine directors chosen from the participating entities. During February 2020 under Resolution 20-07, administration of the Agency was transferred to Imperial Valley Transportation Commission.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

Basis of Accounting and Measurement Focus

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows.

The accompanying financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency’s assets and liabilities are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents the change in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The financial statements are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Position. Their reported fund equity presents total net position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Agency maintains cash and investments in the Imperial County Investment Pool. The Imperial County Investment Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (“SEC”). These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. For further information regarding the Imperial County Investment Pool refer to the County of Imperial’s basic financial statements. Proceeds from the sale of bonds and amounts held for the repayment of principal and interest is held by a third-party fiscal agent. Funds held by the third-party fiscal agent are reported at fair value. The Agency considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2021

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position

In the Statement of Net Position, net position is classified in the following categories:

Restricted – This component of net position consists of restricted assets reduced by liabilities related to those assets. The restrictions are placed by third parties or enabling legislation.

Unrestricted – This component of net position is the remaining amount of the assets and liabilities that are not included in the determination of the restricted component of net position.

Net Position Flow Assumption

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statement. Actual results could differ from those estimates.

Note 3 – Cash and Investments

At June 30, 2021, the Agency has \$433,409 deposited in the Imperial County Investment Pool.

The Agency follows the practice of pooling cash and investments with the County of Imperial for all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the average monthly invested cash balance in each participating fund.

At June 30, 2021, all cash and investments of the Association have been pooled with the County of Imperial and are not presented by specific, identifiable investment securities. Investment policies and associated risk disclosures applicable to the Agency are those of the County of Imperial and are included in the County of Imperial's financial statements. The financial statements can be obtained on the County's website at www.imperialcounty.org.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2021, the Agency's deposit in the Imperial County Investment Pool, have a weighted average maturity of less than 12 months.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2021

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Imperial County Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investments of the Agency are in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The County does not have any investments in any one issuer (other than for Imperial County Investment Pool) that represent 5% or more of the Agency's total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Imperial County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 4 – Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance through Public Entity Risk Management Agency.

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SUPPLEMENTARY INFORMATION

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Imperial Valley Resource Management Agency
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
OPERATING REVENUES:				
Memberships	\$ 298,139	\$ 289,689	\$ 441,360	\$ 151,671
Used oil program	54,279	54,279	46,091	(8,188)
City-County payment program	59,516	59,615	-	(59,615)
Tire Clean up	53,844	303,844	-	(303,844)
Total operating revenues	465,778	707,427	487,451	(219,976)
OPERATING EXPENSES:				
Operations and maintenance	24,124	74,486	80,132	(5,646)
Professional services	285,568	484,917	408,586	76,331
Used oil program	54,279	54,279	-	54,279
City-County payment program	59,615	59,615	-	59,615
Other operating expenses	42,291	42,580	3,279	39,301
Total operating expenses	465,877	715,877	491,997	223,880
OPERATING INCOME (LOSS)	(99)	(8,450)	(4,546)	(3,904)
NONOPERATING REVENUES (EXPENSES):				
Other revenues	-	-	336	(336)
Total nonoperating revenues (expenses)	-	-	336	(336)
CHANGE IN NET POSITION	(99)	(8,450)	(4,210)	4,240
NET POSITION:				
Beginning of year			424,861	
End of year			<u>\$ 420,651</u>	

Imperial Valley Resource Management Agency
Notes to the Supplementary Information
June 30, 2021

Note 1 – Budgetary Information

The Agency adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the Agency includes all proposed expenditures and estimated revenues.

The budget is formally integrated into the accounting system.

The budget for the Agency is adopted on a basis consistent with generally accepted accounting principles. The accrual basis of accounting is employed in the preparation of the budget.



**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***

Independent Auditors' Report

Board of Directors
Imperial Valley Resource Management Agency
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Imperial Valley Resource Management Agency (the "Agency"), which comprise the statement of net position as of June 30, 2021, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes, which collectively comprise the basic financial statements and have issued our report thereon dated May 31, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.


Our 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 our audit we did not identify any deficiencies in internal control that we 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 Agency’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

San Diego, California
May 31, 2024

Imperial Valley Resource Management Agency

El Centro, California

Financial Statements and Independent Auditors' Reports

June 30, 2022



Imperial Valley Resource Management Agency
June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Imperial Valley Resource Management Agency (the "Agency"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2022, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. 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 GAAS and *Government Auditing Standards*, we:

- 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 of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Required Supplementary Information

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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Budgetary Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, CA
Page 3

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control over financial reporting and compliance.

The PwC Group, LLP

San Diego, California
June 14, 2024

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BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Statement of Net Position
June 30, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$	412,943
Accounts receivable		2,749
Total current assets		415,692
Total assets		415,692

LIABILITIES

Current liabilities:

Accounts payable		65,385
Total current liabilities		65,385
Total liabilities		65,385

NET POSITION

Restricted:

Used oil program		79,688
City-County program		147,172
Total restricted		226,860
Unrestricted		123,447
Total net position	\$	350,307

Imperial Valley Resource Management Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2022

OPERATING REVENUES:

Memberships	\$ 421,612
Used oil program	47,539
Total operating revenues	469,151

OPERATING EXPENSES:

Operations and maintenance	87,026
Professional services	433,995
Other operating expenses	18,474
Total operating expenses	539,495

OPERATING INCOME (LOSS)

(70,344)

CHANGE IN NET POSITION

(70,344)

NET POSITION:

Beginning of year	420,651
End of year	\$ 350,307

Imperial Valley Resource Management Agency
Statement of Cash Flows
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from member agencies	\$	421,612
Cash received for services provided		44,790
Cash payments for operating goods and services		(468,394)
Cash paid for other costs		(18,474)
		(20,466)
Net cash provided by (used in) operating activities		(20,466)
Net change in cash and cash equivalents		(20,466)

CASH AND CASH EQUIVALENTS:

Beginning of year		433,409
End of year	\$	412,943

RECONCILIATION OF OPERATING INCOME

(LOSS) TO NET CASH (USED IN)

OPERATING ACTIVITIES:

Operating (loss)	\$	(70,344)
Adjustments to reconcile operating income (loss) to net cash provided by/(used in) operating activities:		
(Increase) decrease in:		
Accounts receivable		(2,749)
Increase (decrease) in:		
Accounts payable		52,627
Total adjustments		49,878
Net cash provided by (used in) operating activities	\$	(20,466)

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Notes to the Financial Statements
June 30, 2022

Note 1 – Reporting Entity

The Imperial Valley Resource Management Agency (the “Agency”) was formed in 2005 under the Joint Powers Agreements pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, between the cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland, and the County of Imperial, all municipal corporations duly organized and existing under the laws of the State of California. The Agency provides coordination of economical and regional source reduction recycling of solid waste to meet the diversion requirements mandated by the California Integrated Waste Management Act of 1989 including the monitoring and reporting of source reduction recycling information. The Agency is governed by a Board consisting of nine directors chosen from the participating entities. During February 2020 under Resolution 20-07, administration of the Agency was transferred to Imperial Valley Transportation Commission.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

Basis of Accounting and Measurement Focus

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows.

The accompanying financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency’s assets and liabilities are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents the change in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The financial statements are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Position. Their reported fund equity presents total net position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Agency maintains cash and investments in the Imperial County Investment Pool. The Imperial County Investment Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (“SEC”). These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. For further information regarding the Imperial County Investment Pool refer to the County of Imperial’s basic financial statements. Proceeds from the sale of bonds and amounts held for the repayment of principal and interest is held by a third-party fiscal agent. Funds held by the third-party fiscal agent are reported at fair value. The Agency considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2022

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position

In the Statement of Net Position, net position is classified in the following categories:

Restricted – This component of net position consists of restricted assets reduced by liabilities related to those assets. The restrictions are placed by third parties or enabling legislation.

Unrestricted – This component of net position is the remaining amount of the assets and liabilities that are not included in the determination of the restricted component of net position.

Net Position Flow Assumption

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statement. Actual results could differ from those estimates.

Note 3 – Cash and Investments

At June 30, 2022, the Agency has \$412,943 deposited in the Imperial County Investment Pool.

The Agency follows the practice of pooling cash and investments with the County of Imperial for all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the average monthly invested cash balance in each participating fund.

At June 30, 2022, all cash and investments of the Association have been pooled with the County of Imperial and are not presented by specific, identifiable investment securities. Investment policies and associated risk disclosures applicable to the Agency are those of the County of Imperial and are included in the County of Imperial's financial statements. The financial statements can be obtained on the County's website at www.imperialcounty.org.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2022, the Agency's deposit in the Imperial County Investment Pool, have a weighted average maturity of less than 12 months.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2022

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Imperial County Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investments of the Agency are in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The County does not have any investments in any one issuer (other than for Imperial County Investment Pool) that represent 5% or more of the Agency's total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Imperial County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 4 – Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance through Public Entity Risk Management Agency.

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SUPPLEMENTARY INFORMATION

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Imperial Valley Resource Management Agency
Budgetary Comparison Schedule
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
OPERATING REVENUES:				
Memberships	\$ 367,311	\$ 367,311	\$ 421,612	\$ 54,301
Used oil program	46,062	46,062	47,539	1,477
City-County payment program	59,305	59,305	-	(59,305)
Tire Clean up	193,475	193,475	-	(193,475)
Total operating revenues	666,153	666,153	469,151	(197,002)
OPERATING EXPENSES:				
Operations and maintenance	63,127	63,127	87,026	(23,899)
Professional services	449,121	449,121	433,995	15,126
Used oil program	46,062	46,062	-	46,062
City-County payment program	59,305	59,305	-	59,305
Other operating expenses	48,538	48,538	18,474	30,064
Total operating expenses	666,153	666,153	539,495	126,658
OPERATING INCOME (LOSS)	-	-	(70,344)	70,344
CHANGE IN NET POSITION	-	-	(70,344)	(70,344)
NET POSITION:				
Beginning of year			420,651	
End of year			<u>\$ 350,307</u>	

Imperial Valley Resource Management Agency
Notes to the Supplementary Information
June 30, 2022

Note 1 – Budgetary Information

The Agency adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the Agency includes all proposed expenditures and estimated revenues.

The budget is formally integrated into the accounting system.

The budget for the Agency is adopted on a basis consistent with generally accepted accounting principles. The accrual basis of accounting is employed in the preparation of the budget.



**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***

Independent Auditors' Report

Board of Directors
Imperial Valley Resource Management Agency
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Imperial Valley Resource Management Agency (the "Agency"), which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes, which collectively comprise the basic financial statements and have issued our report thereon dated June 14, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The Pw Group, LLP

San Diego, California
June 14, 2024

Imperial Valley Resource Management Agency

El Centro, California

Financial Statements and Independent Auditors' Reports

June 30, 2023



Imperial Valley Resource Management Agency
June 30, 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Imperial Valley Resource Management Agency (the "Agency"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of June 30, 2023, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our 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 ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Agency'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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our 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 auditors' report that includes our opinion. 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 GAAS and *Government Auditing Standards*, we:

- 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 of the Agency'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 Agency's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

Required Supplementary Information

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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Budgetary Comparison Schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the Board of Directors
of the Imperial Valley Resource Management Agency
El Centro, CA
Page 3

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2024, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency'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 Agency's internal control over financial reporting and compliance.

The PwC Group, LLP

San Diego, California
July 22, 2024

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BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Statement of Net Position
June 30, 2023

ASSETS

Current assets:

Cash and cash equivalents	\$ 520,517
Total current assets	<u>520,517</u>
Total assets	<u>520,517</u>

LIABILITIES

Current liabilities:

Accounts payable	<u>103,246</u>
Total current liabilities	<u>103,246</u>
Total liabilities	<u>103,246</u>

NET POSITION

Restricted:

Used oil program	62,616
City-County program	<u>142,669</u>
Total restricted	<u>205,285</u>
Unrestricted	<u>211,986</u>
Total net position	<u>\$ 417,271</u>

Imperial Valley Resource Management Agency
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2023

OPERATING REVENUES:

Memberships	\$	454,046
Used oil program		48,367
Tire Clean up		407,362
Total operating revenues		909,775

OPERATING EXPENSES:

Operations and maintenance		254,326
Professional services		588,295
Other operating expenses		1,500
Total operating expenses		844,121

OPERATING INCOME (LOSS)

65,654

CHANGE IN NET POSITION

66,964

NET POSITION:

Beginning of year		350,307
End of year	\$	417,271

Imperial Valley Resource Management Agency
Statement of Cash Flows
For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from member agencies	\$	454,046
Cash received for services provided		458,478
Cash payments for operating goods and services		(804,760)
Cash paid for other costs		(1,500)
		106,264
Net cash provided by (used in) operating activities		106,264
Net change in cash and cash equivalents		107,574

CASH AND CASH EQUIVALENTS:

Beginning of year		412,943
End of year	\$	520,517

**RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH (USED IN)
OPERATING ACTIVITIES:**

Operating (loss)	\$	65,654
Adjustments to reconcile operating income (loss) to net cash provided by/(used in) operating activities:		
(Increase) decrease in:		
Accounts receivable		2,749
Increase (decrease) in:		
Accounts payable		37,861
		40,610
Total adjustments		40,610
Net cash provided by (used in) operating activities	\$	106,264

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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Imperial Valley Resource Management Agency
Notes to the Financial Statements
June 30, 2023

Note 1 – Reporting Entity

The Imperial Valley Resource Management Agency (the “Agency”) was formed in 2005 under the Joint Powers Agreements pursuant to Title 1, Division 7, Chapter 5 of the California Government Code, between the cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial and Westmorland, and the County of Imperial, all municipal corporations duly organized and existing under the laws of the State of California. The Agency provides coordination of economical and regional source reduction recycling of solid waste to meet the diversion requirements mandated by the California Integrated Waste Management Act of 1989 including the monitoring and reporting of source reduction recycling information. The Agency is governed by a Board consisting of nine directors chosen from the participating entities. During February 2020 under Resolution 20-07, administration of the Agency was transferred to Imperial Valley Transportation Commission.

Note 2 – Summary of Significant Accounting Policies

The basic financial statements of the Agency have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Agency’s accounting policies are described below.

Basis of Accounting and Measurement Focus

The basic financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Change in Net Position, and Statement of Cash Flows.

The accompanying financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Agency’s assets and liabilities are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents the change in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The financial statements are accounted for on a cost of services or "economic resources" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with the activity are included on the Statement of Net Position. Their reported fund equity presents total net position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

The Agency maintains cash and investments in the Imperial County Investment Pool. The Imperial County Investment Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (“SEC”). These pooled funds are carried at costs which approximates fair value. Interest earned is deposited quarterly into participating funds. For further information regarding the Imperial County Investment Pool refer to the County of Imperial’s basic financial statements. Proceeds from the sale of bonds and amounts held for the repayment of principal and interest is held by a third-party fiscal agent. Funds held by the third-party fiscal agent are reported at fair value. The Agency considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2023

Note 2 – Summary of Significant Accounting Policies (Continued)

Net Position

In the Statement of Net Position, net position is classified in the following categories:

Restricted – This component of net position consists of restricted assets reduced by liabilities related to those assets. The restrictions are placed by third parties or enabling legislation.

Unrestricted – This component of net position is the remaining amount of the assets and liabilities that are not included in the determination of the restricted component of net position.

Net Position Flow Assumption

Sometimes the Agency will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Agency's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statement. Actual results could differ from those estimates.

Note 3 – Cash and Investments

At June 30, 2023, the Agency has \$520,517 deposited in the Imperial County Investment Pool.

The Agency follows the practice of pooling cash and investments with the County of Imperial for all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the average monthly invested cash balance in each participating fund.

At June 30, 2023, all cash and investments of the Association have been pooled with the County of Imperial and are not presented by specific, identifiable investment securities. Investment policies and associated risk disclosures applicable to the Agency are those of the County of Imperial and are included in the County of Imperial's financial statements. The financial statements can be obtained on the County's website at www.imperialcounty.org.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. At June 30, 2023, the Agency's deposit in the Imperial County Investment Pool, have a weighted average maturity of less than 12 months.

Imperial Valley Resource Management Agency
Notes to the Financial Statements (Continued)
June 30, 2023

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Imperial County Investment Pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investments of the Agency are in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. The County does not have any investments in any one issuer (other than for Imperial County Investment Pool) that represent 5% or more of the Agency's total investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposit made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Imperial County's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

Note 4 – Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance through Public Entity Risk Management Agency.

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SUPPLEMENTARY INFORMATION

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**Imperial Valley Resource Management Agency
Budgetary Comparison Schedule
For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive/ (Negative)
OPERATING REVENUES:				
Memberships	\$ 427,390	\$ 427,390	\$ 454,046	\$ 26,656
Used oil program	62,365	62,365	48,367	(13,998)
City-County payment program	59,546	59,546	-	(59,546)
Tire Clean up	250,000	250,000	407,362	157,362
Total operating revenues	799,301	799,301	909,775	110,474
OPERATING EXPENSES:				
Operations and maintenance	96,052	94,712	254,326	(159,614)
Professional services	575,238	489,778	588,295	(98,517)
Used oil program	62,365	62,365	-	62,365
City-County payment program	59,546	59,546	-	59,546
Other operating expenses	6,100	92,900	1,500	91,400
Total operating expenses	799,301	799,301	844,121	(44,820)
OPERATING INCOME (LOSS)	-	-	65,654	(65,654)
CHANGE IN NET POSITION	-	-	66,964	66,964
NET POSITION:				
Beginning of year			350,307	
End of year			<u>\$ 417,271</u>	

Imperial Valley Resource Management Agency
Notes to the Supplementary Information
June 30, 2023

Note 1 – Budgetary Information

The Agency adheres to the following general procedures in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the Agency includes all proposed expenditures and estimated revenues.

The budget is formally integrated into the accounting system.

The budget for the Agency is adopted on a basis consistent with generally accepted accounting principles. The accrual basis of accounting is employed in the preparation of the budget.



**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***

Independent Auditors' Report

Board of Directors
Imperial Valley Resource Management Agency
El Centro, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Imperial Valley Resource Management Agency (the "Agency"), which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes, which collectively comprise the basic financial statements and have issued our report thereon dated July 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

Our 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 our audit we did not identify any deficiencies in internal control that we 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 Agency’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

San Diego, California
July 22, 2024