



Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243
Phone: 760-592-4494 | Fax: 760-592-4410

AGENDA

WEDNESDAY, FEBRUARY 23, 2022
6:00 PM or immediately after the ICTC meeting

LARGE CONFERENCE ROOM
1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243
AND VIA ZOOM MEETING

CHAIRPERSON: ROSIE ARREOLA-FERNANDEZ EXECUTIVE DIRECTOR: DAVID AGUIRRE

Individuals wishing accessibility accommodations at this meeting, under the Americans with Disabilities Act (ADA), may request such accommodations to aid hearing, visual, or mobility impairment by contacting ICTC offices at (760) 592-4494. Please note that 48 hours advance notice will be necessary to honor your request.

To Join by Zoom Meeting please click on the following link:

<https://us06web.zoom.us/j/85424858288?pwd=Wk1MRnc4dWdieXloblVMSzJEeHhNdz09>

To Join by phone please dial 346-248-7799, Meeting ID: 854 2485 8288# Passcode: 106888#

I. CALL TO ORDER AND ROLL CALL

II. ACTION CALENDAR

- A. Adopt resolution authorizing remote teleconference meetings in accordance with Assembly Bill 361 Page 4

With LTA's Counsel's direction, the Interim Executive Director forwards this item to the Authority for review and approval after public comment, if any:

1. Approve the resolution of the Imperial County Local Transportation Authority authorizing remote meetings in accordance with the provisions of the State Assembly Bill (AB) 361.
2. Authorize the Chairperson to sign the resolution.

III. EMERGENCY ITEMS

- A. Discussion/Action of emergency items, if necessary.

IV. PUBLIC COMMENTS

If any member of the public wishes to address the Authority, please submit written comments by 5 p.m. on Tuesday, February 22, 2022. Comments should not exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Authority. The Authority will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda. If members of the public wish to review the attachments or have any questions on any agenda item, please contact Cristi Lerma at 760-592-4494 or via email at cristilerma@imperialctc.org. Agenda and minutes are also available at: <https://www.ltaimperial.com/authority-governance/board-of-directors/agendas-and-minutes>.

V. CONSENT CALENDAR

- A. Approve Minutes for January 26, 2022 Page 7

VI. REPORTS

- A. LTA Executive Director Report Page 10

VII. ACTION CALENDAR

- A. Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2021 Page 14

The Local Taxpayer Supervising Committee (LTSC) met on February 3, 2022. The Management Committee met on February 9, 2022, and forward this item to the LTA Board for their review and approval after public comment, if any:

1. Receive, Approve and File the FY 2020-21 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.

VIII. ADJOURNMENT

- A. Motion to Adjourn.

II. ACTION CALENDAR

- A. ADOPT RESOLUTION AUTHORIZING REMOTE TELECONFERENCE MEETINGS IN ACCORDANCE WITH ASSEMBLY BILL 361
 - 1. APPROVE THE RESOLUTION OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY AUTHORIZING REMOTE MEETINGS IN ACCORDANCE WITH THE PROVISIONS OF THE STATE ASSEMBLY (AB) 361
 - 2. AUTHORIZE THE CHAIRPERSON TO SIGN THE RESOLUTION

**RESOLUTION OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION
AUTHORITY AUTHORIZING REMOTE MEETINGS IN ACCORDANCE WITH THE
PROVISIONS OF STATE ASSEMBLY BILL 361.**

RESOLUTION NO._____

WHEREAS, the County of Imperial is committed to preserving and nurturing public access and participation in meetings of the Imperial County Local Transportation Authority and other public meetings subject to the Ralph M. Brown Act (“Brown Act”); and

WHEREAS, with the adoption of State Assembly Bill 361 (“AB 361”), section 54963(e) of the California Government Code was amended to make provisions for remote teleconferencing participation in meetings by members of a local legislative body, without compliance with the requirements of 54953(b)(3) of the California Government Code, subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to section 8625 of the California Government Code, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in section 8558 of the California Government Code; and

WHEREAS, on March 4, 2020, the Governor proclaimed pursuant to his authority under 8625 of the California Government Code, that a state of emergency exists with regard to the novel coronavirus (a disease now known as COVID-19); and

WHEREAS, on June 4, 2021, the Governor clarified that the “reopening” of California on June 15, 2021, did not include any change to the proclaimed state of emergency or the powers exercised thereunder; and

WHEREAS, as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to section 8629 of the California Government Code to lift the state of emergency, either by proclamation or by concurrent resolution in the State Legislature; and

WHEREAS, the Local Health Officer for the County of Imperial has recommended that the local legislative bodies that are subject to the Brown Act continue to meet remotely when possible, and that social distancing continues to provide a means by which to reduce the transmission of COVID-19; and

WHEREAS, Imperial County Local Transportation Authority believes that it is in the best interest of the public to continue holding remote meetings during the existing state of emergency in accordance with the requirements of AB 361.

NOW, THEREFORE, the Imperial County Local Transportation Authority resolves as follows:

- (1) The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
- (2) A proclaimed state of emergency exists as a result of the COVID-19 pandemic.
- (3) The Local Health Officer recommends that all local legislative bodies local legislative bodies that are subject to the Brown Act continue to meet remotely when possible, and that social distancing continues to provide a means by which to reduce the transmission of COVID-19
- (4) The staff of the Imperial County Local Transportation Authority are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including implementing social distancing measures at meetings, and conducting meetings in accordance with section 54953(e) of the California Government Code, and other applicable provisions of the Brown Act.
- (5) This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of thirty (30) days from adoption of the Resolution or such time the Imperial County Local Transportation Authority takes action to extend the time during which it may continue to meet remotely without compliance with section 54953(b)(3) of the California Government Code.

PASSED AND ADOPTED by the Imperial County Local Transportation Authority, County of Imperial, State of California, this _____, by the following roll call vote:

Agency	Yes	No	Abstain	Absent
Brawley				
Calexico				
Calipatria				
El Centro				
Holtville				
Imperial				
Westmorland				
County of Imperial				
County of Imperial				

CHERYL VIEGAS-WALKER
Chair

ATTEST:

CRISTI LERMA
Secretary to the Commission

V. CONSENT CALENDAR

A. APPROVE MINUTES FOR JANUARY 26, 2022



Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243
Phone: 760-592-4494 | Fax: 760-592-4410

**MINUTES FOR
JANUARY 26, 2022**

VOTING MEMBERS PRESENT:

City of Brawley	George Nava via zoom
City of Calexico	Rosie Arreola-Fernandez
City of Calipatria	Absent
City of El Centro	Cheryl Viegas-Walker-Chair
City of Imperial	Robert Amparano
City of Holtville	Absent
County of Imperial	Luis Plancarte via zoom
County of Imperial	Absent
City of Westmorland	Absent

STAFF PRESENT: David Aguirre, Cristi Lerma, Michelle Bastidas, Virginia Mendoza, Layla Sarwari via zoom (Counsel)

OTHERS PRESENT: David Salgado: SCAG, Gustavo Dallarda: Caltrans

I. CALL TO ORDER AND ROLL CALL

Meeting was called to order by Chair Viegas-Walker at 7:19 p.m. and roll call was taken.

II. ACTION CALENDAR

A. Adopt resolution authorizing remote teleconference meetings in accordance with Assembly Bill 361

1. Approved the resolution of the Imperial County Transportation Commission authorizing remote meetings in accordance with the provisions of the State Assembly Bill (AB) 361.
2. Authorized the Chairperson to sign the resolution.

A motion was made by [Plancarte](#) and seconded by [Amparano](#) to approve the consent calendar as presented, roll call:

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

County of Imperial Plancarte	Yes
County of Imperial Kelley	Absent
City of Westmorland	Absent

III. EMERGENCY ITEMS

There were none.

IV. PUBLIC COMMENTS

There were none.

V. REPORTS

A. Mr. Aguirre reviewed the report on page 5 of the agenda. There were no questions.

VI. ACTION CALENDAR

A. Appointment to the Local Taxpayer Supervising Committee (LTSC)

1. Appointed Mr. Joe Picazo to serve as a member of the LTA Local Taxpayer Supervising Committee (LTSC)

A motion was made by [Plancarte](#) and seconded by [Amparano](#) to approve the consent calendar as presented, roll call:

Agency	Roll Call
City of Brawley	Yes
City of Calipatria	Absent
City of Calexico	Yes
City of El Centro	Yes
City of Holtville	Absent
City of Imperial	Yes
County of Imperial Plancarte	Yes
County of Imperial Kelley	Absent
City of Westmorland	Absent

VII. ADJOURNMENT

A. Meeting Adjourned at 7:32 p.m.

VI. REPORTS

A. LTA EXECUTIVE DIRECTOR REPORT



Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243

Phone: 760-592-4494 | Fax: 760-592-4410

Memorandum

Date: February 18, 2022
To: Local Transportation Authority
From: David Aguirre, Interim Executive Director
Re: Executive Director's Report

The following is a summary of the Executive Director's Report for the LTA meeting of February 23, 2022

1. 2012 LTA Bond Projects: All project funds for the LTA 2012 Bonds have been expended.

2012 Original Bond Funds	
Brawley	\$8,155,000
Calexico	\$15,410,000
Calipatria	\$2,305,000
Imperial	\$6,170,000
County	\$21,935,000

Remaining Bond Funds*		% Spent
Brawley	\$0	100%
Calexico	\$0	100%
Calipatria	\$0	100%
Imperial	\$0	100%
County	\$0	100%

*Remaining Project Bond funds as of Bank Statements dated 1-31-22

2. 2018 LTA Bond Projects: The following lists the remaining funds for the LTA 2022 Bond.

2018 Original Bond Funds	
Calexico	\$12,375,000
Calipatria	\$1,450,000
Holtville	\$2,940,000

Remaining Bond Funds*		% Spent
Calexico	\$2,643,913	79%
Calipatria	\$105,340	93%
Holtville	\$0	100%

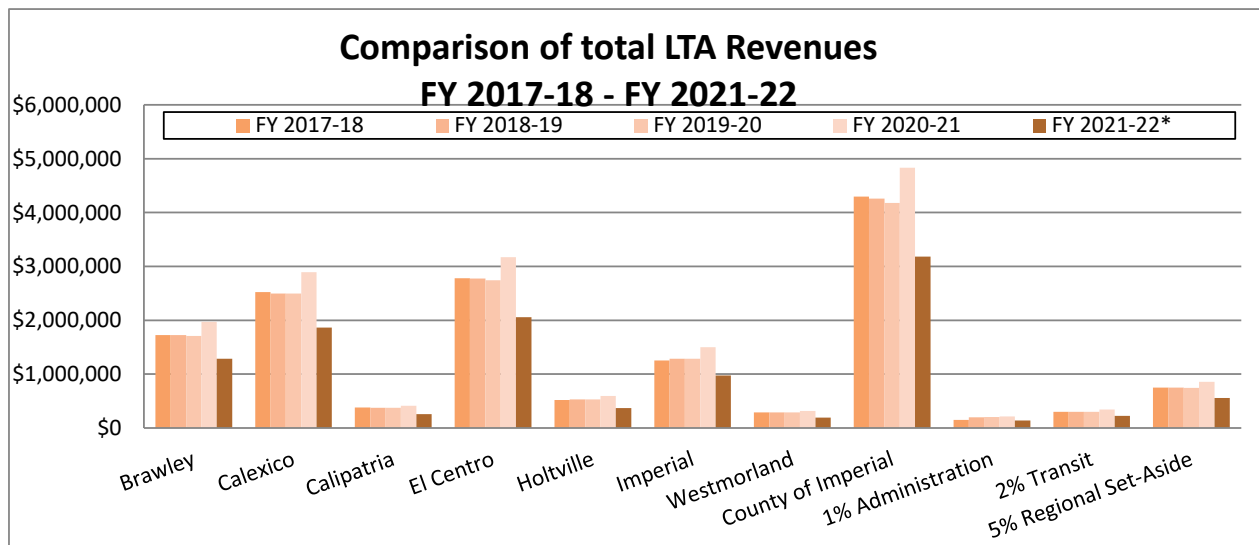
*Remaining Project Bond funds as of Bank Statements dated 1-31-22

3. LTA 2% Transit Set-Aside
 - a. Total Allocations for FY 2021-22
 - i. IVT Ride \$250,000 (Brawley, Calexico, Imperial, El Centro, Heber & West Shores)
 - ii. Available Balance 2/18/22 - \$407,352
4. LTA 5% Highway Set-Aside
 - a. Processed Disbursements - \$3,270,473
 - b. Pending projects - \$4,141,940
 1. Traffic Signal SR 86 & Dogwood Rd Imperial County - \$1,680,815
 2. Forrester Road PSR - \$322,321
 3. SR 86 Border Patrol Checkpoint - \$916,109
 4. Calexico East Port of Entry Bridge Expansion - \$1,222,695
 - c. LTA 5% Regional Hwy Available Balance as of 2/18/22: \$3,600,227

5. LTA FY revenues

LTA Revenues

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22*
Brawley	\$1,724,444.04	\$1,725,712.20	\$1,708,309.63	\$1,973,179.09	\$1,286,005.15
Calexico	\$2,522,261.10	\$2,498,561.57	\$2,496,364.99	\$2,895,513.18	\$1,863,820.11
Calipatria	\$376,847.80	\$375,882.59	\$375,010.38	\$411,033.42	\$255,715.63
El Centro	\$2,777,968.18	\$2,772,865.22	\$2,745,303.02	\$3,169,283.41	\$2,058,022.40
Holtville	\$520,865.11	\$528,409.50	\$530,539.51	\$592,883.74	\$369,744.17
Imperial	\$1,254,758.35	\$1,283,934.58	\$1,284,456.38	\$1,500,288.41	\$973,904.96
Westmorland	\$286,856.02	\$285,903.42	\$287,435.95	\$312,555.82	\$191,874.16
County of Imperial	\$4,295,754.01	\$4,261,906.22	\$4,179,704.84	\$4,830,782.66	\$3,181,456.89
1% Administration	\$149,562.56	\$195,223.72	\$199,626.70	\$211,624.03	\$137,751.40
2% Transit	\$299,125.10	\$299,535.46	\$296,919.39	\$341,874.07	\$221,898.82
5% Regional Set-Aside	\$747,812.75	\$748,838.66	\$742,298.46	\$854,685.13	\$554,747.04
	\$14,956,255.02	\$14,976,773.14	\$14,845,969.25	\$17,093,702.96	\$11,094,940.73



Revenue distributions listed are prior to bond payments for the participating agencies

*Revenues up to January 2022

6. LTA Ordinance items

- a. 5-year list of projects status:
 - i. County of Imperial 2020-2025 renewal due in 2025
 - ii. City of Westmorland 2021-2026 renewal due in 2026
 - iii. City of Holtville 2018-2023 renewal due in 2023
 - iv. City of Calipatria 2016-2056 renewal due in 2056
 - v. City of Calexico 2019-2024 renewal due in 2024
 - vi. City of El Centro 2021-2026 renewal due in 2026
 - vii. City of Brawley 2020-2024 renewal due in 2024
- b. FY 2021-22 list of projects completed due 11/2022
- c. Maintenance of effort due 11/2022



Imperial County Local Transportation Authority

Financing Schedule

As of February 8, 2021

January 2022							February 2022							March 2022						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26	20	21	22	23	24	25	26
23/ 30	24/ 31	25	26	27	28	29	27	28						27	28	29	30	31		

Dates highlighted in blue represent public holidays; dates highlighted in orange represent ICLTA Board Meetings

Date	Event	Responsibility
January 2022		
Wednesday, January 19	Financing Team Conference Call via Zoom	I, UC, BC, DC
February 2022		
Monday, February 1	Distribute Revised Draft of Final Offering Document	DC
Tuesday, February 8	Conference Call to Review Draft of Final Offering Document	ALL
Week of February 7	Confirm Ratings, Insurance, and purchase escrow securities as needed	I I, UW
Thursday, February 24	Due Diligence Conference Call, Final Working Group Sign off on checking copy of Final Offering Document	ALL
Friday, February 25	Distribute Final Verification Report, Draft Closing Wire Instructions and Closing Bond Documents	I, UW, B
Monday, February 28	Post and Distribute Final Offering Document	I, DC
March 2022		
March 7, 2022	Pre-Closing	DC
March 8, 2022	Forward Delivery Closing, Purchase Escrow Securities	ALL
June 1, 2022	Series 2012 Bonds Called	

Key

I:	Issuer – Imperial County Local Transportation Authority
B:	Borrowers – County of Imperial, Cities of Brawley, Calexico, Calipatria & Imperial
BC/DC:	Bond and Disclosure Counsel – Norton Rose Fulbright
UC:	Underwriter's Counsel – Stradling Yocca Carlson & Rauth
UW:	Underwriter – Barclays
T:	Trustee – Bank of NY Mellon

VII. ACTION CALENDAR

- A. IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY ANNUAL FINANCIAL AUDIT FOR FISCAL YEAR ENDED JUNE30, 2021
 - 1. RECEIVE, APPROVE, AND FILE THE FY 2020- 2021 IMPERIAL COUNTY LTA ANNUAL FINANCIAL AUDIT FOR THE FOLLOWING AGENCIES: BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, THE COUNTY OF IMPERIAL AND THE ICLTA



Imperial County Local Transportation Authority

1503 N. Imperial Ave., Suite 104, El Centro, CA, 92243

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February 18, 2022

Rosie Arreola-Fernandez, Chairperson
Local Transportation Authority
1503 N Imperial Ave., Suite 104
El Centro, CA 92243

SUBJECT: Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2021

Dear Authority Members:

According to Section VIII of the ordinance dated July 1, 1989, the Local Transportation Authority (LTA) must conduct fiscal audits of its financial activities on an annual basis. The ordinance states: *“An annual independent audit shall be conducted to assure that the revenues expended by the Authority under this section are necessary and reasonable in carrying out its responsibility under the Ordinance.”*

The ordinance and the bylaws also states: *“the Local Taxpayer Supervising Committee (LTSC) shall supervise a post-audit of the financial transactions and records of the Authority at least annually by a certified public accountant as described in Section 12...”*

The LTSC met on February 3, 2022, to review the annual financial reports performed by the CPA firm, the Vasquez & Company LLC: *LTA Annual Financial Report, for fiscal year ended June 30, 2021*; and to provide feedback and recommendations. The Committee had the following recommendations:

- Provide LTA audit requirements training to agency staff as required. *ICLTA Staff will contact all agencies and inquire if LTA Audit requirement staff training is required.*
- Provide a template to all agencies for the 5-year expenditure plan to ensure uniformity in the annual audit. *ICLTA will prepare and forward a general template to all agencies for their use, for audit submittal.*
- Request that agency staff provide the LTA with a list of LTA funded completed projects for a 5–10-year period. *ICLTA staff will develop a template and coordinate with agency staff to obtain a list of completed projects on an annual basis.*
- Provide a better definition of the Maintenance of Efforts expectation and requirements applicable to each agency. *ICLTA intends to research similar agency MOE requirements. Further discussion is anticipated.*
- Implement a cap on administrative use of LTA funds. No more than 6 to 10% recommended. *ICLTA intends to work with member agencies to limit the use of LTA funds towards administrative expenses. Further discussion is anticipated.*

- Submit documentation pertaining to use and projects utilizing LTA funds for the prior fiscal year to LTA staff no later than November 1st. *ICLTA staff will develop and forward a template to all agencies for their use. ICLTA will coordinate with agency staff for the completion and submittal of the project list prior to the deadline.*
- Allow LTA staff to implement withholding funds penalties to agencies for noncompliance with LTA regulations. *ICLTA staff will maintain ongoing discussions with agency staff to avoid withholding of funds scenarios. ICLTA staff will only utilize withholding of funds penalties in situations where the agency is nonresponsive to ICLTA compliance documentation requests.*

The ICTC Management Committee met on February 9, 2022 and forwards this item to the LTA Board for their review and approval after public comment, if any:

1. Receive, Approve and File the FY 2020-21 Imperial County Local Transportation Authority Annual Financial Audit for the following agencies: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland, the County of Imperial and the ICLTA.

Sincerely,



DAVID AGUIRRE

Interim Executive Director



Imperial County Local Transportation Authority

El Centro, California

Annual Financial and Compliance Report

Year Ended June 30, 2021

DRAFT

**Annual Financial and Compliance Report
Imperial County Local Transportation Authority
El Centro, California**

***Year Ended June 30, 2021
With Independent Auditor's Reports***

DRAFT

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California**

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Imperial County Local Transportation Authority ("ICLTA"), as of and for the year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise ICLTA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ICLTA as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, on pages 7 through 10, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ICLTA's basic financial statements. The supplementary information presented on pages 27 and 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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, based on our audit, the procedures performed as described above, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The five-year program of projects information on pages 29 through 48 have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022 on our consideration of the ICLTA'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 ICLTA'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 ICLTA's internal control over financial reporting and compliance.

Glendale, California
February __, 2022

DRAFT

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

**To the Board of Directors
Imperial County Local Transportation Authority
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 the governmental activities and each major fund of the Imperial County Local Transportation Authority ("ICLTA"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise ICLTA's basic financial statements, and have issued our report thereon dated **February __, 2022.**

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered ICLTA'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 ICLTA's internal control. Accordingly, we do not express an opinion on the effectiveness of ICLTA'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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether ICLTA'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 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 ICLTA'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

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Imperial County Local Transportation Authority

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**Management's Discussion & Analysis
Required Supplementary Information
(Unaudited)
June 30, 2021**

The following section of the annual financial report of the Imperial County Local Transportation Authority (the Authority) includes an overview and analysis of the Authority's financial position and activities for the years ended June 30, 2021 and 2020. The discussion and analysis, as well as the basic financial statements which it accompanies, is the responsibility of the management of the Authority.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles; such report has been designed to improve the usefulness of the report to the primary users of these basic financial statements.

The Authority presents its basic financial statement using the economic resources measurement to focus and accrual basis of accounting. The Authority's basic financial statements include a Statement of Net Position and a Statement of Changes in Activities. The notes to the basic financial statements and this section support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of the Authority.

Statement of Net Position – The Statement of Net Position include all assets and liabilities of the Authority, with the difference between the two reports as net position. Assets and liabilities are reported at their book value, on an accrual basis, as of June 30, 2021 and 2020.

Statement of Activities – The Statement of Activities present the revenues earned and expenses incurred by the Authority during the years ended June 30, 2021 and 2020, on accrual basis of accounting.

Long-Term Debt – On May 1, 2012, the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all the Authority's sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 bond is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 5.00 percent per annum. The annual principal requirements are from \$1,745,000 to \$3,855,000 with a final maturity on June 1, 2032.

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. Interest on the Series 2018 Bonds is payable semiannually on June 1 and December 1 beginning on June 1, 2019 with rates ranging from 3.25 to 5.00 percent per annum. The annual principal requirements range from \$250,000 to \$2,190,000. The bonds mature on June 1, 2038.

At the end of the fiscal year the Authority's had total bonds outstanding of \$51,727,985.

Imperial County Local Transportation Authority
Management's Discussion & Analysis
(Unaudited) (Continued)
June 30, 2021

Table 1 – Imperial County Local Transportation Authority's Outstanding Debt

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
2012 Sales tax revenue bonds	\$ 37,095,000	\$ -	\$ (2,465,000)	\$ 34,630,000
Unamortized bond premium	534,272	-	(45,145)	489,127
2018 sales tax revenue bonds	16,080,000	-	(265,000)	15,815,000
Unamortized bond premium	840,556	-	(46,698)	793,858
Total long-term debt	\$ 54,549,828	\$ -	\$ (2,821,843)	\$ 51,727,985

Condensed Financial Position Information

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2021 and 2020.

	2021	2020
ASSETS		
Cash and investments	\$ 9,513,806	\$ 9,031,868
Cash and investments with fiscal agent	14,710,741	17,142,995
Sales taxes receivable	3,530,775	3,435,147
Interest receivable	4,798	17,394
Prepaid bond insurance	73,913	73,913
Total assets	27,834,033	29,701,317
LIABILITIES		
Accounts payable	64	259
Due to other governments	993,860	2,885,551
Interest payable	176,394	184,273
Long-term debt:		
Due within one year	2,825,000	2,730,000
Due in more than one year	48,902,985	51,819,828
Total liabilities	52,898,303	57,619,911
NET POSITION		
Restricted for:		
Capital projects	7,141,001	9,833,980
Debt services	7,569,740	7,309,015
State highway	7,706,994	7,403,587
Transit services	504,238	401,465
Unrestricted (deficit)	(47,986,243)	(52,866,641)
Total net position	\$ (25,064,270)	\$ (27,918,594)

Condensed Financial Position Information (Continued)

(a) *Net Position*

The liabilities of the Authority exceeded its assets at the close of fiscal year 2021 by \$25,064,270 (NetPosition). The deficit was the result of member agencies drawing down on bond proceeds.

(b) *Liabilities*

Liabilities decreased for fiscal year 2021 by \$4,721,608. The decrease was primarily due to reduction in amount due to other governments and debt service payments made by the Authority. The interest payable had a decrease of \$7,879 from the prior year.

Summary of Operations and Changes in Net Position

The Authority's decrease in net position during fiscal year 2021 was \$2,854,324 and the decrease for 2020 was \$5,899,274. The tables below summarize the Authority's activity for the fiscal years ended June 30, 2021 and 2020:

	2021	2020
Revenues		
Sales tax	\$ 16,906,865	\$ 15,392,144
Interest	78,976	663,862
Total revenues	<u>16,985,841</u>	<u>16,056,006</u>
Expenses		
Allocation to local members	8,560,962	11,740,698
Administration	139,619	209,539
Capital projects	3,319,383	7,790,277
Interest	2,111,553	2,214,766
Total expenses	<u>14,131,517</u>	<u>21,955,280</u>
Change in net position	2,854,324	(5,899,274)
Net position		
Beginning of year	(27,918,594)	(22,019,320)
End of year	\$ <u>(25,064,270)</u>	\$ <u>(27,918,594)</u>

(a) *Revenues*

In fiscal year 2021, revenues showed a 6% increase compared to 2020. This was due to increased sales tax revenues resulting from increased business activities.

(b) *Expenses*

These consist of expenses for capital projects, revenue allocations to members, administration, transit, statehighway and bond related expenses. During the year 2021, expenses decreased by 36% or \$7,823,763. The decrease was primarily attributed to the decrease in allocations to local members and capital projects.

Requests for Information

This fiscal report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may reach David Aguirre, Interim Executive Director, Imperial County Transportation Commission, at (760) 592-4494.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and investments	\$ 9,513,806
Cash and investments with fiscal agent	14,710,741
Sales taxes receivable	3,530,775
Interest receivable	4,798
Prepaid bond insurance	73,913
Total assets	<u>27,834,033</u>
LIABILITIES	
Accounts payable	64
Due to other governments	993,860
Interest payable	176,394
Long-term debt:	
Due within one year	2,825,000
Due in more than one year	48,902,985
Total liabilities	<u>52,898,303</u>
NET POSITION	
Restricted for:	
Capital projects	7,141,001
Debt services	7,569,740
State highway	7,706,994
Transit services	504,238
Unrestricted (deficit)	(47,986,243)
Total net position	<u>\$ (25,064,270)</u>

See accompanying Notes to the Basic Financial Statements.

Imperial County Local Transportation Authority
Statement of Activities
For the Year Ended June 30, 2021

Functions / Programs	Expenses	Net Revenues (Expenses) and Changes in Net Position Governmental Activities
Governmental activities:		
Transportation:		
Payments to member agencies	\$ 8,560,962	\$ (8,560,962)
Capital projects	3,319,383	(3,319,383)
Administration	139,619	(139,619)
Interest on long-term debt	2,111,553	(2,111,553)
Total Governmental Activities	<u>14,131,517</u>	<u>(14,131,517)</u>
General revenues:		
Measure D sales tax		16,906,865
Interest		78,976
Total general revenues		<u>16,985,841</u>
Change in net position		2,854,324
Net position (deficit):		
Beginning of year		(27,918,594)
End of year		<u>\$ (25,064,270)</u>

See accompanying Notes to the Basic Financial Statements.

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Governmental Funds
Balance Sheet
June 30, 2021

	General	State Highway	Transit Services	Debt Service	Total
ASSETS					
Cash and investments	\$ 1,550,514	\$ 7,530,455	\$ 432,837	\$ -	\$ 9,513,806
Cash and investments with fiscal agents	7,141,001	-	-	7,569,740	14,710,741
Sales tax receivable	3,283,621	176,539	70,615	-	3,530,775
Interest receivable	4,012	-	786	-	4,798
Prepaid bond insurance	73,913	-	-	-	73,913
Total assets	\$ 12,053,061	\$ 7,706,994	\$ 504,238	\$ 7,569,740	\$ 27,834,033
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 64	\$ -	\$ -	\$ -	\$ 64
Due to member agencies	993,860	-	-	-	993,860
Total liabilities	993,924	-	-	-	993,924
Fund balances:					
Restricted for:					
Capital projects	7,141,001	-	-	-	7,141,001
State highway	-	7,706,994	-	-	7,706,994
Transit services	-	-	504,238	-	504,238
Debt service	-	-	-	7,569,740	7,569,740
Unassigned	3,918,136	-	-	-	3,918,136
Total fund balances	11,059,137	7,706,994	504,238	7,569,740	26,840,109
Total liabilities and fund balance	\$ 12,053,061	\$ 7,706,994	\$ 504,238	\$ 7,569,740	\$ 27,834,033

See accompanying Notes to the Basic Financial Statements.

**Imperial County Local Transportation Authority
Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
June 30, 2021**

Fund Balances of Governmental Funds \$ 26,840,109

Amounts reported for governmental activities in the Statement of Net Position were reported differently because:

Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the Statement of Net Position.

Bonds payable	\$ (50,445,000)	
Unamortized premium on bond payable	<u>(1,282,985)</u>	(51,727,985)

Interest payable on long-term debt does not required current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds.

(176,394)

Net Position of Governmental Activities \$ (25,064,270)

See accompanying Notes to the Basic Financial Statements.

**Imperial County Local Transportation Authority
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021**

	General	State Highway	Transit Services	Debt Service	Total
Revenues:					
Sales taxes	\$ 15,685,801	\$ 872,189	\$ 348,875	\$ -	\$ 16,906,865
County pool interest	15,861	55,472	3,898	-	75,231
Cash with fiscal agent interest	2,148	-	-	1,597	3,745
Total revenues	<u>15,703,810</u>	<u>927,661</u>	<u>352,773</u>	<u>1,597</u>	<u>16,985,841</u>
Expenditures:					
Payment to member agencies	8,310,962	-	250,000	-	8,560,962
Capital projects	2,695,129	624,254	-	-	3,319,383
Administration	139,619	-	-	-	139,619
Debt service:					
Principal payments on bonds	-	-	-	2,730,000	2,730,000
Interest payment on bonds	-	-	-	2,211,275	2,211,275
Total expenditures	<u>11,145,710</u>	<u>624,254</u>	<u>250,000</u>	<u>4,941,275</u>	<u>16,961,239</u>
Revenue Over (Under) Expenditures	<u>4,558,100</u>	<u>303,407</u>	<u>102,773</u>	<u>(4,939,678)</u>	<u>24,602</u>
Other financing sources (uses):					
Transfers in	-	-	-	5,200,403	5,200,403
Transfers out	(5,200,403)	-	-	-	(5,200,403)
Total other financing sources (uses)	<u>(5,200,403)</u>	<u>-</u>	<u>-</u>	<u>5,200,403</u>	<u>-</u>
Changes in fund balances	(642,303)	303,407	102,773	260,725	24,602
Fund balances:					
Beginning of year	11,701,440	7,403,587	401,465	7,309,015	26,815,507
End of year	<u>\$ 11,059,137</u>	<u>\$ 7,706,994</u>	<u>\$ 504,238</u>	<u>\$ 7,569,740</u>	<u>\$ 26,840,109</u>

See accompanying Notes to the Basic Financial Statements.

Imperial County Local Transportation Authority
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds

Government activities in the Statement of Activities were reported differently because: \$ 24,602

Principal repayment on long-term debt is not an expense in the Statement of Activities,
but is considered an expenditure in governmental funds. 2,730,000

Interest expense on long-term debt is reported in the Statement of Activities, but does not require the
use of current financial resources. Therefore, interest expense is not reported as an expenditure in
governmental funds. This amount represents the change in accrued interest from the prior year. 7,879

Amortization of bond premium is reported on the Statement of Activities but does not require the use
of current financial resources and, therefore, is not reported as expenditures in governmental funds. 91,843

Change in Net Position of Governmental Activities \$ 2,854,324

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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NOTE 1 REPORTING ENTITY

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance, adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty years. The proceeds of this tax would be allocated to the County of Imperial and cities in the county for local street and road purposes. Also, a portion of the revenues would be used for administration, transit services and possibly state highway purposes.

Funds that are generated by implementation of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of the Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term greater than a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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.

The Authority's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and governmental fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities report information on all of the Authority. The effect of significant interfund activity has been removed from these statements. The Authority provides only governmental activities which are supported by sales taxes.

The statement of activities demonstrates the degree to which the Authority program expenses are offset by program revenues. Program expenses include direct expenses clearly identifiable with Ordinance No. 1-2008. Interest expense related to the sales tax revenue bonds is reported as a direct expense of the program. The borrowings are considered essential to the creation or continuing existence of the program. For the year ended June 30, 2021, interest expense of \$2,111,553 was included in program costs. Taxes and interest earned are reported as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Authority's governmental funds. The Authority considers all of its Ordinance No. 1-2008 funds as major governmental funds. They are comprised of the following:

General Fund – This fund is the general operating fund for the authority and accounts for revenues received and expenditures made for the implementation of the Imperial County Local Transportation Authority Retail Transaction and Use Tax. Financing is provided by a one-half-percent sales and use tax assessed for 40 years as adopted by the electorate on November 4, 2008. Ordinance No. 1-2008 requires the sales and use tax revenues only be expended on projects included in the ordinance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

State Highway Fund – This capital projects fund accounts for resources accumulated and payments made on state highway projects authorized by Ordinance 1-2008.

Transit Services Fund – This capital projects fund accounts for resources accumulated and payments made on transit services projects authorized by Ordinance 1-2008.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Authority.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred; however, principal and interest expenditures on long-term debt of governmental funds are recorded only when payment is due.

Those revenues susceptible to accrual are sales taxes collected and held by the state at year- end on behalf of the Authority, intergovernmental revenues and interest revenue. In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Authority; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed requirements. These resources are reflected as revenues at the time of receipt, or earlier if the susceptible-to-accrual criteria are met

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

The Authority maintains cash and investments in the Imperial County Investment Pool (ICIP). The ICIP 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 ICIP refer to the County of Imperial general purpose 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.

Fair Value Measurements

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.
- Level 2 Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.
- Level 3 Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds involving goods provided or services rendered and transfers of revenues from funds authorized to receive the revenue to funds authorized to expend it. Outstanding interfund balances are reported as due to/from other funds at the governmental fund level.

Long-Term Debt

In the government-wide financial statements, long-term debt is reported as a liability in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported plus the applicable bond premium.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Debt (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, in the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balances

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications include: nonspendable, restricted; and the unrestricted classifications of committed, assigned and unassigned. When both restricted and unrestricted resources are available for use, fund balance is generally depleted by restricted resources first, followed by unrestricted resources in the following order: committed, assigned and unassigned. The fund balance classifications are defined as follows:

Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – amounts which constraints placed on their use that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Fund balances used in the governmental fund financial statements are restricted as follows:

Capital Projects – Amount of bond proceeds which can only be used for capital projects.

State Highway – Cash held for state highway improvements projects.

Transit Services – Cash held for transit projects, programs and services.

Debt Service – Cash held by the third-party fiscal agent for future payments of principal and interest.

Committed – amounts that can only be used for specific purpose pursuant to constraints imposed by formal action of the Board of the Authority. The Board of the Authority may establish fund balance commitments by formal action. Those committed amounts cannot be used for any other purpose unless the Authority removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balances (Continued)

Assigned – amounts that are constrained by the Authority’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the highest level of decision-making authority (the Board of the Authority), or by a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Use of Estimates

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

NOTE 3 CASH AND INVESTMENTS

Cash and investments are reported in the basic financial statements as follows:

Cash and investments	\$ 9,513,806
Cash and investments with fiscal agent	<u>14,710,741</u>
Total cash and investments	\$ <u>24,224,547</u>

Cash and investments are comprised of the following at June 30, 2021:

Imperial County investment pool	\$ 9,513,806
With third party fiscal agent	<u>14,710,741</u>
Total investments	\$ <u>24,224,547</u>

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements
For the Year ended June 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

At June 30, 2021, cash and investments are reported at fair value based on quoted market prices, where available. The following table represents the fair value measurements of investments in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021:

<u>Authorized Investment Type</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>	<u>Measurement Input</u>
Imperial County investment pool	\$ 9,513,806	39%	Uncategorized
Money market fund	14,710,741	61%	Uncategorized
	<u>\$ 24,224,547</u>		

Authorized Investments

Investments of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code. The table below identifies the investments types that are authorized for investments held by bond trustee.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Money market fund	N/A	100%	None

Money market funds of \$17,142,995 were held as of June 30, 2020. The investment in money market funds is valued based on amortized cost.

Custodial Credit Risk

The 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 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 Authority's investment policy requires that a third-party bank custody department hold all securities owned by the Authority. All trades are settled on a delivery versus payment basis through the Authority's safekeeping agent.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements
For the Year ended June 30, 2021

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investment in Imperial County Investment Pool

The Authority maintains cash and investments in the Imperial County Investment Pool (ICIP). The ICIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The ICIP investments are authorized by the California Government Code 53635. At June 30, 2021 the weighted average to maturity is 291 days. Deposits and withdrawals in the ICIP and money market funds are made on the basis of \$1 and not fair value. Accordingly, the Authority's investment in the ICIP is measured based on uncategorized inputs not defined as a Level 1, Level 2 or Level 3 input.

Information related to the ICIP may be obtained from the County of Imperial at the County Administration Center at 940 Main Street, El Centro, California 92243.

NOTE 4 SALES TAX RECEIVABLE

Sales Tax Receivable represents amounts due to the Authority from the California Department of Tax and Fee Administration (formerly known as Board of Equalization) for sales tax revenues. The amount due to the Authority was \$3,530,775 as of June 30, 2021.

NOTE 5 INTERFUND TRANSFERS

The Authority transferred \$5,200,403 for the year ended June 30, 2021, from the General Fund to the Debt Service Fund to meet debt service payment requirements.

NOTE 6 BONDS PAYABLE

During the fiscal year ended June 30, 2021, the following changes occurred in bonds payable:

	Balance			Balance		
	July 1, 2020	Additions	Deletions	June 30, 2021	Due within One Year	Due in More Than One Year
2012 Sales tax revenue bonds	\$ 37,095,000	\$ -	\$ (2,465,000)	\$ 34,630,000	\$ 2,555,000	\$ 32,075,000
Unamortized bond premium	534,272	-	(45,145)	489,127	-	489,127
2018 sales tax revenue bonds	16,080,000	-	(265,000)	15,815,000	270,000	15,545,000
Unamortized bond premium	840,556	-	(46,698)	793,858	-	793,858
Total long-term debt	\$ 54,549,828	\$ -	\$ (2,821,843)	\$ 51,727,985	\$ 2,825,000	\$ 48,902,985

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements
For the Year ended June 30, 2021

NOTE 6 BONDS PAYABLE

2012 Sales Tax Revenue Bonds

On May 1, 2012, the Authority issued \$53,975,000 of 2012 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 5.00 percent per annum. The annual principal requirements range from \$1,745,000 to \$3,855,000. The bonds mature on June 1, 2032.

Annual debt service requirements on the 2012 Sales Tax Revenue Bonds as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 2,555,000	\$ 1,463,088	\$ 4,018,088
2023	2,625,000	1,386,438	4,011,438
2024	2,750,000	1,269,100	4,019,100
2025	2,865,000	1,150,850	4,015,850
2026	2,990,000	1,027,600	4,017,600
2027-2031	16,990,000	3,091,900	20,081,900
2032	3,855,000	166,450	4,021,450
	<u>\$ 34,630,000</u>	<u>\$ 9,555,425</u>	<u>\$ 44,185,425</u>

Unamortized Bond Premium

On May 1, 2012, the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total premium of \$902,975. The premium is amortized throughout the twenty- year term of the bond at a combined monthly rate of \$3,762. As of June 30, 2021, the unamortized bond premium was \$489,127.

Pledged Revenue

The 2012 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2021, debt service payments as a percentage of the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Ordinance 1-2008 Sales Tax Revenue	\$ 16,906,865	\$ 2,465,000	\$ 6.86

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements
For the Year ended June 30, 2021

NOTE 6 BONDS PAYABLE

2018 Sales Tax Revenue Bonds

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. Interest on the Series 2018 Bonds is payable semiannually on June 1 and December 1 beginning on June 1, 2019 with rates ranging from 3.25 to 5.00 percent per annum. The annual principal requirements range from \$250,000 to \$2,190,000. The bonds mature on June 1, 2038.

Annual debt service requirements on the 2018 Sales Tax Revenue Bonds as of June 30, 2021, are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 270,000	\$ 653,638	\$ 923,638
2023	285,000	642,838	927,838
2024	300,000	628,588	928,588
2025	315,000	613,588	928,588
2026	325,000	597,838	922,838
2027-2031	1,905,000	2,726,938	4,631,938
2032-2036	8,115,000	1,922,594	10,037,594
2037-2038	4,300,000	254,369	4,554,369
	<u>\$ 15,815,000</u>	<u>\$ 8,040,388</u>	<u>\$ 23,855,388</u>

Unamortized Bond Premium

On September 13, 2018, the Authority issued \$16,765,000 of 2018 Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the Cities of Calexico, Calipatria, and Holtville. These bonds were sold at a total premium of \$922,277. The premium is amortized throughout the twenty-year term of the bond at a combined monthly rate of \$3,891. As of June 30, 2021, the unamortized bond premium was \$793,858.

Pledged Revenue

The 2018 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2021, debt service payments as a percentage of the pledged gross revenue net of the local fair share program and other expenses as required by the debt agreement, are indicated in the following table:

Description of Pledged Revenue	Annual Amount of Net Pledged Revenue	Annual Debt Service Payments	Pledged Revenue Coverage
Ordinance 1-2008 Sales Tax Revenue	\$ 16,906,865	\$ 265,000	\$ 63.80

NOTE 7 GOVERNMENT-WIDE NET POSITION UNRESTRICTED DEFICIT

The deficit of (\$25,065,056) on the Government-wide Statement of Net Position is the result of reporting the debt related to the issuance of bonds as required in the government-wide financial statements without a corresponding asset. Proceeds from the bonds are used primarily to reimburse member agencies for expenses related to the repair and maintenance of streets. These expenses incurred by the member agencies are not capitalized as an asset on the Authority's financial statements. This deficit will decrease as the outstanding balance of the bonds is reduced through principal payments and the future collection of Measure D Sales Tax.

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SUPPLEMENTARY INFORMATION

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Imperial County Local Transportation Authority
Supplementary Information
Schedules
June 30, 2021

Schedule 1 - Cash with Fiscal Agent

* Cash with fiscal agent is allocated for the benefit of those agencies

2012 Bond proceeds - City of Brawley

Capital project funds	\$ 314,709
Debt service	631,255
Principal payment funds	295,082
Interest payment funds	255,104
Total - City of Brawley	<u>1,496,150</u>

2012 Bond proceeds - City of Calexico

Debt service	1,131,309
Principal payment funds	554,487
Interest payment funds	395,121
Total - City of Calexico	<u>2,080,917</u>

2018 Bond proceeds - City of Calexico

Capital project funds	6,699,870
Principal payment funds	2,497
Interest payment funds	4,178
Total - City of Calexico	<u>6,706,545</u>

2012 Bond proceeds - City of Calipatria

Debt service	179,576
Principal payment funds	59,119
Interest payment funds	81,897
Total - City of Calipatria	<u>320,592</u>

2018 Bond proceeds - City of Calipatria

Capital project funds	126,334
Interest payment funds	441
Total - City of Calipatria	<u>126,775</u>

2018 Bond proceeds - City of Holtville

Principal payment funds	1,572
Interest payment funds	50,385
Total - City of Holtville	<u>51,957</u>

2012 Bond proceeds - City of Imperial

Debt service	478,004
Principal payment funds	222,478
Interest payment funds	192,791
Total - City of Imperial	<u>893,273</u>

2012 Bond proceeds - County of Imperial

Debt service	1,607,714
Principal payment funds	798,319
Interest payment funds	628,499
Total - County of Imperial	<u>3,034,532</u>

Cash with Fiscal Agent - Grand Total	\$ <u>14,710,741</u>
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Imperial County Local Transportation Authority
Supplementary Information
Schedules (Continued)
June 30, 2021

Schedule 2

IVT Ride Transit Services	\$ 250,000
Total - Transit Service Project Expenses	\$ 250,000

Schedule 3 - Annual Allocations to Local Member

City of Brawley	\$ 940,273
City of Calexico	506,674
City of Calipatria	102,190
City of El Centro	3,236,054
City of Holtville	260,960
City of Imperial	718,684
City of Westmorland	315,091
County of Imperial	2,231,036
Total - Annual allocations to local members	\$ 8,310,962

Schedule 4 - Bond Principal Payments

2012 City of Brawley	\$ 370,000
2012 City of Calexico	710,000
2012 City of Calipatria	105,000
2012 City of Imperial	280,000
2012 County of Imperial	1,000,000
2018 City of Calexico	165,000
2018 City of Holtville	100,000
Total - Bond principal payments	\$ 2,730,000

Schedule 5 - Bond Interest Expenditures

2012 City of Brawley	\$ 258,675
2012 City of Calexico	417,100
2012 City of Calipatria	72,875
2012 City of Imperial	195,688
2012 County of Imperial	602,700
2018 City of Calexico	498,650
2018 City of Calipatria	51,431
2018 City of Holtville	114,156
Total - Bond interest expenditures	\$ 2,211,275

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects
June 30, 2021

STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Calle de Vida	Avenida del Valle	Kelly Ave.	Resurface
Calle del Cielo	Avenida del Valle	Richard Ave.	Resurface
Calle de Golondrina	Avenida de Colimbo	Enara Ct.	Resurface
Calle de Valenzuela	Eastern Ave.	Enara Ct.	Resurface
Calle del Sol	La Valencia Dr.	Richard Ave.	Resurface
Calle Estrella	Avenida del Valle	Richard Ave.	Resurface
Calle Luna	Avenida del Valle	Richard Ave.	Resurface
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Main St.	First St.	City Limits	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno Dr.	Willard Ave.	SHWY 86	Resurface
Panno St.	Legion St.	Willard Ave.	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shank St.	Best Ave.	City Limits	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St.	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Wildcat Dr.	Best Ave.	City Limits	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
Various Alleys			Resurface
Various Intersections			Sight Distance

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.L. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various Locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway 98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden Lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway 98 West City Limits & All	Reconstruction & Widening
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistador	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway 98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Linhholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linhholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linhholm Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Frontera Drive	Rancho Frontera Avenue	Primavera Court	Repair/Maintenance
Primavera Court	Cul-de-sac South	Posada Court	Repair/Maintenance
Holdridge Street	De Leon Avenue	Subdivision Limits	Repair/Maintenance
Posada Court	Plaza Drive	Primavera Court	Repair/Maintenance
Plaza Drive	Holdridge Street	Posada Court	Repair/Maintenance
Fieseta Avenue	Holdridge Street	Cul-de-sac South	Repair/Maintenance
De Leon Avenue	Plata Drive	Harrington Street	Repair/Maintenance
Bravo Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Harrington Street	Andrade Avenue	Rancho Frontera Avenue	Repair/Maintenance
Brown Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Jean Robinson Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Vereda Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
Porton Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
Cabana Street	Coyote Avenue	Andrade Avenue	Repair/Maintenance
Banda Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Coyote Avenue	Alameda Street	Cabana Street	Repair/Maintenance
Enramada Drive	Santa Ana Street	Cul-de-Sac North	Repair/Maintenance
Alameda Street	Granero Avenue	Coyote Avenue	Repair/Maintenance
Granero Avenue	Alameda Street	E. Zapata Street	Repair/Maintenance
Bowker Road	Highway 98	Cole Boulevard	Repair/Maintenance

**Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2021**

STREET	FROM	TO	PROJECT
Kloke Avenue	Highway 98	All American Canal	Repair/Maintenance
Rockwood Avenue	Fifth Street	Highway 98	Repair/Maintenance
Saphire Street	Andrade Avenue	Subdivision Limits	Repair/Maintenance
Andrade Avenue	All American Canal	Cole Boulevard	Repair/Maintenance
Andrade Avenue	Cole Boulevard	Spud Moreno Street	Repair/Maintenance
Spud Moreno Street	Andrade Avenue	La Jolla Palms Boulevard	Repair/Maintenance
F. Torres Street	La Jolla Palms Boulevard	M. Llanos Court	Repair/Maintenance
M. Llanos Court	F. Torres Street	F. Herrera Street	Repair/Maintenance
F. Herrera Street	M. Llanos Court	H. Najera Avenue	Repair/Maintenance
Zuniga Court	F. Torres Street	Cul-de-sac South	Repair/Maintenance
El Berro	G. Figueroa Avenue	M. Llanos Court	Repair/Maintenance
G. Figueroa Avenue	Playa Del Norte	F. Herrera Street	Repair/Maintenance
Soledad	Del Norte	Cul-de-sac East	Repair/Maintenance
Del Norte	Spud Moreno Street	Playa Del Norte	Repair/Maintenance
Playa Del Norte	Del Norte	Vaho	Repair/Maintenance
Vaho	Playa Del Norte	Paseo Del Ocaso	Repair/Maintenance
Villa Barranca	G. Figueroa Avenue	Cul-de-sac East	Repair/Maintenance
Paso Del Ocaso	Del Norte	Andrade Avenue	Repair/Maintenance

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Imperial County Local Transportation Authority
City of Calipatria
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Alamo	International Blvd.	East Av.	Maintenance / Construct
Alexandria	International Blvd.	Brown Av.	Maintenance / Reconstruct
Barbara St.	International Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance / Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonita St.	International Blvd.	East Av.	Maintenance / Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
California St.	International Blvd.	East Av.	Maintenance / Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	International Av.	East Av.	Maintenance / Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance / Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance / Reconstruct
Delta St.	International Blvd.	Commercial Av.	Maintenance / Reconstruct
Desert Lane	Date St.	Hacienda Ct.	Maintenance / Construct
Desert Springs Lane	Date St.	Terminus	Maintenance / Reconstruct
East Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
E. Elder	Industrial Av.	Commercial Av.	Reconstruct / Construct
Elder St.	International Blvd.	SR 111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance / Reconstruct
Fern St.	International Blvd.	SR 111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance / Construct
Hacienda Ct.	Desert Lane	Arroyo Seco Lane	Maintenance / Reconstruct
Imperial Av.	Delta St.	Date St.	Maintenance
International Blvd.	Delta St.	C. Lateral	Maintenance / Reconstruct
Industrial Av.	Young Rd.	Elder St.	Maintenance / Reconstruct
Ironwood St.	Date St.	Mesa Verde Rd.	Maintenance
Lake Av.	Delta St.	C. Lateral	Maintenance
Laurel Lane	Fan Palm	Mesa Verde Rd.	Maintenance / Reconstruct
Lyerly Rd. (E 1/2)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR 111	Maintenance
Mesa Verde Rd.	Ironwood St.	Terminus	Maintenance / Reconstruct
Park Av.	Delta St.	Fern St.	Maintenance
Railroad Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
Sycamore Court	Date St.	Terminus	Maintenance

*Portion of Blair Road within city limits

**East half of road

**Imperial County Local Transportation Authority
City of El Centro
Five Year Program of Projects (Continued)
June 30, 2021**

Project

Salaries (Tech II)
Street Lighting Master Plan
PMS Update & Speed Survey/Streetsaver
ICTC fees/Dial A Ride
Street Improvements - Misc. (Yearly Overlay)
North Date Canal under-grounding
La Brucherie Widening - Barbara Worth to Orange Avenue - Engineering (project transferred to LTA BOND \$3M - City Fund 212)
Imperial Avenue South to McCabe - ENG
Imperial Avenue South to McCabe - ENV
Imperial Avenue South to McCabe - LAND
Imperial Avenue South to McCabe - CON
Imperial Avenue South to McCabe - CM
Wake Ave 12th to La Brucherie
Bradshaw extend from 8th to 12th Street
I-8 SR-86 Shoulder and Slope Maint.
Colonia Area Sidewalks - CDBG ENG
Colonia Area Sidewalks - CDBG CON
Colonia Drainage McDonald - Design
Colonia Drainage McDonald - ROW
Colonia Drainage McDonald - CON
Shovel ready project preparation - Design
Street Striping Maintenance
Article III - Bicycle & Pedestrian
Administrative Costs
Imperial Avenue South to McCabe - CON
RSTPL match
Adams Avenue RSTP Con 710106
Euclid Avenue CMAQ Eng 710102
Euclid Avenue CMAQ Con 710106
Buenavista Ave CMAQ Eng 710102
Buenavista Ave CMAQ Con 710106
HSIP sidewalks and lighting
HSIP sidewalks and lighting
ATP Cyc 1 - 8th Street between Adams & Aurora (design)
ATP Cyc 1 - 8th Street between Adams & Aurora (contingency)
Ross Avenue Rehab Con 710106
CMAQ Signal Light Synchro Mall Area
CMAQ Signal Light Synchro Mall Area
Bond Financing

Imperial County Local Transportation Authority
City of Holtville
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eighth Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth	Maintenance & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue of Fifth Street	Maintenance & Restorative Seal
Tenth Street	Orange Avenue	Figueroa Avenue	Maintenance & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue – East of			Maintenance & Restorative Seal
Chestnut Avenue			
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal

Imperial County Local Transportation Authority
City of Holtville
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	30' S of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Impr Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Vehicle Plan
4th Street/SR 115 - Alamo River			Develop Erosion Control
Bridge			
Rail ROW Acquisitions	Grape Avenue		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Constr			
Ninth Street	Slayton	Beale	Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement
Citywide			Sidewalk Rehab/Replacement
Complete Street Plan			Transportation Planning Project
6th Street Improvements			
4th Street Project			
9th St Lateral	Cedar	Olive	

Imperial County Local Transportation Authority
City of Imperial
Five Year Program of Projects (Continued)
June 30, 2021

PROJECT NAME	PROJECT
1) La Brucherie South	Widening and associated improvement on La Brucherie between Treshill & Aten
2) Town Core	Roadway and sidewalk rehabilitation and associated work on all streets within the original Town Core of Imperial south of 15th Street, west of P Street, north of 1st Street and east of B Street
3) La Brucherie North	Roadway widening on Larsen Road and La Brucherie Road between Neckel and Larsen Road
4a) Joshua Tree Street	Pavement overlay and associated streetscape improvements on Joshua Tree Street
4b) Southwest City	Pavement overlay on Bougainvillea Trail and Sandalwood Glen Avenue; pavement overlay on Aten Blvd west of Vilore Way
4c) Northeast City	Pavement overlay and associated improvement on Canon and Rodeo Drive

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Imperial County Local Transportation Authority
City of Westmorland
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT DESCRIPTION
Center Street	Baughman Rd.	8 th Street	Rehab/Maintenance
Bee Street	3 rd Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 th Street	Construct/Rehab/Repair/Maintenance
C Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
D Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
F Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
G Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
H Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
I St	7 th Street	8 th Street	Construct/Repair/Maintenance
J Street	7 th Street	8 th Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 th Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 st Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 nd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 rd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 th Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 th Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 th Street	H Street	Martin Road	Construct/Rehab/Repair/Maintenance
Jauregui Street	G Street	Cul de sac	Repair/Rehab/Maintenance
Sundance Street	J Street	Cul de sac	Repair/Rehab/Maintenance
Bonita Street	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Beverlee Way	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Cook Street	Baughman Road	1 st Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 th Street	Howenstein Rd.	Construct
Howenstein Road	Dean Road	C Street	Construct
Howenstein Road	Martin Road	I Street	Construct

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2021

ROAD	FROM	TO	PROJECT
Various Roads in Bombay			Overlay
Various Roads in Desert			Overlay
Various Roads in Heber			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea			Overlay
Various Roads in Imperial			Overlay
Diehl Road (13)	Drew Road (WR)	West 2 Miles	Overlay
Wixom Road (12)	Drew Road (WR)	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Overlay
Araz (A2N07)	I-8	Winterhaven Drive (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Baughman Road	Loveland Road	Forrester Road	Overlay
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Road (EE)	McDonald Road (76)	Pond Road (78)	Overlay
Boarts Road (53)	SR86	Kalin Road (WE)	Overlay
Bowker Road (EH)	Cole Road (6)	Jasper Road (8)	Overlay
Bowker Road (EH)	SR98	Anza Road (2)	Overlay
Boyd Road (34)	Poore Road (EY)	Highline Road (EZ)	Overlay/Widen
Brandt Road	Gardner Road	Fredricks Road	Overlay
Brandt Road	Rutherford Road	Bannister Road	Overlay
Brockman Road (WL)	Kramer Road	McCabe Road (14)	Reconstruct
Brockman Road (WL)	SR98	McCabe Road (14)	Overlay/Widen
Cady Road	Loveland Road	Forrester Road	Overlay
Casey Road (EM)	Boyd Road (34)	Keystone Road (36)	Overlay
Chick Road (16)	SR111	1 1/2 Miles West	Overlay/Widen
Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
Drew Road (WR)	I-8	Lions Road (9)	Overlay
Drew Road (WR)	Lions Road (9)	Kubler Road	Overlay
Drew Road (WR)	Kubler Road (9)	SR98	Overlay
Eddins Road (65)	English Road (WA)	Brandt Road (EC)	Reconstruct
Eddins Road (65)	Lyerly Road (EA)	English Road (WA)	Overlay
English Road (WA)	Montgomery Road (GE)	Sinclair Road (72)	Overlay
Evan Hewes (2A23)	Drew Road (WR)	Westmoreland Road (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes	Plaster City	Ocotillo	Overlay
Evan Hewes (2A23)	Westmorland Road (WX)	Bennett Road (WP)	Overlay
Evan Hewes (2A23)	SR115	Gordons Well Road	Overlay
Forrester Road (WJ)	I-8	Evan Hewes (2A23)	Overlay
Fredricks Road	Brandt Road	Kalin Road	Overlay
Gentry Road (WI)	Walker Road (58)	New River	Overlay
Harris Road (32)	SR111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Road (32)	Holt Road (ER)	SR115	Overlay/Widen
Hartshorn Road (29)	Webb Road (EX)	Highline Road (EZ)	Overlay
Harvey Road	Schartz Road	Carey Road	Reconstruct
Haskell Road	El Centro Avenue	Havens Road	Reconstruct
Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road	Fredricks Road	Bannister Road	Overlay
Kalin Road	Bannister Road	Walker Road	Overlay
Kalin Road (WE)	Baughman Road (52)	2.8 Miles North	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2021

STREET	FROM	TO	PROJECT
Kershaw Road (EC)	Titsworth Road (58)	Rutherford Road (54)	Overlay
Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen
Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
Lathrop Road	Worthington Road	Neckel Road	Overlay
Loveland Road	Fredricks Road	Andre Road	Overlay
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	Humberg Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road (WE)	West End	Overlay
Neighbors Boulevard	County Line	Bridge	Overlay
Ogilby Road (3M01)	Railroad Tracks	SR78	Overlay
Ralph Road	SR86	Dogwood Road	Overlay
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Reugger Road (61)	Reeves Road	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Miles East	Overlay
Rutherford Road (54)	SR115	Hastain Road (EO)	Overlay
Rutherford Road (54)	SR111	Best Road (EC)	Overlay
Schartz Road (40)	Dogwood Road	SR111	Overlay/Reconstruct
Seybert Road (EI)	SR78	Sillman Road (45)	Overlay
Silsbee Road (WM)	Aten Road (24)	Hackelman Road (22)	Reconstruct
Slaton Road	9 th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	SR1115	Norrish Road (25)	Overlay
Spa Road (9D08)	Hot Mineral Spa Road	Coachella Canal Road (7G03)	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Bridges in Imperial			Maintenance/Miscellaneous
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay
Walker Road (58)	Brandt Road (WC)	Kalin Road (WG)	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby Road at			Signals
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
Worthington Road (27)	New River	Forrester Road	Overlay
Yocum Road	SR111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

**City of Brawley
Measure D Sales Tax Fund
Brawley, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Brawley
Measure D Sales Tax Fund
Brawley, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Brawley, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Brawley for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 19 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

FINANCIAL STATEMENT

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City of Brawley
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 1,302,043
Interest earnings	13,671
Total revenues	<u>1,315,714</u>

Expenditures:

Road repairs and maintenance	284,127
Total expenditures	<u>284,127</u>

Revenues Over Expenditures	<u>1,031,587</u>
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Other Financing Sources (Uses):

Bond proceeds	355,680
Transfers out to the City	(355,680)
Total other financing sources (uses)	<u>-</u>

Change in Fund Balance	<u>\$ 1,031,587</u>
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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Brawley has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Brawley and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 2,018,019
Withheld for debt service	<u>(715,976)</u>
Net sales tax allocation	<u>\$ 1,302,043</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Brawley, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of Brawley
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 5,801,006
Interest receivable	<u>1,341</u>
Total assets	\$ <u>5,802,347</u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ <u>19,255</u>
Total liabilities	<u>19,255</u>

Fund Balance:

Restricted for road repairs and maintenance	<u>5,783,092</u>
Total fund balance	<u>5,783,092</u>
Total liabilities and fund balance	\$ <u>5,802,347</u>

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City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:		
Sales tax	\$	1,302,043
Interest earnings		13,671
Total revenues		<u>1,315,714</u>
Expenditures:		
Road repairs and maintenance		284,127
Total expenditures		<u>284,127</u>
Revenues Over Expenditures		<u>1,031,587</u>
Other Financing Sources (Uses):		
Bond proceeds		355,680
Transfers out to the City		(355,680)
Total other financing sources (uses)		<u>-</u>
Change in Fund Balance		1,031,587
Fund Balance:		
Beginning of year		4,591,623
Prior period adjustment*		159,882
End of year	\$	<u>5,783,092</u>

* This amount pertained to an accrual of revenue that was not reflected in the prior year report.

City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 950,000	\$ 1,302,043	\$ 352,043
Interest earnings	25,000	13,671	(11,329)
Total revenues	<u>975,000</u>	<u>1,315,714</u>	<u>340,714</u>
Expenditures:			
Road repairs and maintenance	286,135	284,127	2,008
Total expenditures	<u>286,135</u>	<u>284,127</u>	<u>2,008</u>
Revenues Over Expenditures	<u>688,865</u>	<u>1,031,587</u>	<u>342,722</u>
Other Financing Sources (Uses):			
Bond proceeds	-	355,680	355,680
Transfers out to the City	(777,341)	(355,680)	421,661
Total other financing sources (uses)	<u>(777,341)</u>	<u>-</u>	<u>777,341</u>
Change in Fund Balance	<u>\$ (88,476)</u>	<u>1,031,587</u>	<u>\$ 1,120,063</u>
Fund Balance:			
Beginning of year, as restated		4,751,505	
End of year		<u>\$ 5,783,092</u>	

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Calle de Vida	Avenida del Valle	Kelly Ave.	Resurface
Calle del Cielo	Avenida del Valle	Richard Ave.	Resurface
Calle de Golondrina	Avenida de Colimbo	Enara Ct.	Resurface
Calle de Valenzuela	Eastern Ave.	Enara Ct.	Resurface
Calle del Sol	La Valencia Dr.	Richard Ave.	Resurface
Calle Estrella	Avenida del Valle	Richard Ave.	Resurface
Calle Luna	Avenida del Valle	Richard Ave.	Resurface
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Main St.	First St.	City Limits	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno Dr.	Willard Ave.	SHWY 86	Resurface
Panno St.	Legion St.	Willard Ave.	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shank St.	Best Ave.	City Limits	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St.	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Wildcat Dr.	Best Ave.	City Limits	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface

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**City of Calexico
Measure D Sales Tax Fund
Calexico, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Calexico
Measure D Sales Tax Fund
Calexico, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calexico, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 16 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

FINANCIAL STATEMENT

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City of Calexico
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 1,045,280
Interest earnings	5,345
Total revenues	<u>1,050,625</u>

Expenditures:

Road repairs and maintenance	150,000
Capital outlay	106,172
Total expenditures	<u>256,172</u>

Revenues Over Expenditures

794,453

Other Financing Sources:

Transfers from the City	355,621
Total other financing sources	<u>355,621</u>

Change in Fund Balance

\$ 1,150,074

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Calexico has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calexico, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Calexico and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 2,944,896
Withheld for debt service	<u>(1,899,616)</u>
Net sales tax allocation	<u>\$ 1,045,280</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFERS FROM THE CITY

The Measure D Sales Tax Fund recorded transfers from the City of \$355,621 to reimburse some capital outlay expenditures in the prior year.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calexico, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of Calexico
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 9,425,231
Total assets	\$ <u>9,425,231</u>

Fund Balance:

Restricted for road repairs and maintenance	\$ 9,425,231
Total fund balance	\$ <u>9,425,231</u>

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City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:

Sales tax	\$ 1,045,280
Interest earnings	5,345
Total revenues	<u>1,050,625</u>

Expenditures:

Road repairs and maintenance	150,000
Capital outlay	106,172
Total expenditures	<u>256,172</u>

Revenues Over Expenditures

794,453

Other Financing Sources:

Transfers from the City	355,621
Total other financing sources	<u>355,621</u>

Change in Fund Balance

1,150,074

Fund Balance:

Beginning of year	9,386,878
Prior period adjustment	(1,111,721) **
End of year	<u>\$ 9,425,231</u>

** To agree with prior year audited beginning fund balance.

City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Sales tax	\$ 840,000	\$ 1,045,280	\$ 205,280
Interest earnings	-	5,345	5,345
	<u>840,000</u>	<u>1,050,625</u>	<u>210,625</u>
Expenditures:			
Road repairs and maintenance	-	150,000	(150,000)
Capital outlay	2,711,613	106,172	2,605,441
	<u>2,711,613</u>	<u>256,172</u>	<u>2,455,441</u>
Revenues Over (Under) Expenditures	<u>(1,871,613)</u>	<u>794,453</u>	<u>2,666,066</u>
Other Financing Sources:			
Transfers from the City	-	355,621	355,621
	<u>-</u>	<u>355,621</u>	<u>355,621</u>
Change in Fund Balance	\$ <u>(1,871,613)</u>	1,150,074	\$ <u>3,021,687</u>
Fund Balance:			
Beginning of year, as restated		8,275,157	
End of year		<u>\$ 9,425,231</u>	

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.L. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various Locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway 98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden Lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway 98 West City Limits & All	Reconstruction & Widening
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistador	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway 98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Linhholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linhholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linhholm Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Frontera Drive	Rancho Frontera Avenue	Primavera Court	Repair/Maintenance
Primavera Court	Cul-de-sac South	Posada Court	Repair/Maintenance
Holdridge Street	De Leon Avenue	Subdivision Limits	Repair/Maintenance
Posada Court	Plaza Drive	Primavera Court	Repair/Maintenance
Plaza Drive	Holdridge Street	Posada Court	Repair/Maintenance
Fieseta Avenue	Holdridge Street	Cul-de-sac South	Repair/Maintenance
De Leon Avenue	Plata Drive	Harrington Street	Repair/Maintenance
Bravo Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Harrington Street	Andrade Avenue	Rancho Frontera Avenue	Repair/Maintenance
Brown Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Jean Robinson Court	Harrington Street	Cul-de-sac North	Repair/Maintenance
Vereda Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
Porton Drive	Rancho Frontera Avenue	Cul-de-sac East	Repair/Maintenance
Cabana Street	Coyote Avenue	Andrade Avenue	Repair/Maintenance
Banda Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Coyote Avenue	Alameda Street	Cabana Street	Repair/Maintenance
Enramada Drive	Santa Ana Street	Cul-de-Sac North	Repair/Maintenance
Alameda Street	Granero Avenue	Coyote Avenue	Repair/Maintenance
Granero Avenue	Alameda Street	E. Zapata Street	Repair/Maintenance
Bowker Road	Highway 98	Cole Boulevard	Repair/Maintenance

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Kloke Avenue	Highway 98	All American Canal	Repair/Maintenance
Rockwood Avenue	Fifth Street	Highway 98	Repair/Maintenance
Saphire Street	Andrade Avenue	Subdivision Limits	Repair/Maintenance
Andrade Avenue	All American Canal	Cole Boulevard	Repair/Maintenance
Andrade Avenue	Cole Boulevard	Spud Moreno Street	Repair/Maintenance
Spud Moreno Street	Andrade Avenue	La Jolla Palms Boulevard	Repair/Maintenance
F. Torres Street	La Jolla Palms Boulevard	M. Llanos Court	Repair/Maintenance
M. Llanos Court	F. Torres Street	F. Herrera Street	Repair/Maintenance
F. Herrera Street	M. Llanos Court	H. Najera Avenue	Repair/Maintenance
Zuniga Court	F. Torres Street	Cul-de-sac South	Repair/Maintenance
El Berro	G. Figueroa Avenue	M. Llanos Court	Repair/Maintenance
G. Figueroa Avenue	Playa Del Norte	F. Herrera Street	Repair/Maintenance
Soledad	Del Norte	Cul-de-sac East	Repair/Maintenance
Del Norte	Spud Moreno Street	Playa Del Norte	Repair/Maintenance
Playa Del Norte	Del Norte	Vaho	Repair/Maintenance
Vaho	Playa Del Norte	Paseo Del Ocaso	Repair/Maintenance
Villa Barranca	G. Figueroa Avenue	Cul-de-sac East	Repair/Maintenance
Paso Del Ocaso	Del Norte	Andrade Avenue	Repair/Maintenance

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**City of Calipatria
Measure D Sales Tax Fund
Calipatria, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Calipatria
Measure D Sales Tax Fund
Calipatria, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Qualified Opinion

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph below, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Qualified Opinion

As discussed in Note 1, in August 2021, the City had lost its accounting data stored in the financial system from October 2020 through August 2021 due to server malfunction and backup system not working. The statement of revenues and allowable expenditures for the year ended June 30, 2021 presented in this report is a reconstruction of the account balances based on the previously generated report of the cash detail transactions of the Measure D Sales Tax Fund of the City.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calipatria, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 12 through 15 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California
February __, 2022

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FINANCIAL STATEMENT

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City of Calipatria
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 176,371
Interest earnings	15,165
Total revenues	<u>191,536</u>

Expenditures:

Road repairs and maintenance	72,700
Capital outlay	1,146,849
Total expenditures	<u>1,219,549</u>

Revenues Over (Under) Expenditures (1,028,013)

Other Financing Sources:

Bond proceeds	1,272,849
Total other financing sources	<u>1,272,849</u>

Change in Fund Balance \$ 244,836

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Calipatria has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Calipatria, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In August 2021, the City had lost its accounting data stored in the financial system from October 2020 through August 2021 due to server malfunction and backup system not working. Because of the physical damage to the internal hard drives, it was impossible to recover any data. As a result, the City needs to re-encode its accounting transactions to generate the trial balance of the Measure D Sales Tax Fund for the year ended June 30, 2021. As of report date, the City has not completed the restoration of its accounting data. The statement of revenues and allowable expenditures for the year ended June 30, 2021 presented in this report is a reconstruction of the recording of the Measure D Sales Tax Fund transactions based on the previously generated cash general ledger transactions for the year ended June 30, 2021. This report is subject to change when the City's accounting data is completely restored.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a "*current financial resources*" measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and "available" means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Calipatria and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 415,466
Withheld for debt service	(239,095)
Net sales tax allocation	<u>\$ 176,371</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 BOND PROCEEDS

The Measure D Sales Tax Fund received its share of the bond proceeds in the amount of \$1,272,849 from the issuance of the Authority's 2018 bonds. These bond proceeds are used to fund various capital outlay projects. The Authority shall deduct from the future Measure D sales tax revenues of the City to repay the debt.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Calipatria, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings as Finding No. 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

Finding 2021-001 Loss of Accounting Data

Criteria:

Government agencies establish policies and procedures to ensure continuity of business and reduce service interruptions.

Condition:

In August 2021, the City experienced a loss of its accounting data stored in the financial system starting from October 2020 through August 2021 due to server malfunction and backup system not working. Recovery of the accounting data was not possible due to the physical damage to the server's internal hard drives.

Cause:

The data loss was caused by a server malfunction and backup system not working.

Effect:

The City's operations and services have been disrupted. In order to update its financial records, the City re-encoded the lost accounting transactions, thereby, spending funds that were not programmed.

Recommendation:

To ensure prompt and proper reaction to service disruptions, we recommend that Management document an organization-wide Business Contingency Plan and Disaster Recovery Plan. The plan should be detailed and well organized to reflect the chosen strategies and activities for business resumption. The Business Contingency Plan and Disaster Recovery Plan should address and/or include the following areas:

- Identification of key business processes internally and externally,
- Identification and evaluation of both interim and long-term recovery strategies,
- Identification and documentation of recovery teams and personnel,
- Identification and development of resource requirements including supplies and equipment
- Identification and documentation of business recovery procedures including those related to IT and telecommunications,
- Recovery procedures training,
- Plan testing and maintenance,
- Identification of critical business forms and supplies, and
- Detailed backup restoration procedures for all key systems.

View of Responsible Officials:

Management concurs with the recommendation and will develop a business contingency plan and a disaster recovery plan as recommended to be in place and will strive to have in place by the end of the next reporting period June 30, 2022. The City will make sure the components listed above are part of the plan.

Also, the City has taken the following actions:

- Two new backup devices have been installed. These devices alternate the server's backup function on a weekly basis. A monitoring plan has been established to ensure the backup function is being performed as designed.
- The City is currently undergoing an organization-wide technology upgrade. The project includes new workstations, operating system upgrades and a brand new server. This portion of the project is planned to be completed in the next few weeks.

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OTHER INFORMATION

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 1,919,901
Total assets	\$ <u>1,919,901</u>

Fund Balance:

Restricted for road repairs and maintenance	\$ 1,919,901
Total fund balance	\$ <u>1,919,901</u>

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:

Sales tax	\$ 176,371
Interest earnings	15,165
Total revenues	<u>191,536</u>

Expenditures:

Road repairs and maintenance	72,700
Capital outlay	1,146,849
Total expenditures	<u>1,219,549</u>

Revenues Over (Under) Expenditures (1,028,013)

Other Financing Sources:

Bond proceeds	1,272,849
Total other financing sources	<u>1,272,849</u>

Change in Fund Balance 244,836

Fund Balance:

Beginning of year	1,675,065
End of year	<u>\$ 1,919,901</u>

City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ -	\$ 176,371	\$ 176,371
Interest earnings	-	15,165	15,165
Total revenues	<u>-</u>	<u>191,536</u>	<u>191,536</u>
Expenditures:			
Road repairs and maintenance	-	72,700	(72,700)
Capital outlay	1,560,238	1,146,849	413,389
Total expenditures	<u>1,560,238</u>	<u>1,219,549</u>	<u>340,689</u>
Revenues Over (Under) Expenditures	<u>(1,560,238)</u>	<u>(1,028,013)</u>	<u>532,225</u>
Other Financing Sources:			
Bond proceeds	1,560,238	1,272,849	(287,389)
Total other financing sources	<u>1,560,238</u>	<u>1,272,849</u>	<u>(287,389)</u>
Change in Fund Balance	<u>\$ -</u>	<u>244,836</u>	<u>\$ 244,836</u>
Fund Balance:			
Beginning of year		1,675,065	
End of year		<u>\$ 1,919,901</u>	

City of Calipatria
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Alamo	International Blvd.	East Av.	Maintenance / Construct
Alexandria	International Blvd.	Brown Av.	Maintenance / Reconstruct
Barbara St.	International Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance / Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonita St.	International Blvd.	East Av.	Maintenance / Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
California St.	International Blvd.	East Av.	Maintenance / Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	International Av.	East Av.	Maintenance / Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance / Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance / Reconstruct
Delta St.	International Blvd.	Commercial Av.	Maintenance / Reconstruct
Desert Lane	Date St.	Hacienda Ct.	Maintenance / Construct
Desert Springs Lane	Date St.	Terminus	Maintenance / Reconstruct
East Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
E. Elder	Industrial Av.	Commercial Av.	Reconstruct / Construct
Elder St.	International Blvd.	SR 111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance / Reconstruct
Fern St.	International Blvd.	SR 111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance / Construct
Hacienda Ct.	Desert Lane	Arroyo Seco Lane	Maintenance / Reconstruct
Imperial Av.	Delta St.	Date St.	Maintenance
International Blvd.	Delta St.	C. Lateral	Maintenance / Reconstruct
Industrial Av.	Young Rd.	Elder St.	Maintenance / Reconstruct
Ironwood St.	Date St.	Mesa Verde Rd.	Maintenance
Lake Av.	Delta St.	C. Lateral	Maintenance
Laurel Lane	Fan Palm	Mesa Verde Rd.	Maintenance / Reconstruct
Lyerly Rd. (E 1/2)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR 111	Maintenance
Mesa Verde Rd.	Ironwood St.	Terminus	Maintenance / Reconstruct
Park Av.	Delta St.	Fern St.	Maintenance
Railroad Av.	Young Rd.	Bowles Rd.	Maintenance / Reconstruct
Sycamore Court	Date St.	Terminus	Maintenance

*Portion of Blair Road within city limits

**East half of road

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**City of El Centro
Measure D Sales Tax Fund
El Centro, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of El Centro
Measure D Sales Tax Fund
El Centro, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of El Centro, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

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FINANCIAL STATEMENT

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City of El Centro
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 3,169,283
Interest earnings	23,916
Total revenues	<u>3,193,199</u>

Expenditures:

Road repairs and maintenance	110,145
Capital outlay	1,909,649
Total expenditures	<u>2,019,794</u>

Revenues Over Expenditures	<u>1,173,405</u>
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Other Financing Uses:

Transfers out to City	(1,385,625)
Total other financing uses	<u>(1,385,625)</u>

Change in Fund Balance	<u>\$ (212,220)</u>
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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of El Centro has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of El Centro, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of El Centro and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 3,169,283
Withheld for debt service	-
Net sales tax allocation	<u>\$ 3,169,283</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFER OUT TO THE CITY

The Measure D Sales Tax Fund recorded a transfer out to the City of \$1,385,625. The transfer out largely reflects interest and debt service payments on a transportation bond that the City issued.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of El Centro, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of El Centro
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 3,507,439
Interest receivable	7,835
Other receivables	<u>263,228</u>
Total assets	\$ <u>3,778,502</u>

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ <u>236,749</u>
Total liabilities	<u>236,749</u>

Fund Balance:

Restricted	<u>3,541,753</u>
Total fund balance	<u>3,541,753</u>

Total liabilities and fund balance	\$ <u>3,778,502</u>
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City of El Centro
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:

Sales tax	\$ 3,169,283
Interest earnings	23,916
Total revenues	<u>3,193,199</u>

Expenditures:

Road repairs and maintenance	110,145
Capital outlay	1,909,649
Total expenditures	<u>2,019,794</u>

Revenues Over Expenditures

1,173,405

Other Financing Uses:

Transfers out to City	(1,385,625)
Total other financing uses	<u>(1,385,625)</u>

Change in Fund Balance

(212,220)

Fund Balance:

Beginning of year	3,830,635
Prior period adjustment	(76,662) **
End of year	<u>\$ 3,541,753</u>

** To agree with the City's audited financial statements beginning fund balance.

City of El Centro
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 2,900,000	\$ 3,169,283	\$ 269,283
Interest earnings	15,000	23,916	8,916
Total revenues	<u>2,915,000</u>	<u>3,193,199</u>	<u>278,199</u>
Expenditures:			
Road repairs and maintenance	60,000	110,145	
Capital outlay:	5,265,000	1,909,649	3,355,351
Total expenditures	<u>5,325,000</u>	<u>2,019,794</u>	<u>3,355,351</u>
Revenues Over (Under) Expenditures	<u>(2,410,000)</u>	<u>1,173,405</u>	<u>3,633,550</u>
Other Financing Uses:			
Transfers out to the City	(1,386,605)	(1,385,625)	980
Total other financing uses	<u>(1,386,605)</u>	<u>(1,385,625)</u>	<u>980</u>
Change in Fund Balance	<u>\$ (3,796,605)</u>	<u>(212,220)</u>	<u>\$ 3,634,530</u>
Fund Balance:			
Beginning of year, as restated		3,753,973	
End of year		<u>\$ 3,541,753</u>	

- Salaries (Tech II)
- Street Lighting Master Plan
- PMS Update & Speed Survey / Streetsaver ICTC fees / Dial A Ride
- Street Improvements - Misc. (Yearly Overlay)North Date Canal under-grounding
- La Brucherie Widening - Barbara Worth to Orange Avenue - Engineering (project transferred to LTA BOND \$3M - City Fund 212)
- Imperial Avenue South to McCabe - ENG Imperial Avenue South to McCabe - ENV Imperial Avenue South to McCabe - LAND Imperial Avenue South to McCabe - CON Imperial Avenue South to McCabe - CM Wake Ave 12th to La Brucherie
- Bradshaw extend from 8th to 12th StreetI-8 SR-86 Shoulder and Slope Maint.
- Colonia Area Sidewalks - CDBG ENG Colonia Area Sidewalks - CDBG CON Colonia Drainage McDonald - Design Colonia Drainage McDonald - ROW Colonia Drainage McDonald - CON Shovel ready project preparation - DesignStreet Striping Maintenance
- Article III - Bicycle & Pedestrian Administrative Costs
- Imperial Avenue South to McCabe - CON RSTPL matchAdams Avenue RSTP Con 710106
- Euclid Avenue CMAQ Eng 710102 Euclid Avenue CMAQ Con 710106 Buenavista Ave CMAQ Eng 710102Buenavista Ave CMAQ Con 710106HSIP sidewalks and lighting
- HSIP sidewalks and lighting
- ATP Cyc 1 - 8th Street between Adams & Aurora (design)
- ATP Cyc 1 - 8th Street between Adams & Aurora (contingency)Ross Avenue Rehab Con 710106
- CMAQ Signal Light Synchrono Mall AreaCMAQ Signal Light Synchrono Mall AreaBond Financing

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**City of Holtville
Measure D Sales Tax Fund
Holtville, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Holtville
Measure D Sales Tax Fund
Holtville, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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Five Year – Program of Projects	13

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Holtville, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 14 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

FINANCIAL STATEMENT

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City of Holtville
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 370,351
Interest earnings	635
	<u>370,986</u>

Expenditures:

Road repairs and maintenance	1,605
	<u>1,605</u>

Revenues Over Expenditures

369,381

Other Financing Uses:

Transfers out to the City	(50,000)
	<u>(50,000)</u>

Change in Fund Balance

\$ 319,381

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Holtville has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Holtville, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Holtville and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 598,449
Withheld for debt service	(228,098)
Net sales tax allocation	<u>\$ 370,351</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFER OUT TO THE CITY

The City recorded a transfer out to the City of \$50,000 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Holtville, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of Holtville
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 1,374,995
Total assets	\$ <u>1,374,995</u>

Fund Balance:

Restricted for road repairs and maintenance	\$ 1,374,995
Total fund balance	\$ <u>1,374,995</u>

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City of Holtville
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:	
Sales tax	\$ 370,351
Interest earnings	635
Other	-
	<u>370,986</u>
Expenditures:	
Road repairs and maintenance	<u>1,605</u>
	<u>1,605</u>
Revenues Over Expenditures	<u>369,381</u>
Other Financing Uses:	
Transfers out to the County	<u>(50,000)</u>
	<u>(50,000)</u>
Change in Fund Balance	319,381
Fund Balance:	
Beginning of year	1,055,614
End of year	<u>\$ 1,374,995</u>

City of Holtville
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 283,000	\$ 370,351	\$ 87,351
Interest earnings	-	635	635
	<u>283,000</u>	<u>370,986</u>	<u>87,986</u>
Expenditures:			
Road repairs and maintenance	-	1,605	(1,605)
	<u>-</u>	<u>1,605</u>	<u>(1,605)</u>
Revenues Over (Under) Expenditures	<u>283,000</u>	<u>369,381</u>	<u>86,381</u>
Other Financing Sources (Uses):			
Transfers out to the County	(216,508)	(50,000)	166,508
	<u>(216,508)</u>	<u>(50,000)</u>	<u>166,508</u>
Change in Fund Balance	\$ <u>66,492</u>	319,381	\$ <u>252,889</u>
Fund Balance:			
Beginning of year		1,055,614	
End of year		<u>\$ 1,374,995</u>	

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eighth Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal Tamarack
Sixth Street	Melon Avenue	Holt Avenue Of Fifth	Maintenance & Restorative Seal
Tenth Street	Orange Avenue		Maintenance & Restorative Seal
Figueria Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueria Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue - East of Chestnut Avenue			Maintenance & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)

STREET	FROM	TO	PROJECT
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	200' S of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street Ninth Street	Third Street	Construct Extension
Beale Avenue		Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Impr Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Vehicle Plan
4th Street/SR 115 - Alamo River Bridge			Develop Electric Vehicle Plan
Rail ROW Acquisitions	Grape Avenue Intersection		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Constr			
Ninth Street	Slayton	Beale	Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement
Citywide			Sidewalk Rehab/Replacement
Complete Street Plan			Transportation Planning Project
6th Street Improvements			
4th Street Project			
9th St Lateral	Cedar	Olive	

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**City of Imperial
Measure D Sales Tax Fund
Imperial, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Imperial
Measure D Sales Tax Fund
Imperial, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

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FINANCIAL STATEMENT

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City of Imperial
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 1,037,328
Interest earnings	3,758
Other	<u>253,957</u>
Total revenues	<u><u>1,295,043</u></u>

Expenditures:

Road repairs and maintenance	<u>2,704,299</u>
Total expenditures	<u><u>2,704,299</u></u>

Revenues Over (Under) Expenditures (1,409,256)

Other Financing Uses:

Transfers out to the City	<u>(104,438)</u>
Total other financing uses	<u><u>(104,438)</u></u>

Change in Fund Balance \$ (1,513,694)

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Imperial has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Imperial and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 1,533,086
Withheld for debt service	<u>(495,758)</u>
Net sales tax allocation	<u>\$ 1,037,328</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFERS OUT TO THE CITY

The City recorded transfers out to the City of \$104,438 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Imperial, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 1, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 2,394,803
Interest receivable	349
Total assets	\$ <u>2,395,152</u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ <u>131,062</u>
Total liabilities	<u>131,062</u>

Fund Balance:

Restricted for road repairs and maintenance	<u>2,264,090</u>
Total fund balance	<u>2,264,090</u>
Total liabilities and fund balance	\$ <u>2,395,152</u>

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City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:

Sales tax	\$ 1,037,328
Interest earnings	3,758
Other	<u>253,957</u>
Total revenues	<u>1,295,043</u>

Expenditures:

Road repairs and maintenance	<u>2,704,299</u>
Total expenditures	<u>2,704,299</u>

Revenues Over (Under) Expenditures	<u>(1,409,256)</u>
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Other Financing Uses:

Transfers out to the City	<u>(104,438)</u>
Total other financing uses	<u>(104,438)</u>

Change in Fund Balance	<u>(1,513,694)</u>
-------------------------------	--------------------

Fund Balance:

Beginning of year	<u>3,777,784</u>
End of year	<u>\$ 2,264,090</u>

City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 864,607	\$ 1,037,328	\$ 172,721
Interest earnings	-	3,758	3,758
Other	-	253,957	253,957
	<u>864,607</u>	<u>1,295,043</u>	<u>430,436</u>
Expenditures:			
Road repairs and maintenance	2,042,000	2,704,299	(662,299)
	<u>2,042,000</u>	<u>2,704,299</u>	<u>(662,299)</u>
Revenues Over (Under) Expenditures	<u>(1,177,393)</u>	<u>(1,409,256)</u>	<u>(231,863)</u>
Other Financing Uses:			
Transfers out to the City	(617,918)	(104,438)	513,480
	<u>(617,918)</u>	<u>(104,438)</u>	<u>513,480</u>
Change in Fund Balance	\$ <u>(1,795,311)</u>	(1,513,694)	\$ <u>281,617</u>
Fund Balance:			
Beginning of year		3,777,784	
End of year		<u>\$ 2,264,090</u>	

**City of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)**

STREET	LOCATION	PROJECT DESCRIPTION
Various Streets	Various Limits	Rehab/Maintenance
Town Core	South of 15th Street, west of P Street, north of 1st Street and east of B Street	Const/Rehab/Maintenance
South West	South of Worthington Rd, west of Hwy 86, north of Treshill Rd, and east of Austin Rd	Const/Rehab/Maintenance
South East	South of Worthington Rd, west of Dogwood Rd, north of Treshill Rd, and east of Hwy 86	Const/Rehab/Maintenance
North West	North of Worthington Rd, west of Hwy 86, south of Larsen Rd, east of Austin Rd	Const/Rehab/Maintenance
North East	North of Worthington Rd, west of Dogwood Rd, south of Larsen Rd, and east of Hwy 86	Const/Rehab/Maintenance

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**City of Westmorland
Measure D Sales Tax Fund
Westmorland, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**City of Westmorland
Measure D Sales Tax Fund
Westmorland, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Westmorland, California ("City") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Westmorland for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Westmorland, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the City. The other information, on pages 10 through 13 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the City's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of 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 City'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 City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California

February __, 2022

FINANCIAL STATEMENT

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City of Westmorland
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 312,556
Interest earnings	199
Total revenues	<u>312,755</u>

Expenditures:

Road repairs and maintenance	14,404
Capital outlay	697,124
Total expenditures	<u>711,528</u>

Revenues Over (Under) Expenditures (398,773)

Other Financing Sources:

Transfers from the City	2,169
Total other financing sources	<u>2,169</u>

Change in Fund Balance \$ (396,604)

See accompanying Notes to the Financial Statement

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The City of Westmorland has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Westmorland, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the City of Westmorland and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The City accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The City's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 312,556
Withheld for debt service	-
Net sales tax allocation	<u>\$ 312,556</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFERS FROM THE CITY

The Measure D Sales Tax Fund recorded transfers from the City of \$2,169 to reimburse some road repair and maintenance expenditures.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the City of Westmorland, California (City), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 2, 2022. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the City as of June 30, 2021.

Internal Control Over Financial Reporting

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



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the City is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 City's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
February __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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City of Westmorland
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 2,005,926
Accounts receivable	<u>25,780</u>
Total assets	\$ <u>2,031,706</u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ 499,010
Due to other funds	<u>203,553</u>
Total liabilities	<u>702,563</u>

Fund Balance:

Restricted for road repairs and maintenance	<u>1,329,143</u>
Total fund balance	<u>1,329,143</u>
Total liabilities and fund balance	\$ <u>2,031,706</u>

City of Westmorland
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:

Sales tax	\$ 312,556
Interest earnings	199
Total revenues	<u>312,755</u>

Expenditures:

Road repairs and maintenance	14,404
Capital outlay	697,124
Total expenditures	<u>711,528</u>

Revenues Over (Under) Expenditures (398,773)

Other Financing Sources:

Transfers from the City	2,169
Total other financing sources	<u>2,169</u>

Change in Fund Balance (396,604)

Fund Balance:

Beginning of year	1,725,747
End of year	<u>\$ 1,329,143</u>

City of Westmorland
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 500,000	\$ 312,556	\$ (187,444)
Interest earnings	103	199	96
Total revenues	<u>500,103</u>	<u>312,755</u>	<u>(187,348)</u>
Expenditures:			
Road repairs and maintenance	38,324	14,404	23,920
Capital outlay	265,190	697,124	(431,934)
Total expenditures	<u>303,514</u>	<u>711,528</u>	<u>(408,014)</u>
Revenues Over (Under) Expenditures	<u>196,589</u>	<u>(398,773)</u>	<u>(595,362)</u>
Other Financing Sources:			
Transfers from the City	-	2,169	2,169
Total other financing sources	<u>-</u>	<u>2,169</u>	<u>2,169</u>
Change in Fund Balance	<u>\$ 196,589</u>	<u>(396,604)</u>	<u>\$ (593,193)</u>
Fund Balance:			
Beginning of year		1,725,747	
End of year		<u>\$ 1,329,143</u>	

**City of Westmorland
Measure D Sales Tax Fund
Five Year Program of Projects
For the Year Ended June 30, 2021
(Unaudited)**

STREET	FROM	TO	PROJECT DESCRIPTION
Center Street	Baughman Rd.	8 th Street	Rehab/Maintenance
Bee Street	3 rd Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 th Street	Construct/Rehab/Repair/Maintenance
C Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
D Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
F Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
G Street	1 st Street	7 th Street	Construct/Rehab/Repair/Maintenance
H Street	1 st Street	8 th Street	Construct/Rehab/Repair/Maintenance
I St	7 th Street	8 th Street	Construct/Repair/Maintenance
J Street	7 th Street	8 th Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 th Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 st Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 nd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 rd Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 th Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 th Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 th Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 th Street	H Street	Martin Road	Construct/Rehab/Repair/Maintenance
Jauregui Street	G Street	Cul de sac	Repair/Rehab/Maintenance
Sundance Street	J Street	Cul de sac	Repair/Rehab/Maintenance
Bonita Street	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Beverlee Way	Center St	Cook Street	Construct/Rehab/Repair/Maintenance
Cook Street	Baughman Road	1 st Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 th Street	Howenstein Rd.	Construct
Howenstein Road	Dean Road	C Street	Construct
Howenstein Road	Martin Road	I Street	Construct

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**County of Imperial
Measure D Sales Tax Fund
El Centro, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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**County of Imperial
Measure D Sales Tax Fund
El Centro, California**

**Financial Statement and Other Information
with Independent Auditor's Reports
*For the Year Ended June 30, 2021***

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial County Local Transportation Authority
El Centro, California

Report on the Financial Statement

We have audited the accompanying statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the County of Imperial, California ("County") for the year ended June 30, 2021, and the related notes to the financial statement, as listed in the table of contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and allowable expenditures of the Measure D Sales Tax Fund of the County of Imperial for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statement, the statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the County of Imperial, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the statement of revenues, and allowable expenditures of the Measure D Sales Tax Fund of the County. The other information, on pages 10 through 14 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February __, 2022, on our consideration of the County's internal control over financial reporting over the statement of revenues and allowable expenditures and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

Glendale, California
February __, 2022

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FINANCIAL STATEMENT

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County of Imperial
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2021

Revenues:

Sales tax	\$ 3,114,361
Interest earnings	<u>107,071</u>
	<u>3,221,432</u>

Expenditures:

Road repairs and maintenance	<u>190,157</u>
	<u>190,157</u>

Revenues Over Expenditures

3,031,275

Other Financing Uses:

Transfers out to the County	<u>(762,521)</u>
	<u>(762,521)</u>

Change in Fund Balance

\$ 2,268,754

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NOTES TO THE FINANCIAL STATEMENT

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance which was adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The purpose of this ordinance was to allow the Authority to issue bonds payable from the enactment of a one half of one percent sales tax for a period of forty years. The proceeds of this tax are first allocated to the monthly debt service payments of the bonds, then to the County of Imperial and the member agencies for local street road purposes. Also, a portion of the tax revenues would be used for administration, transit services, and state highway purposes.

The funds that are generated by implementation of the Imperial County Transportation Authority Retail Transactions and Use Tax Ordinance are intended to supplement and not to replace existing local revenues used for transportation purposes.

The Authority consists of the following member agencies:

1. City of Brawley
2. City of Calexico
3. City of Calipatria
4. City of El Centro
5. City of Holtville
6. City of Imperial
7. City of Westmorland
8. County of Imperial

The members of the Board of the Authority consist of one member of the City Council of each incorporated city of Imperial County and two members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term exceeding a four-year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance Requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with the By-Laws of the Imperial County Local Transportation Authority and the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

Fund accounting is designed to demonstrate local compliance and to aid financial management by segregating transactions related to certain government functions or activities. The County of Imperial (County) has established a special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

Basis of Presentation

The financial statement presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the County of Imperial, California, as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure D Sales Tax Fund accounted for using a “*current financial resources*” measurement focus and the modified accrual basis of accounting. The statement of revenues, expenditures, and changes in fund balance of the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) of the fund.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and “available” means within the current period or soon enough thereafter to be used to pay liabilities of the current period. Generally, revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred.

Ordinance No. 1-2008, The Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan, between the County of Imperial and the Imperial County Local Transportation Authority dated July 27, 2008 requires the schedule of revenues and allowable expenditures be reported in conformity with the terms of the agreement. The County accounts for the Measure D Sales Tax Fund using a Special Revenue Fund to track and record the revenues and expenditures related to this ordinance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 SALES TAX REVENUE

The Authority allocates sales tax to each member agency. The County's allocable sales tax is net of amounts withheld for debt service as follows:

Gross sales tax allocation	\$ 4,958,849
Withheld for debt service	<u>(1,844,488)</u>
Net sales tax allocation	<u>\$ 3,114,361</u>

NOTE 3 RESTRICTION OF NET REVENUES

The revenues in excess of expenditures reported on the financial statement are restricted for future expenditures authorized by Ordinance No. 1-2008.

NOTE 4 TRANSFERS OUT TO THE COUNTY

The County recorded transfers out to the County of \$762,521. The transfers out reflect the reimbursement of costs incurred in another County fund. Those costs are being funded with Measure D sales tax revenue.

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
AND MEASURE D SALES TAX COMPLIANCE REQUIREMENTS**

Independent Auditor's Report

To the Board of Directors
Imperial County Local Transportation Authority
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 statement of revenues and allowable expenditures of the Measure D Sales Tax Fund of the County of Imperial, California (County), for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated **January 12, 2022**. Our report included an emphasis of matter stating that the financial statement of the Measure D Sales Tax Fund does not purport to, and does not, present fairly the financial statements of the County as of June 30, 2021.

Internal Control Over Financial Reporting

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

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

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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the County is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance"), noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of 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 County's internal control or on compliance related to the Measure D Sales Tax Fund. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's Measure D Sales Tax Fund internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Glendale, California
January __, 2022

SECTION I COMPLIANCE FINDINGS

Current Year Findings

No findings were noted for the year ended June 30, 2021.

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OTHER INFORMATION

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County of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2021
(Unaudited)

Assets:

Cash and cash equivalents	\$ 12,792,631
Interest receivable	<u>26,774</u>
Total assets	\$ <u>12,819,405</u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	\$ <u>3,778</u>
Total liabilities	<u>3,778</u>

Fund Balance:

Restricted for road repairs and maintenance	<u>12,815,627</u>
Total fund balance	<u>12,815,627</u>
Total liabilities and fund balance	\$ <u>12,819,405</u>

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County of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(Unaudited)

Revenues:	
Sales tax	\$ 3,114,361
Interest earnings	107,071
	<u>3,221,432</u>
Expenditures:	
Road repairs and maintenance	190,157
	<u>190,157</u>
Revenues Over Expenditures	<u>3,031,275</u>
Other Financing Uses:	
Transfers out to the County	(762,521)
	<u>(762,521)</u>
Change in Fund Balance	2,268,754
Fund Balance:	
Beginning of year	10,546,873
End of year	<u>\$ 12,815,627</u>

County of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2021
(Unaudited)

	Budget	Actual	Variance with Final Budget
Revenues:			
Sales tax	\$ 2,500,000	\$ 3,114,361	\$ 614,361
Interest earnings	75,000	107,071	32,071
	<u>2,575,000</u>	<u>3,221,432</u>	<u>646,432</u>
Expenditures:			
Road repairs and maintenance	900,895	190,157	710,738
	<u>900,895</u>	<u>190,157</u>	<u>710,738</u>
Revenues Over (Under) Expenditures	<u>1,674,105</u>	<u>3,031,275</u>	<u>1,357,170</u>
Other Financing Sources (Uses):			
Transfers out to the County	43,500	(762,521)	(806,021)
	<u>43,500</u>	<u>(762,521)</u>	<u>(806,021)</u>
Change in Fund Balance	\$ <u>1,717,605</u>	2,268,754	\$ <u>551,149</u>
Fund Balance:			
Beginning of year		10,546,873	
End of year		<u>\$ 12,815,627</u>	

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
For the Year Ended June 30, 2021
(Unaudited)

Imperial County - Roads				
	Road	From	To	Project Description
1	Various Roads in Bombay Beach			Overlay
2	Various Roads in Desert Shores			Overlay
3	Various Roads in Heber			Overlay
4	Various Roads in Palo Verde			Overlay
5	Various Roads in Salton City			Overlay
6	Various Roads in Salton Sea Beach			Overlay
7	Various Roads in Imperial County			Overlay
8	Various Roads in Niland			Overlay
9	Various Roads in Octotillo			Overlay
10	Various Roads in Seeley			Overlay
11	Various Roads in Winterhaven			Overlay
12	Various County Maintained Bridges			Repairs/Replacement as Needed
13	Diehl Road (13)	Drew Road (WR)	West 2 Miles	Overlay
14	Wixom Road (12)	Drew Road (WR)	West to End	Overlay
15	Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Reconstruct
16	Araz (A2N07)	I-8	Winterhaven Drive (A2P06)	Overlay
17	Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
18	Belford Road (28.5)	Imperial Ave.	West End	Overlay
19	Blair Road (EE)	McDonald Road (76)	Pond Road (78)	Overlay
20	Boarts Road (53)	SR86	Kalin Road (WE)	Overlay
21	Bowker Road (EH)	Cole Road (6)	Jasper Road (8)	Overlay
22	Bowker Road (EH)	SR98	Anza Road (2)	Overlay
23	Boyd Road (34)	Poore Road (EY)	Highline Road (EZ)	Overlay/Widen
24	Brandt Road	Gardner Road	Fredricks Road	Overlay
25	Brandt Road	Rutherford Road	Bannister Road	Overlay
26	Brockman Road (WL)	Kramer Road	McCabe Road (14)	Reconstruct
27	Brockman Road (WL)	SR98	McCabe Road (14)	Overlay/Widen
28	Cady Road	Loveland Road	Forrester Road	Overlay
29	Casey Road (EM)	Boyd Road (34)	Keystone Road (36)	Overlay
30	Chick Road (16)	SR111	1 1/2 Miles West	Overlay/Widen
31	Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
32	Drew Road (WR)	Kubler Road (9)	SR98	Overlay
33	Drew Road (WR)	Lions Road (9)	Kubler Road	Overlay
34	Evan Hewes (2A23)	Drew Road (WR)	Westmoreland Road (WX)	Overlay
35	Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
36	Evan Hewes	Plaster City	Ocotillo	Overlay
37	Evan Hewes (2A23)	Westmorland Road (WX)	Bennett Road (WP)	Overlay
38	Evan Hewes (2A23)	SR115	Gordons Well Road	Overlay
39	Forrester Road (WJ)	I-8	Evan Hewes (2A23)	Overlay
40	Fredricks Road	Brandt Road	Kalin Road	Overlay
41	Gentry Road (WI)	Walker Road (58)	New River	Overlay
42	Harris Road (32)	SR111	McConnell Road (EF)	Overlay
43	Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
44	Harris Road (32)	Holt Road (ER)	SR115	Overlay/Widen
45	Hartshorn Road (29)	Webb Road (EX)	Highline Road (EZ)	Overlay
46	Harvey Road	Schartz Road	Carey Road	Reconstruct
47	Haskell Road	El Centro Avenue	Havens Road	Reconstruct
48	Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
49	Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
50	Kalin Road	Fredricks Road	Bannister Road	Overlay

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
For the Year Ended June 30, 2021
(Unaudited)

Imperial County - Roads				
	Road	From	To	Project Description
51	Kalin Road	Bannister Road	Walker Road	Overlay
52	Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
53	Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct
54	Kershaw Road (EC)	Titsworth Road (58)	Rutherford Road (54)	Overlay
55	Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen
56	Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
57	Lathrop Road	Worthington Road	Neckel Road	Overlay
58	Loveland Road	Fredricks Road	Andre Road	Overlay
59	McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
60	McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
61	McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
62	Miller Road (EAA)	Hunt Road (16)	Humberg Road (8)	Overlay/Widen
63	Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
64	Murphy Road (28)	LaBrucherie Road (WE)	West End	Overlay
65	Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
66	Ogilby Road (3M01)	Railroad Tracks	SR78	Overlay
67	Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
68	Reugger Road (61)	Reeves Road	Alamo River	Overlay
69	Rutherford Road (54)	Butters Road (ES)	1.0 Miles East	Overlay
70	Rutherford Road (54)	SR115	Hastain Road (EO)	Overlay
71	Rutherford Road (54)	SR111	Best Road (EC)	Overlay
72	Schartz Road (40)	Dogwood Road	SR111	Overlay/Reconstruct
73	Seybert Road (EI)	SR78	Sillman Road (45)	Overlay
74	Silsbee Road (WM)	Aten Road (24)	Hackelman Road (22)	Reconstruct
75	Slaton Road	9th Street	Thiesen Road (22)	Overlay
76	Snyder Road (EW)	SR1115	Norrish Road (25)	Overlay
77	Spa Road (9D08)	Hot Mineral Spa Road (9G02)	Coachella Canal Road (7G03)	Overlay
78	Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
79	Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay
80	Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
81	Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
82	Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
83	Willoughby Road at Dogwood Road			Signals
84	Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
85	Yocum Road	SR111	Kershaw Road (EC)	Overlay
86	Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

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