



Imperial County Local Transportation Authority

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

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## AGENDA

**WEDNESDAY, MARCH 25, 2020**

**6:00 PM or immediately after the ICTC meeting**

**ICTC OFFICES – LARGE CONFERENCE ROOM  
1503 N. IMPERIAL AVE., SUITE 104  
EL CENTRO, CA 92243**

**CHAIRPERSON: GEORGE NAVA**

**EXECUTIVE DIRECTOR: MARK BAZA**

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.

*Due to the COVID-19 and Executive Order N-25-20, teleconferencing is recommended for the public, however measures will be taken to have access for those who wish to participate in person while still abiding by local, state and federal mandates. Following is teleconference information.*

Join Zoom Meeting: <https://zoom.us/j/7818240475?pwd=RFptQ1JlQ2tlUkthTnFHZTdPUFdOdz09>

Dial 1-669-900-9128

Meeting ID: 781 824 0475

Password: 1503

### **I. CALL TO ORDER AND ROLL CALL**

### **II. EMERGENCY ITEMS**

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

### **III. PUBLIC COMMENTS**

Any member of the public may address the Authority for a period not to 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.

### **IV. REPORTS**

- A. LTA Executive Director Report on page 4

### **V. ACTION CALENDAR**

- A. Adoption of the Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2019 Page 6

The ICTC Management Committee met on March 11, 2020 and forwards this item to the LTA Board for review and approval after public comment, if any:

1. Receive, Approve and File the FY 2017-18 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.

- B. City of Westmorland – recommendation to release LTA Bond action from July 25, 2018 Page 318

The LTA “Oversight Committee met on February 22, 2020 and forwards this item to the LTA Board for review and approval after public comment, if any:

1. Direct staff to allow the City of Westmorland to receive their monthly LTA allocation without a claim/reimbursement process.

## **VI. ADJOURNMENT**

- A. Motion to Adjourn

# **IV. 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:** March 20, 2020  
**To:** Local Transportation Authority  
**From:** Mark Baza, Executive Director  
**Re:** Executive Director's Report

The following is a summary of the Executive Director's Report for the LTA meeting of March 25, 2020.

1. 2012 LTA Bond Projects: The following lists the remaining funds for the LTA 2012 Bonds.
  - a. The City of Brawley will be using their remaining bond proceeds for the Legion Road project.

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	\$668,871	92%
Calexico	\$0	100%
Calipatria	\$0	100%
Imperial	\$0	100%
County	\$0	100%

\*Remaining Project Bond funds as of Bank Statements dated 2-29-20

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

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

Remaining Bond Funds*		% Spent
Calexico	\$8,019,678	65%
Calipatria	\$1,396,017	96%
Holtville	\$0	100%

\*Remaining Project Bond funds as of Bank Statements dated 2-29-20

3. 2020 Bond Refunding – in process  
Participating agencies: Cities of Brawley, Calexico, Calipatria, Imperial, County of Imperial  
- Estimated Annual Cashflow Savings:
  - City of Brawley \$467,070
  - City of Calexico \$341,477
  - City of Calipatria \$124,687
  - City of Imperial \$349,473
  - County of Imperial \$532,362
  - Total: \$ 1,815,068

## **V. ACTION CALENDAR**

A. ADOPTION OF THE IMPERIAL COUNTY LOCAL  
TRANSPORTATION AUTHORITY ANNUAL FINANCIAL AUDIT  
FOR FISCAL YEAR ENDED JUNE 30, 2019



Imperial County Local Transportation Authority

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

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

March 6, 2020

George Nava, Chairman  
Local Transportation Authority  
1503 N. Imperial Ave., Suite 104  
El Centro, CA 92243

**SUBJECT:** Adoption of the Imperial County Local Transportation Authority Annual Financial Audit for Fiscal Year Ended June 30, 2019

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.*"

Attached, please find the annual financial reports performed by the CPA firm, the Pun Group: *LTA Annual Financial Report, for fiscal year ended June 20, 2019*. The audit team and staff will be presenting this item.

The LTA Local Taxpayer Supervising Committee (LTSC) "Oversight Committee" met on February 27, 2020 to review the LTA Audit, and recommend approval of the fiscal reports with support for the following recommendations for member agencies and staff:

- Member agencies to provide a list of completed projects for each fiscal year as a part of the audit process. This information will eventually be made available to the public through the LTA website.
- Staff to conduct an annual training workshop and/or have quarterly roundtables with all member agencies to alleviate any findings regarding documentation and to answer any questions.
- Staff has committed to develop a schedule to assist agencies to turn in their documentation in a timely manner, and to provide agencies a template to assist them in submitting their list of completed projects on an annual basis.

The ICTC Management Committee met on March 11, 2020 and forwards this item to the LTA for review and approval after receipt of public comment, if any:

1. Receive, Approve and File the FY 2018-19 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.
2. Adopt recommendations by the LTA "Oversight Committee."

Sincerely,

MARK BAZA  
Executive Director

MB/cl  
Attachments

# **Imperial County Local Transportation Authority**

El Centro, California

## **Annual Financial and Compliance Report**

*For the Fiscal Year Ended June 30, 2019*







# Imperial County Local Transportation Authority

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
of 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, 2019, 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.

### ***Auditors' 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, 2019, 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 9, 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 37 and 38 is presented for purposes of additional analysis and are 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 39 through 56 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 27, 2020 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.

San Diego, California  
February 27, 2020

**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***

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statements, which collectively comprise ICLTA's basic financial statements, and have issued our report thereon dated February 27, 2020.

**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") to determine the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors  
of the Imperial County Local Transportation Authority  
El Centro, California  
Page 2

### **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.

San Diego, California  
February 27, 2020

**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, 2019**

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, 2019 and 2018. 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, 2019 and 2018.

**Statement of Activities** – The Statement of Activities present the revenues earned and expenses incurred by the Authority during the years ended June 30, 2019 and 2018, 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 4.00 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 \$55,800,000.

**Imperial County Local Transportation Authority**  
**Management's Discussion & Analysis (Unaudited) (Continued)**  
**June 30, 2019**

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

	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019
2012 Series	\$ 41,770,000	\$ -	\$ (2,300,000)	\$ 39,470,000
2018 Series	-	16,765,000	(435,000)	16,330,000
	<u>\$ 41,770,000</u>	<u>\$ 16,765,000</u>	<u>\$ (2,735,000)</u>	<u>\$ 55,800,000</u>

**Condensed Financial Position Information**

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2019 and 2018.

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 8,522,302	\$ 7,902,946
Cash with fiscal agent	24,472,334	12,197,835
Sales tax receivable	2,889,250	2,446,218
Interest receivable	40,929	21,485
Prepaid bond insurance	76,831	-
<b>Total Assets</b>	<u>36,001,646</u>	<u>22,568,484</u>
<b>Liabilities</b>		
Accounts payable	14,817	53
Due to other governments	546,538	513,202
Interest payable	192,940	144,904
Long-term liabilities		
Due within one year	2,625,000	2,230,000
Bond payable	53,175,000	39,470,000
Premium on bond payable, net of amortization	1,466,671	624,558
<b>Total Liabilities</b>	<u>58,020,966</u>	<u>42,982,717</u>
<b>Net Position</b>		
Restricted for:		
Capital projects	17,199,470	-
Debt service	7,272,864	6,967,189
State highway	6,559,096	6,116,735
Transit services	433,116	557,466
Unrestricted (Deficit)	(53,483,866)	(34,125,623)
<b>Total Net Position</b>	<u>\$ (22,019,320)</u>	<u>\$ (20,484,233)</u>

*(a) Net Position*

The liabilities of the Authority exceeded its assets at the close of fiscal year 2018-2019 by \$22,019,320 (Net Position). The deficit is the result of member agencies drawing down on bond proceeds.

*(b) Liabilities*

Liabilities increased for fiscal year 2018-2019 by \$15,038,249. The increase is primarily due to the issuance of the sales tax revenue bond Series 2018 in the amount of \$16,765,000. The interest payable had an increase of \$48,253 from the prior year.

**Imperial County Local Transportation Authority**  
**Management's Discussion & Analysis (Unaudited) (Continued)**  
**June 30, 2019**

**Summary of Operations and Changes in Net Position**

The Authority's decrease in net position during fiscal year 2019 was \$1,535,087 and the increase for 2018 was \$1,016,338. The tables below summarize the Authority's activity for the fiscal years ended June 30, 2019 and 2018:

	2019	2018
<b>Revenues</b>		
Sales tax	\$ 15,440,453	\$ 15,107,257
Interest	780,042	262,454
Other	9,463	64,609
<b>Total Revenues</b>	<u>16,229,958</u>	<u>15,434,320</u>
<b>Expenses</b>		
Allocations to local members	9,001,976	8,752,179
Administration	772,570	138,654
Transit services	-	350,000
Capital projects	5,835,735	3,387,261
Interest	2,154,764	1,789,888
<b>Total Expenses</b>	<u>17,765,045</u>	<u>14,417,982</u>
<b>Change in Net Position</b>	(1,535,087)	1,016,338
<b>Net Position (Deficit) - Beginning of Year</b>	<u>(20,484,233)</u>	<u>(21,500,571)</u>
<b>Net Position (Deficit) - End of Year</b>	<u><u>\$ (22,019,320)</u></u>	<u><u>\$ (20,484,233)</u></u>

*(a) Revenues*

In fiscal year 2019, revenues showed a 5% increase compared to 2018. This was largely due to increased sales tax revenues and interest on unspent bond proceeds.

*(b) Expenses*

Deductions consist of expenditures for capital projects, allocations to members, administration, transit, state highway and bond related expenses. During the year, expenses increased by 23% or \$3,347,063. The increase is primarily attributed to the increase in capital projects and administration, which included bond issuance costs.

**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 Mark Baza, 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, 2019**

	<b>Governmental Activities</b>
<hr/>	
<b>ASSETS</b>	
Cash and investments	\$ 8,522,302
Cash and investments with fiscal agent	24,472,334
Sales tax receivable	2,889,250
Interest receivable	40,929
Prepaid bond insurance	76,831
<b>Total assets</b>	<u>36,001,646</u>
<b>LIABILITIES</b>	
Accounts payable	14,817
Due to other governments	546,538
Interest payable	192,940
Long-term debt:	
Due within one year	2,625,000
Due in more than one year	54,641,671
<b>Total liabilities</b>	<u>58,020,966</u>
<b>NET POSITION</b>	
Restricted for:	
Capital projects	17,199,470
Debt services	7,272,864
State highway	6,559,096
Transit services	433,116
Unrestricted (deficit)	(53,483,866)
<b>Total net position</b>	<u>\$ (22,019,320)</u>

**Imperial County Local Transportation Authority**  
**Statement of Activities**  
**For the Year Ended June 30, 2019**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Net (Expenses) Revenues and Changes in Net Position</b>
<b>Governmental activities:</b>		
<b>Transportation:</b>		
Payments to member agencies	\$ 9,001,976	\$ (9,001,976)
Capital projects	5,835,735	(5,835,735)
Administration	772,570	(772,570)
Interest on long-term debt	2,154,764	(2,154,764)
<b>Total Governmental Activities</b>	<u>17,765,045</u>	<u>(17,765,045)</u>
	<b>General Revenues</b>	
	Measure D sales tax	15,440,453
	Interest	780,042
	Other	9,463
	<b>Total General Revenues</b>	<u>16,229,958</u>
	<b>Change in Net Position</b>	(1,535,087)
	<b>Net Position (deficit):</b>	
	Beginning of year	<u>(20,484,233)</u>
	End of year	<u><u>\$ (22,019,320)</u></u>

See accompanying Notes to the Basic Financial Statements.

**GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

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**Imperial County Local Transportation Authority**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	General	State Highway	Transit Services	Debt Service	Total
<b>ASSETS</b>					
Cash and investments	\$ 1,737,244	\$ 6,406,220	\$ 378,838	\$ -	\$ 8,522,302
Cash and investments with fiscal agents	17,199,470	-	-	7,272,864	24,472,334
Sales tax receivable	2,705,303	131,393	52,554	-	2,889,250
Interest receivable	8,328	30,877	1,724	-	40,929
Prepaid bond insurance	76,831	-	-	-	76,831
<b>Total assets</b>	<b>\$ 21,727,176</b>	<b>\$ 6,568,490</b>	<b>\$ 433,116</b>	<b>\$ 7,272,864</b>	<b>\$ 36,001,646</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 5,423	\$ 9,394	\$ -	\$ -	\$ 14,817
Due to member agencies	546,538	-	-	-	546,538
<b>Total liabilities</b>	<b>551,961</b>	<b>9,394</b>	<b>-</b>	<b>-</b>	<b>561,355</b>
<b>Fund balances:</b>					
Restricted for:					
Capital projects	17,199,470	-	-	-	17,199,470
State highway	-	6,559,096	-	-	6,559,096
Transit services	-	-	433,116	-	433,116
Debt service	-	-	-	7,272,864	7,272,864
Unassigned	3,975,745	-	-	-	3,975,745
<b>Total fund balances</b>	<b>21,175,215</b>	<b>6,559,096</b>	<b>433,116</b>	<b>7,272,864</b>	<b>35,440,291</b>
<b>Total liabilities and fund balances</b>	<b>\$ 21,727,176</b>	<b>\$ 6,568,490</b>	<b>\$ 433,116</b>	<b>\$ 7,272,864</b>	<b>\$ 36,001,646</b>

**Imperial County Local Transportation Authority**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-wide Statement of Net Position**  
**June 30, 2019**

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**Fund Balances of Governmental Funds**

\$ 35,440,291

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 Positions.

Bonds payable	\$ (55,800,000)	
Unamortized premium on bond payable	<u>(1,466,671)</u>	
		(57,266,671)

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

(192,940)

**Net Position of Governmental Activities**

\$ (22,019,320)

**Imperial County Local Transportation Authority**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	General	State Highway	Transit Services	Debt Service	Total
<b>Revenues:</b>					
Sales taxes	\$ 14,366,680	\$ 766,981	\$ 306,792	\$ -	\$ 15,440,453
County pool interest	23,123	88,700	7,029	-	118,852
Cash with fiscal agent interest	466,809	-	-	194,381	661,190
Other revenues	9,463	-	-	-	9,463
<b>Total revenues</b>	<b>14,866,075</b>	<b>855,681</b>	<b>313,821</b>	<b>194,381</b>	<b>16,229,958</b>
<b>Expenditures:</b>					
Payment to member agencies	8,413,805	150,000	438,171	-	9,001,976
Capital projects	5,572,415	263,320	-	-	5,835,735
Administration	382,935	-	-	-	382,935
Debt service:					
Principal payments on bonds	-	-	-	2,735,000	2,735,000
Interest payments on bonds	-	-	-	2,186,896	2,186,896
<b>Total expenditures</b>	<b>14,369,155</b>	<b>413,320</b>	<b>438,171</b>	<b>4,921,896</b>	<b>20,142,542</b>
<b>Revenues Over (Under) Expenditures</b>	<b>496,920</b>	<b>442,361</b>	<b>(124,350)</b>	<b>(4,727,515)</b>	<b>(3,912,584)</b>
<b>Other financing sources (uses):</b>					
Proceeds from bond issuance	16,765,000	-	-	-	16,765,000
Premium on bond issuance	922,277	-	-	-	922,277
Costs of bond issuance	(389,635)	-	-	-	(389,635)
Transfers in	-	-	-	5,033,190	5,033,190
Transfers (out)	(5,033,190)	-	-	-	(5,033,190)
<b>Total other financing sources (uses)</b>	<b>12,264,452</b>	<b>-</b>	<b>-</b>	<b>5,033,190</b>	<b>17,297,642</b>
<b>Changes in Fund Balances</b>	<b>12,761,372</b>	<b>442,361</b>	<b>(124,350)</b>	<b>305,675</b>	<b>13,385,058</b>
<b>Fund balances:</b>					
Beginning of year	8,413,843	6,116,735	557,466	6,967,189	22,055,233
End of year	<u>\$ 21,175,215</u>	<u>\$ 6,559,096</u>	<u>\$ 433,116</u>	<u>\$ 7,272,864</u>	<u>\$ 35,440,291</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, 2019**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 13,385,058</b>
Governmental activities in the Statement of Activities were reported differently because:	
Principal repayment on long-term debt is not an expense in the Statement of Activities, but is considered an expenditure in governmental funds.	2,735,000
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.	(48,036)
The issuance of long-term liabilities provided current financial resources to the governmental funds, but issuing debt increased long-term liabilities on the Statement of Net Position.	
Issuance of long-term debt \$ (16,765,000)	
Premium on issuance of long-term debt <u>(922,277)</u>	(17,687,277)
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.	<u>80,168</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ (1,535,087)</u></u></b>



## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2019**

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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.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Basis of Presentation (Continued)***

***Government-Wide Financial Statements (Continued)***

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, 2019, interest expense of \$2,154,764 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.

***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.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)***

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

***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 net of the applicable bond premium or discount.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**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.

**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.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 2 – 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 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	\$ 8,522,302
Cash and Investments with Fiscal Agent	24,472,334
<b>Total cash and investments</b>	<b><u>\$ 32,994,636</u></b>

Cash and investments are comprised of the following at June 30, 2019:

<b>Investments</b>	
Imperial County Investment Pool	\$ 8,522,302
With Third Party Fiscal Agent	24,472,334
<b>Total Cash and Investments</b>	<b><u>\$ 32,994,636</u></b>

At June 30, 2019, 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, 2019:

<b>Authorized Investment Type</b>	<b>Fair Value</b>	<b>Percentage of Portfolio</b>	<b>Measurement Input</b>
Imperial County Investment Pool	\$ 8,522,302	26%	Uncategorized
Money Market Fund	24,472,334	74%	Uncategorized
	<b><u>\$ 32,994,636</u></b>		

**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.

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Money Market Fund	N/A	100%	None

Money market funds of \$24,472,334 were held as of June 30, 2019. The investment in money market funds is valued based on amortized cost.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 3 – Cash and Investments (Continued)**

**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.

**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, 2019 the weighted average to maturity is 653 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 \$2,889,250 as of June 30, 2019.

**Note 5 – Interfund Transfers**

The Authority transferred \$5,033,190 for the year ended June 30, 2019, from the General Fund to the Debt Service Fund to meet debt service payment requirements.



**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Bonds Payable**

During the fiscal year ended June 30, 2019, the following changes occurred in bonds payable:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within One Year	Due in More Than One Year
2012 Sales Tax Revenue Bonds	\$ 41,770,000	\$ -	\$ (2,300,000)	\$ 39,470,000	\$ 2,375,000	\$ 37,095,000
Unamortized bond premium	624,562	-	(45,145)	579,417	-	579,417
2018 Sales Tax Revenue Bonds	-	16,765,000	(435,000)	16,330,000	250,000	16,080,000
Unamortized bond premium	-	922,277	(35,023)	887,254	-	887,254
<b>Total long-term debt</b>	<b>\$ 42,394,562</b>	<b>\$ 17,687,277</b>	<b>\$ (2,815,168)</b>	<b>\$ 57,266,671</b>	<b>\$ 2,625,000</b>	<b>\$ 54,641,671</b>

**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 4.00 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, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 2,375,000	\$ 1,641,037	\$ 4,016,037
2021	2,465,000	1,547,038	4,012,038
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
2025-2029	15,615,000	4,466,350	20,081,350
2030-2032	11,085,000	970,450	12,055,450
<b>Total</b>	<b>\$ 39,470,000</b>	<b>\$ 12,743,501</b>	<b>\$ 52,213,501</b>

**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, 2019, the unamortized bond premium was \$579,417.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

**Note 6 – Bonds Payable (Continued)**

**2012 Sales Tax Revenue Bonds (Continued)**

*Pledged Revenue*

The 2012 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2019, 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	\$ 15,440,453	\$ 2,300,000	6.71

**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, 2019, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 250,000	\$ 674,238	\$ 924,238
2021	265,000	664,238	929,238
2022	270,000	653,638	923,638
2023	285,000	642,838	927,838
2024	300,000	628,588	928,588
2025-2029	1,725,000	2,903,688	4,628,688
2030-2034	4,955,000	2,385,206	7,340,206
2035-2038	8,280,000	826,431	9,106,431
Total	<u>\$ 16,330,000</u>	<u>\$ 9,378,863</u>	<u>\$ 25,708,863</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, 2019, the unamortized bond premium was \$887,254.

**Imperial County Local Transportation Authority**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2019**

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**Note 6 – Bonds Payable (Continued)**

***2018 Sales Tax Revenue Bonds (Continued)***

*Pledged Revenue*

The 2018 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2019, 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	\$ 15,440,453	\$ 435,000	35.50

**Note 7 – Government-Wide Net Position Unrestricted Deficit**

The deficit of (\$22,019,320) 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, 2019**

	<b>Schedule 1</b>
<b>Schedule 1 - Cash with Fiscal Agent</b>	
* Cash with fiscal agent is allocated for the benefit of those agencies	
<b>2012 Bond proceeds - City of Brawley</b>	
Capital project funds	\$ 2,052,978
Debt service	632,511
Principal payment funds	287,809
Interest payment funds	213,890
<b>City of Brawley - Total</b>	<b>3,187,188</b>
<b>2012 Bond proceeds - City of Calexico</b>	
Capital project funds	155,817
Debt service	1,133,561
Principal payment funds	541,557
Interest payment funds	330,980
<b>2018 Bond proceeds - City of Calexico</b>	
Capital project funds	13,004,491
Principal payment funds	2,159
Interest payment funds	3,133
<b>City of Calexico - Total</b>	<b>15,171,698</b>
<b>2012 Bond proceeds - City of Calipatria</b>	
Capital project funds	4
Debt service	179,934
Principal payment funds	80,009
Interest payment funds	51,663
<b>2018 Bond proceeds - City of Calipatria</b>	
Capital project funds	1,378,859
Interest payment funds	318
<b>City of Calipatria - Total</b>	<b>1,690,787</b>
<b>2018 Bond proceeds - City of Holtville</b>	
Capital project funds	607,051
Principal payment funds	837
Interest payment funds	43,553
<b>City of Holtville - Total</b>	<b>651,441</b>
<b>2012 Bond proceeds - City of Imperial</b>	
Capital project funds	24
Debt service	478,955
Principal payment funds	216,972
Interest payment funds	159,494
<b>City of Imperial - Total</b>	<b>855,445</b>
<b>2012 Bond proceeds - County of Imperial</b>	
Capital project funds	247
Debt service	1,610,913
Principal payment funds	778,426
Interest payment funds	526,189
<b>County of Imperial - Total</b>	<b>2,915,775</b>
<b>Cash with Fiscal Agent - Grand Total</b>	<b>\$ 24,472,334</b>

**Imperial County Local Transportation Authority**  
**Supplementary Information (Continued)**  
**Schedules (Continued)**  
**June 30, 2019**

	<b>Schedules 2 - 5</b>
<b>Schedule 2 - Transit Service Project Expenses</b>	
IVT Ride Transit Services	\$ 350,000
El Centro Transfer Terminal Security	88,171
Transit Service Project Expenses - Total	<u>\$ 438,171</u>
<b>Schedule 3 - Annual Allocations to Local Member</b>	
City of Brawley	\$ 1,085,577
City of Calexico	844,878
City of Calipatria	160,381
City of El Centro	2,772,865
City of Holtville	271,908
City of Imperial	799,034
City of Westmoreland	-
County of Imperial	2,629,162
Annual allocations to local members - total	<u>\$ 8,563,805</u>
<b>Schedule 4 - Bond Principal Payments</b>	
2012 City of Brawley	\$ 345,000
2012 City of Calexico	660,000
2012 City of Calipatria	100,000
2012 City of Imperial	260,000
2012 County of Imperial	935,000
2018 City of Calexico	305,000
2018 City of Calipatria	-
2018 City of Holtville	130,000
Bond principal payments - Total	<u>\$ 2,735,000</u>
<b>Schedule 5 - Bond Interest Expenditures</b>	
2012 City of Brawley	\$ 283,225
2012 City of Calexico	470,900
2012 City of Calipatria	78,875
2012 City of Imperial	214,288
2012 County of Imperial	636,778
2018 City of Calexico	351,881
2018 City of Calipatria	35,002
2018 City of Holtville	83,815
Bond interest expenditures - Total	<u>\$ 2,154,764</u>



**Imperial County Local Transportation Authority**  
**City of Brawley**  
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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**Imperial County Local Transportation Authority**  
**City of Brawley**  
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**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**Imperial County Local Transportation Authority**  
**City of Brawley**  
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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**Imperial County Local Transportation Authority**  
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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**Imperial County Local Transportation Authority**  
**City of Brawley**  
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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**Imperial County Local Transportation Authority**  
**City of Brawley**  
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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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
Various Locations			Improvements Sidewalks, Curbs, Gutters, and

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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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

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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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



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<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
Linholt Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholt Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
	Rancho Frontera		
Frontera Drive	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	
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
	Rancho Frontera		
Vereda Drive	Avenue	Cul-de-sac East	Repair/Maintenance
	Rancho Frontera		
Porton Drive	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, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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

**Imperial County Local Transportation Authority**  
**City of Calipatria**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Alamo	Int'l Blvd.	East Av.	Maintenance/Construct
Alexandria	Int'l Blvd.	Brown Av.	Maintenance/Reconstruct
Barbara St.	Int'l Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance/Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonia St.	Int'l Blvd.	East Av.	Maintenance/Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
California St.	Int'l Blvd.	East Av.	Maintenance/Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	Int'l Av.	East Av.	Maintenance/Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance/Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance/Reconstruct
Delta St.	Int'l Blvd.	Commercial Av.	Maintenance/Reconstruct
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.	Int'l Blvd.	SR111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance/Reconstruct
Fern st.	Int'l Blvd.	SR111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance/Construct
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 ½)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR111	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, 2019**  
**(Unaudited)**

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**Project**

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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, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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 StreetFig	Maintenance & Restorative Seal
Tenth Street	Orange 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 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
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

**Imperial County Local Transportation Authority**  
**City of Holtville**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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	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 Bridge			Develop Erosion Control
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, 2019**

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<b>PROJECT NAME</b>	<b>PROJECT</b>
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

**Imperial County Local Transportation Authority**  
**City of Westmorland**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Center Street	Baughman Rd.	8 <sup>th</sup> Street	Rehab/Maintenance
Bee Street	3 <sup>rd</sup> Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
C Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
D Street	1 <sup>st</sup> Street	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
F Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
G Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
H Street	1 <sup>st</sup> Street	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
I St	7 <sup>th</sup> Street	8 <sup>th</sup> Street	Construct/Repair/Maintenance
J Street	7 <sup>th</sup> Street	8 <sup>th</sup> Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 <sup>st</sup> Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 <sup>nd</sup> Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 <sup>rd</sup> Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 <sup>th</sup> Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 <sup>th</sup> Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 <sup>th</sup> Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 <sup>th</sup> Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 <sup>th</sup> 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 <sup>st</sup> Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 <sup>th</sup> 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, 2019**

<b>ROAD</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
Cadv Road	Loveland Road	Forrester Road	Overlay
Casev 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)	Lverlv 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	Carev Road	Reconstruct
Haskell Road	El Centro Avenue	Havens Road	Reconstruct
Hoskins Road (WO)	Andre Road	Westside Main Canal	Overlay/Reconstruct
Kaiser Road (EO)	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, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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)	Humbert 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
Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
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
Schartz Road (40)	SR111	Best Road (EC)	Overlay
Seybert Road (EI)	Dogwood Road	SR111	Overlay/Reconstruct
Silsbee Road (WM)	SR78	Sillman Road (45)	Overlay
Slaton Road	Aten Road (24)	Hackelman Road (22)	Reconstruct
Snyder Road (EW)	9th Street	Thiesen Road (22)	Overlay
Spa Road (9D08)	SR1115	Norrish Road (25)	Overlay
Underwood Road (7G01)	Hot Mineral Spa Road	Coachella Canal Road (7G03)	Overlay
Various Bridges in Imperial	Holtville City Limits	Towland Road (ET)	Overlay
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Maintenance/Miscellaneous
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 Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of Brawley**  
**Measure D Sales Tax Fund**  
**For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

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

### **Report on the Financial Statements**

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, 2019, and the related notes to the 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 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 statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditors' 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 for the year ended June 30, 2019, 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 of the City of Brawley and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2019, 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 17 through 25 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

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**Revenues:**

Sales tax	\$ 1,085,577
Interest	<u>127,791</u>
<b>Total revenues</b>	<u><u>1,213,368</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>672,923</u>
<b>Total expenditures</b>	<u><u>672,923</u></u>

<b>Change in Fund Balance</b>	<u><u>\$ 540,445</u></u>
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## **NOTES TO THE FINANCIAL STATEMENTS**

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**City of Brawley**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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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.

***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 an established 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, 2019, 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.

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

***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 change 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).

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 allocated	\$ 1,725,711
Demand deposits	<u>(640,134)</u>
<b>Net allocable sales tax</b>	<b><u>\$ 1,085,577</u></b>

**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.

**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**

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2019-001. Our opinion on the City’s compliance is not modified with respect to this matter.

### **The City’s Responses to Findings**

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 entity’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.

San Diego, California  
February 27, 2020

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

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**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001**

**Criteria:**

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

**Condition:**

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2019.

**Effect:**

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

**Cause:**

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

**Recommendation:**

The City should implement a process in which council formally approves the list of projects on an annual basis.

**View of Responsible Officials:**

The City has immediately implemented procedures for the preparation and Council approval of the list of projects on an annual basis.

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of Brawley**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalent	\$ 3,964,942
Interest receivable	<u>12,659</u>
<b>Total assets</b>	<u><u>\$ 3,977,601</u></u>

**Liabilities and Fund Balance:**

**Liabilities:**

Accounts payable	<u>\$ 18,490</u>
<b>Total liabilities</b>	<u>18,490</u>

**Fund Balance:**

Restricted for:	
Road repairs and maintenance	<u>3,959,111</u>
<b>Total fund balance</b>	<u>3,959,111</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 3,977,601</u></u>

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balances**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

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**Revenues:**

Sales tax	\$ 1,085,577
Interest	<u>127,791</u>
<b>Total revenues</b>	<u><u>1,213,368</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>672,923</u>
<b>Total expenditures</b>	<u><u>672,923</u></u>

<b>Change in Fund Balance</b>	540,445
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**Fund Balance:**

Beginning of year	<u>3,418,666</u>
End of year	<u><u>\$ 3,959,111</u></u>

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 850,000	\$ 1,085,577	\$ 235,577
Interest	25,000	127,791	102,791
<b>Total revenues</b>	<u>875,000</u>	<u>1,213,368</u>	<u>338,368</u>
<b>Expenditures:</b>			
Current:			
Roads repairs and maintenance	743,665	672,923	70,742
<b>Total expenditures</b>	<u>743,665</u>	<u>672,923</u>	<u>70,742</u>
<b>Revenues Over (Under) Expenditures</b>	<u>131,335</u>	<u>540,445</u>	<u>409,110</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out to City	(200,000)	-	200,000
<b>Total other financing sources (uses)</b>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
<b>Change in Fund Balance</b>	<u><u>\$ (68,665)</u></u>	540,445	<u><u>\$ 609,110</u></u>
<b>Fund Balance:</b>			
Beginning of year		3,418,666	
End of year		<u><u>\$ 3,959,111</u></u>	

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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

**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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



**City of Brawley**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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
Various Locations			Improvements Sidewalks, Curbs, Gutters and Maintenance

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# **City of Calexico Measure D Sales Tax Fund**

Calexico, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*



**City of Calexico  
Measure D Sales Tax Fund  
For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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.

#### ***Auditors' 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, 2019, 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, 2019, 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 19 through 25 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

---

**Revenues:**

Sales tax	\$ 694,878
Investment earnings	<u>196,978</u>
<b>Total revenues</b>	<u>891,856</u>

**Expenditures:**

Capital outlay	<u>3,288,103</u>
<b>Total expenditures</b>	<u>3,288,103</u>

<b>Change in Fund Balance</b>	<u><u>\$ (2,396,247)</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of Calexico**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1- 2008.

**City of Calexico**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

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

***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, 2019, 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 change 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).

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 allocated	\$ 2,498,561
Withheld for debt service	<u>(1,803,683)</u>
<b>Net allocable sales tax</b>	<b><u><u>\$ 694,878</u></u></b>

**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.

## **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 Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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. We consider the deficiencies described in the accompanying Schedule of Findings to be a significant deficiency. 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2019-001. Our opinion on the City’s compliance is not modified with respect to this matter.

### **The City’s Responses to Findings**

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 entity’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.

San Diego, California  
February 27, 2020

**City of Calexico**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

---

**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001**

**Criteria:**

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 6 of the Ordinance states, “Any Local Agency which does not certify that it will meet its entire Maintenance of Effort requirement in any given year shall have its funding under Section 4 reduced that year by the amount by which the agency will not meet its level of Maintenance of Effort requirement.

**Condition:**

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City was not in compliance with Section 6 of the Ordinance as the City did not certify that it would meet its Maintenance of Effort requirement.

**Effect:**

The Maintenance of Effort for the year ended June 30, 2019 was not certified and therefore, the City is at risk of having its funding under Section 4 reduced by the amount it did not meet its level of Maintenance of Effort.

**Cause:**

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the Maintenance of Effort was certified and submitted to the Imperial County Local Transportation Authority for the year ended June 30, 2019.

**Recommendation:**

The City should implement a process in which they annually certify the Maintenance of Effort in order to make sure they are in compliance with the requirements of Section 6 of the Ordinance.

**View of Responsible Officials:**

The City will implement a process for annual Maintenance of Effort certification.

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of Calexico**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalents	\$ 8,761,745
<b>Total assets</b>	<u><u>\$ 8,761,745</u></u>

**Liabilities and Fund Balance:**

**Liabilities:**

Accounts payable	\$ 93,122
Retentions payable	<u>151,551</u>
<b>Total liabilities</b>	<u>244,673</u>

**Fund Balance:**

Restricted for:	
Capital outlay	<u>8,517,072</u>
<b>Total fund balance</b>	<u>8,517,072</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 8,761,745</u></u>

**City of Calexico**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

**Revenues:**

Sales tax	\$ 694,878
Investment earnings	<u>196,978</u>
<b>Total revenues</b>	<u><u>891,856</u></u>

**Expenditures:**

Capital outlay	<u>3,288,103</u>
<b>Total expenditures</b>	<u><u>3,288,103</u></u>

<b>Change in Fund Balance</b>	(2,396,247)
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**Fund Balance:**

Beginning of year	<u>10,913,319</u>
End of year	<u><u>\$ 8,517,072</u></u>

**City of Calexico**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

	<u>Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>			
Sales tax	\$ 1,200,000	\$ 694,878	\$ (505,122)
Investment earnings	10,000	196,978	186,978
<b>Total revenues</b>	<u>1,210,000</u>	<u>891,856</u>	<u>(318,144)</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital projects	<u>8,323,240</u>	<u>3,288,103</u>	<u>(5,035,137)</u>
<b>Total expenditures</b>	<u>8,323,240</u>	<u>3,288,103</u>	<u>(5,035,137)</u>
<b>Change in Fund Balance</b>	<u>\$ (7,113,240)</u>	<u>(2,396,247)</u>	<u>\$ 4,716,993</u>
<b>Fund Balance:</b>			
Beginning of year		<u>10,913,319</u>	
End of year		<u>\$ 8,517,072</u>	

**City of Calexico**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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 (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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 (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
Linholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	Linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Third Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Fourth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
	Rancho Frontera		
Frontera Drive	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	
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
	Rancho Frontera		
Vereda Drive	Avenue	Cul-de-sac East	Repair/Maintenance
	Rancho Frontera		
Porton Drive	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 (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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 Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of Calipatria  
Measure D Sales Tax Fund  
For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, 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.

#### ***Auditors' 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 Calipatria for the year ended June 30, 2019, 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 Calipatria, California, as of June 30, 2019, 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 17 through 20 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

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**Revenues:**

Sales tax	\$ 160,381
Interest revenue	<u>39,216</u>
<b>Total revenues</b>	<u>199,597</u>

**Expenditures:**

Capital outlay:	
Street Maintenance Construction Project	<u>259,663</u>
<b>Total expenditures</b>	<u>259,663</u>

<b>Change in Fund Balance</b>	<u><u>\$ (60,066)</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

***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, 2019, 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 change 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).

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.

***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 allocated	\$ 375,883
Withheld for debt service	(215,501)
<b>Net allocable sales tax</b>	<b><u>\$ 160,381</u></b>

**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.

## **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 Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors  
of the Imperial County Local Transportation Authority  
El Centro, California  
Page 2

**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 entity'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.

San Diego, California  
February 27, 2020

**OTHER INFORMATION**  
**(Unaudited)**

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**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalents	\$ 1,742,452
<b>Total assets</b>	<b>\$ 1,742,452</b>

**Fund Balance:**

Restricted	
Road repairs and maintenance	\$ 1,742,452
<b>Total fund balance</b>	<b>\$ 1,742,452</b>

**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

**Revenues:**

Sales tax	\$ 160,381
Interest revenue	<u>39,216</u>
<b>Total revenues</b>	<u><u>199,597</u></u>

**Expenditures:**

Capital outlay:	
Capital projects	<u>259,663</u>
<b>Total expenditures</b>	<u><u>259,663</u></u>

<b>Change in Fund Balance</b>	(60,066)
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**Fund Balance:**

Beginning of year	<u>1,802,518</u>
End of year	<u><u>\$ 1,742,452</u></u>

**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 80,250	\$ 160,381	\$ 80,131
Interest revenue	29,588	39,216	9,628
<b>Total revenues</b>	<u>109,838</u>	<u>199,597</u>	<u>89,759</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital projects	1,560,238	259,663	1,300,575
<b>Total expenditures</b>	<u>1,560,238</u>	<u>259,663</u>	<u>1,300,575</u>
<b>Revenues Over (Under) Expenditures</b>	(1,450,400)	(60,066)	1,390,334
<b>Other Financing Sources (Uses):</b>			
Bond proceeds	1,560,238	-	(1,560,238)
<b>Total Other Financing Sources (Uses)</b>	<u>1,560,238</u>	<u>-</u>	<u>(1,560,238)</u>
<b>Change in Fund Balance</b>	<u>\$ 109,838</u>	<u>(60,066)</u>	<u>\$ (2,771,054)</u>
<b>Fund Balance:</b>			
Beginning of year		1,802,518	
End of year		<u>\$ 1,742,452</u>	

**City of Calipatria**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Alamo	Int'l Blvd.	East Av.	Maintenance/Construct
Alexandria	Int'l Blvd.	Brown Av.	Maintenance/Reconstruct
Barbara St.	Int'l Blvd.	Commercial Av.	Maintenance
Blair Road*	Sinclair Rd.	Peterson Rd.	Maintenance/Reconstruct
Bonita Place	Brown Av.	East Av.	Reconstruct
Bonia St.	Int'l Blvd.	East Av.	Maintenance/Construct
Brown Av.	Young Rd.	Bowles Rd.	Maintenance/Reconstruct
California St.	Int'l Blvd.	East Av.	Maintenance/Reconstruct
Centro Av.	Alexandria St.	Alamo St.	Reconstruct
Church St.	Int'l Av.	East Av.	Maintenance/Reconstruct
Commercial Av.	Freeman St.	Church St.	Maintenance/Reconstruct
Date St.	W. Terminus	Railroad Av.	Maintenance/Reconstruct
Delta St.	Int'l Blvd.	Commercial Av.	Maintenance/Reconstruct
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.	Int'l Blvd.	SR111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance/Reconstruct
Fern St.	Int'l Blvd.	SR111	Maintenance
Freeman St.	Brown Av.	East Av.	Maintenance/Construct
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 ½)**	Bowles Rd.	Young Rd.	Maintenance
Main St.	Lyerly Rd.	SR111	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

# **City of El Centro Measure D Sales Tax Fund**

El Centro, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of El Centro  
Measure D Sales Tax Fund  
For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, 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.

#### ***Auditors' 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, 2019, 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, 2019, 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 21 through 24 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

---

**Revenues:**

Sales tax	\$ 2,975,294
Interest revenue	55,222
Other income	<u>55,743</u>
<b>Total revenues</b>	<u><u>3,086,259</u></u>

**Expenditures:**

Capital outlay	<u>1,894,310</u>
<b>Total expenditures</b>	<u><u>1,894,310</u></u>

**Revenues Over (Under) Expenditures**

1,191,949

**Other Financing Sources (Uses):**

Transfers out to City	<u>(1,351,558)</u>
<b>Total other financing sources (uses)</b>	<u><u>(1,351,558)</u></u>

**Change in Fund Balance**

\$ (159,609)

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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of El Centro**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

**City of El Centro**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

***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, 2019, 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 change 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).

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 allocated	\$ 2,975,294
Withheld for debt service	<u>-</u>
<b>Net allocable sales tax</b>	<b><u><u>\$ 2,975,294</u></u></b>

**City of El Centro**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**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 \$1,351,558. The transfer out reflects interest and debt service payment on a transportation bond that El Centro 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 Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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. We consider the deficiency described in the accompanying Schedule of Findings to be a significant deficiency. 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and is included on the Schedule of Findings as item 2019-001. Our opinion on the City’s compliance is not modified with respect to this matter.

### **The City’s Responses to Findings**

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 entity’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.

San Diego, California  
February 27, 2020

**City of El Centro**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

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**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001**

**Criteria:**

Management is responsible for compliance with requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan No. 1-2008 (“Ordinance”). Section 5A of the Ordinance states, “Each Local Agency shall annually then develop a five-year list of projects to be funded with revenues made available under Section 4. Each Local Agency shall annually notify the Authority of its policy body’s official action approving its five-year list of projects.”

**Condition:**

During the performance of the compliance audit for the year ended June 30, 2019, we noted:

- The City Council did not formally approve the five-year plan of approved projects for the year ended June 30, 2019.

**Effect:**

The City was not in compliance with Section 5 of Ordinance No. 1-2008.

**Cause:**

The City did not have internal controls over compliance with the Ordinance in place in order to ensure that the five-year list of projects was formally approved by Council and submitted to the Imperial County Local Transportation Authority.

**Recommendation:**

The City should implement a process in which Council formally approves the list of projects on an annual basis.

**View of Responsible Officials:**

The five-year plan will be taken to the City Council for approval.

**B. Prior Year Findings**

No findings were note for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of El Centro**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

---

**Assets:**

Cash and cash equivalents	\$ 4,092,796
Interest receivable	24,028
Other receivables	<u>277,475</u>
<b>Total assets</b>	<u><u>\$ 4,394,299</u></u>

**Liabilities and Fund Balance:**

**Liabilities:**

Accounts payable	<u>\$ 19,032</u>
<b>Total liabilities</b>	<u>19,032</u>

**Fund Balance:**

Restricted	<u>4,375,267</u>
<b>Total fund balance</b>	<u>4,375,267</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 4,394,299</u></u>

**City of El Centro**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

**Revenues:**

Interest earnings	\$ 55,222
Other income	55,743
Sales tax	<u>2,975,294</u>
<b>Total revenues</b>	<u><u>3,086,259</u></u>

**Expenditures:**

Capital outlay	<u>1,894,310</u>
<b>Total expenditures</b>	<u><u>1,894,310</u></u>

<b>Revenues Over (Under) Expenditures</b>	<u><u>1,191,949</u></u>
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**Other Financing Sources (Uses):**

Transfers out to City	<u>(1,351,558)</u>
<b>Total other financing sources (uses)</b>	<u><u>(1,351,558)</u></u>

<b>Change in Fund Balance</b>	(159,609)
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**Fund Balance:**

Beginning of year	<u>4,534,876</u>
End of year	<u><u>\$ 4,375,267</u></u>



**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, 2019**  
**(Unaudited)**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 2,750,000	\$ 2,975,294	\$ 225,294
Interest earnings	30,000	55,222	25,222
Other income	-	55,743	55,743
<b>Total revenues</b>	<u>2,780,000</u>	<u>3,086,259</u>	<u>306,259</u>
<b>Expenditures:</b>			
Capital outlay:			
Capital projects	2,770,414	1,894,310	876,104
<b>Total expenditures</b>	<u>2,770,414</u>	<u>1,894,310</u>	<u>876,104</u>
<b>Revenues Over (Under) Expenditures</b>	9,586	1,191,949	1,182,363
<b>Other Financing Sources (Uses):</b>			
Transfers out to City	<u>(1,351,558)</u>	<u>(1,351,558)</u>	-
<b>Total other financing sources (uses)</b>	<u>(1,351,558)</u>	<u>(1,351,558)</u>	-
<b>Change in Fund Balance</b>	<u>\$ (1,341,972)</u>	(159,609)	<u>\$ 1,182,363</u>
<b>Fund Balance:</b>			
Beginning of year		<u>4,534,876</u>	
End of year		<u>\$ 4,375,267</u>	

**City of El Centro**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

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**Project**

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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 Synchron Mall Area  
CMAQ Signal Light Synchron Mall Area  
Bond Financing

# **City of Holtville Measure D Sales Tax Fund**

Holtville, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of Holtville**  
**Measure D Sales Tax Fund**  
**For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, 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 is free from material misstatement, whether due to fraud or error.

#### ***Auditors' 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, 2019, 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, 2019, 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 21 through 25 is presented for purposes of additional analysis and is not a required part of the financial statement. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statement 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

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**Revenues:**

Sales tax	\$ 311,211
Interest	<u>9,935</u>
<b>Total revenues</b>	<u><u>321,146</u></u>

**Other Financing Sources (Uses):**

Transfer out to City	<u>(100,077)</u>
<b>Total other financing sources (uses)</b>	<u><u>(100,077)</u></u>

<b>Change in Fund Balance</b>	<u><u>\$ 221,069</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of Holtville**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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

***Reporting Entity***

*Imperial County Local Transportation Authority*

The Imperial County Local Transportation Authority “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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1, 2008.

**City of Holtville**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

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

***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, 2019, 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 change 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).

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 allocated	\$	395,025
Withheld for debt service		(83,814)
<b>Net allocable sales tax</b>	<b>\$</b>	<b>311,211</b>

**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.

**City of Holtville**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 4 – Transfers Out to City**

The City recorded a transfer out of \$100,077 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 COMPLIANCE REQUIREMENTS***

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine 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. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness (item 2019-001).

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance which is required to be reported under *Government Auditing Standards*.

### **The City’s Responses to Findings**

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 entity’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.

San Diego, California  
February 27, 2020



**City of Holtville**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

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**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001 Restatement of Beginning Balance**

**Criteria:**

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

**Condition:**

During the audit, we noted nine invoices in the amount of \$63,491 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

**Cause:**

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

**Effect:**

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$63,491.

**Recommendation:**

The City should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

**View of Responsible Officials:**

The City agrees with the finding and will work to implement the recommendation.

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of Holtville**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalent	\$ 1,302,552
<b>Total assets</b>	<u><u>\$ 1,302,552</u></u>

**Fund Balance:**

Restricted for:	
Road repairs and maintenance	\$ 1,302,552
<b>Total fund balance</b>	<u><u>\$ 1,302,552</u></u>

**City of Holtville**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

**Revenues:**

Sales tax	\$ 311,211
Interest	<u>9,935</u>
<b>Total revenues</b>	<u><u>321,146</u></u>

**Other Financing Sources (Uses):**

Transfer out to City	<u>(100,077)</u>
<b>Total other financing sources (uses)</b>	<u><u>(100,077)</u></u>

**Change in Fund Balance**

221,069

**Fund Balance:**

Beginning of year, as restated (Note 5)	<u>1,081,483</u>
End of year	<u><u>\$ 1,302,552</u></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, 2019**  
**(Unaudited)**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 485,000	\$ 311,211	\$ (173,789)
Interest	1,000	9,935	8,935
<b>Total revenues</b>	<u>486,000</u>	<u>321,146</u>	<u>(164,854)</u>
<b>Other Financing Sources (Uses):</b>			
Transfer out to City	(100,000)	(100,077)	(77)
<b>Total other financing sources (uses)</b>	<u>(100,000)</u>	<u>(100,077)</u>	<u>(77)</u>
<b>Change in Fund Balance</b>	<u>\$ 386,000</u>	221,069	<u>\$ (164,931)</u>
<b>Fund Balance:</b>			
Beginning of year, as restated (Note 5)		1,081,483	
End of year		<u>\$ 1,302,552</u>	

**City of Holtville**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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
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 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
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



**City of Holtville**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
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	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 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 Holtville**  
**Measure D Sales Tax Fund**  
**Notes to Other Information**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Prior Period Adjustment**

The City recorded a prior period adjustment of \$63,491 in order to remove expenditures that were for goods or services relating to fiscal year 2018 but were recorded during the year ended June 30, 2019. The prior period adjustment is as follows:

Fund balance as previously reported	\$ 1,144,974
Adjustment	<u>(63,491)</u>
Adjusted beginning fund balance	<u><u>\$ 1,081,483</u></u>

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# **City of Imperial Measure D Sales Tax Fund**

Imperial, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of Imperial**  
**Measure D Sales Tax Fund**  
**For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, 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.

#### ***Auditors' 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, 2019, 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 of the City of Imperial and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2019, 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 21 through 24 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

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**Revenues:**

Sales tax	\$ 799,034
Interest	18,592
Other	<u>1,309,367</u>
<b>Total revenues</b>	<u><u>2,126,993</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>507,839</u>
<b>Total expenditures</b>	<u><u>507,839</u></u>

<b>Revenues Over (Under) Expenditures</b>	<u><u>1,619,154</u></u>
---	-------------------------

**Other Financing Sources (Uses):**

Transfer out to City for Measure D projects	<u>(231,925)</u>
<b>Total Other Financing Sources (Uses)</b>	<u><u>(231,925)</u></u>

<b>Change in Fund Balance</b>	<u><u>\$ 1,387,229</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

---

**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 Imperial
- 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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

***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, 2019, 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 change 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).

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 allocated	\$ 1,283,934
Withheld for debt service	(484,900)
<b>Net allocable sales tax</b>	<b><u>\$ 799,034</u></b>

**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.

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

**Note 4 – Transfers Out to City**

The City recorded a transfer out of \$231,925 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 STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND  
MEASURE D COMPLIANCE REQUIREMENTS**

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness (item 2019-001).

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance which is required to be reported under *Government Auditing Standards*.

## **The City’s Responses to Findings**

The City’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The City’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 entity’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.

San Diego, California  
February 27, 2020

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

---

**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001 Restatement of Beginning Balance**

**Criteria:**

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

**Condition:**

During the audit, we noted two invoices (16246-3con for \$476,435 and 16245-3AQ for \$52,546) in the combined amount of \$528,981 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

**Cause:**

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

**Effect:**

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$528,981.

**Recommendation:**

The City should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

**View of Responsible Officials:**

The City will ensure to review and record financial transactions accordingly.

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalent	\$ 4,336,980
Accounts Receivable	27,710
Interest receivable	<u>5,318</u>
<b>Total assets</b>	<u><u>\$ 4,370,008</u></u>

**Liabilities and Fund Balance:**

**Liabilities:**

Accounts payable	\$ 29,231
<b>Total liabilities</b>	<u>29,231</u>

**Fund Balance:**

Restricted	
Road repairs and maintenance	<u>4,340,777</u>
<b>Total fund balance</b>	<u>4,340,777</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 4,370,008</u></u>

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balances**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

**Revenues:**

Sales tax	\$ 799,034
Interest	18,592
Other	<u>1,309,367</u>
<b>Total revenues</b>	<u><u>2,126,993</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>507,839</u>
<b>Total expenditures</b>	<u><u>507,839</u></u>

<b>Revenues Over (Under) Expenditures</b>	<u><u>1,619,154</u></u>
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**Other Financing Sources (Uses):**

Transfer out to City for Measure D projects	<u>(231,925)</u>
<b>Total Other Financing Sources (Uses)</b>	<u><u>(231,925)</u></u>

<b>Change in Fund Balance</b>	1,387,229
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**Fund Balance:**

Beginning of year, as restated (Note 6)	<u>2,953,548</u>
End of year	<u><u>\$ 4,340,777</u></u>



**City of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 650,000	\$ 799,034	\$ 149,034
Interest	5,000	18,592	13,592
Other	-	1,309,367	1,309,367
<b>Total revenues</b>	<u>655,000</u>	<u>2,126,993</u>	<u>1,471,993</u>
<b>Expenditures:</b>			
Current:			
Roads repairs and maintenance	2,265,000	507,839	1,757,161
<b>Total expenditures</b>	<u>2,265,000</u>	<u>507,839</u>	<u>1,757,161</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(1,610,000)</u>	<u>1,619,154</u>	<u>3,229,154</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out to City	(236,929)	(231,925)	5,004
<b>Total other financing sources (uses)</b>	<u>(236,929)</u>	<u>(231,925)</u>	<u>5,004</u>
<b>Change in Fund Balance</b>	<u>\$ (1,846,929)</u>	<u>1,387,229</u>	<u>\$ 3,234,158</u>
<b>Fund Balance:</b>			
Beginning of year, as restated (Note 6)		<u>2,953,548</u>	
End of year		<u>\$ 4,340,777</u>	

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

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<b>STREET</b>	<b>LOCATION</b>	<b>PROJECT DESCRIPTION</b>
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

**City of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to Other Information**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Bond Proceeds**

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 City of Imperial, Calexico, Calipatria, and Imperial. The bond proceeds are held by the Authority until a reimbursement is requested by the City. During the year ended June 30, 2019, the City received \$0 in bond proceeds. The amount of bonds outstanding at June 30, 2019 is \$39,470,000, of which, \$4,515,000 is attributable to the City.

**Note 2 – Prior Period Adjustment**

The City recorded a prior period adjustment of \$528,981 in order to remove expenditures for goods or services that were provided to the City in fiscal year 2018 but were recorded during the year ended June 30, 2019. The prior period adjustment is as follows:

Fund balance as previously reported	\$ 3,482,529
Adjustment	<u>(528,981)</u>
Adjusted beginning fund balance	<u><u>\$ 2,953,548</u></u>

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# **City of Westmorland Measure D Sales Tax Fund**

Westmorland, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*





**City of Westmorland  
Measure D Sales Tax Fund  
For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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.

#### ***Auditors' 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 the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 for the year ended June 30, 2019, 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, 2019, 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 21 through 24 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

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**Revenues:**

Sales tax	\$ 22,391
Interest	<u>103</u>
<b>Total revenues</b>	<u><u>22,494</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>303,512</u>
<b>Total expenditures</b>	<u><u>303,512</u></u>

<b>Change in Fund Balance</b>	<u><u>\$ (281,018)</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement**  
**For the Fiscal Year Ended June 30, 2019**

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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.

***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 an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statement (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

---

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

***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, 2019, 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 change 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).

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 allocated	\$ 22,391
Withheld for debt service	-
<b>Net allocable sales tax</b>	<b>\$ 22,391</b>

**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.

## **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 COMPLIANCE REQUIREMENTS***

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine 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. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness (item 2019-001).

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.

To the Board of Directors  
of the Imperial County Local Transportation Authority  
El Centro, California  
Page 2

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **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 entity’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.

San Diego, California  
February 27, 2020



**City of Westmorland  
Measure D Sales Tax Fund  
Schedule of Findings  
June 30, 2019**

---

**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001 Restatement of Beginning Balance**

**Criteria:**

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

**Condition:**

During the audit, we noted amounts due from other funds in the amount of \$908,930 as of July 1, 2018 were not recorded. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the amount due from other City funds.

**Cause:**

The City did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

**Effect:**

The City's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was understated by \$908,930.

**Recommendation:**

The City should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

**View of Responsible Officials:**

Pending

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

---

**Assets:**

Cash and cash equivalents	\$ 372,268
Due from other funds	<u>807,807</u>
<b>Total assets</b>	<u><u>\$ 1,180,075</u></u>

**Liabilities and Fund Balance:**

**Fund Balance:**

Restricted for:	
Road repairs and maintenance	<u>1,180,075</u>
<b>Total fund balance</b>	<u>1,180,075</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 1,180,075</u></u>

**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

**Revenues:**

Sales tax	\$ 22,391
Interest	<u>103</u>
<b>Total revenues</b>	<u>22,494</u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>303,512</u>
<b>Total expenditures</b>	<u>303,512</u>

<b>Change in Fund Balance</b>	(281,018)
-------------------------------	-----------

**Fund Balance:**

Beginning of year, as restated (Note 4)	<u>1,461,093</u>
End of year	<u>\$ 1,180,075</u>

**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

	Budget	Actual	Variance with Final Budget
<b>Revenues:</b>			
Sales tax	\$ 266,557	\$ 22,391	\$ (244,166)
Interest	96	103	7
<b>Total revenues</b>	<u>266,653</u>	<u>22,494</u>	<u>(244,159)</u>
<b>Expenditures:</b>			
Current:			
Road repairs and maintenance	66,353	303,512	(237,159)
Transfers out to City	143,727	-	143,727
<b>Total expenditures</b>	<u>210,080</u>	<u>303,512</u>	<u>(93,432)</u>
<b>Change in Fund Balance</b>	<u>\$ 122,926</u>	(281,018)	<u>\$ 403,944</u>
<b>Fund Balance:</b>			
Beginning of year, as restated (Note 4)		1,461,093	
End of year		<u>\$ 1,180,075</u>	

**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Center Street	Baughman Rd.	8 <sup>th</sup> Street	Rehab/Maintenance
Bee Street	3 <sup>rd</sup> Street	Hwy 86	Rehab/Maintenance
B Street	Hwy 86	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
C Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
D Street	1 <sup>st</sup> Street	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
F Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
G Street	1 <sup>st</sup> Street	7 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
H Street	1 <sup>st</sup> Street	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
I St	7 <sup>th</sup> Street	8 <sup>th</sup> Street	Construct/Repair/Maintenance
J Street	7 <sup>th</sup> Street	8 <sup>th</sup> Street	Construct/Repair/Maintenance
Martin Road	South City limits	8 <sup>th</sup> Street	Construct/Rehab/Repair/Maintenance
Martin/SR86	Intersection		Signalize/Intersection Improvements
Baughman Road	Center Street	West City Lim.	Repair/Maintenance
1 <sup>st</sup> Street	B Street	H Street	Construct/Rehab/Repair/Maintenance
2 <sup>nd</sup> Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
3 <sup>rd</sup> Street	C Street	G Street	Construct/Rehab/Repair/Maintenance
5 <sup>th</sup> Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
6 <sup>th</sup> Street	B Street	West of H St.	Construct/Rehab/Repair/Maintenance
7 <sup>th</sup> Street	Dean Road	Martin Road	Construct/Rehab/Repair/Maintenance
8 <sup>th</sup> Street	East of D St	Center St	Construct/Rehab/Repair/Maintenance
8 <sup>th</sup> 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 <sup>st</sup> Street	Construct/Rehab/Repair/Maintenance
Dean Road	7 <sup>th</sup> Street	Howenstein Rd.	Construct
Howenstein Road	Dean Road	C Street	Construct
Howenstein Road	Martin Road	I Street	Construct



**City of Westmorland  
Measure D Sales Tax Fund  
Notes to Other Information  
For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Prior Period Adjustment**

The City recorded a prior period adjustment of \$908,930 in order to record amounts due from other funds as of July 1, 2018. The prior period adjustment is as follows:

Fund balance as previously reported	\$	552,163
Adjustment		908,930
Adjusted beginning fund balance	\$	<u>1,461,093</u>

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# **County of Imperial Measure D Sales Tax Fund**

Imperial, California

## **Financial Statement and Other Information with Independent Auditors' Reports**

*For the Year Ended June 30, 2019*





**County of Imperial**  
**Measure D Sales Tax Fund**  
**For the Year Ended June 30, 2019**

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
of the 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, 2019, 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.

#### ***Auditors' 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 for the year ended June 30, 2019, 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, 2019, 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 21 through 25 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 27, 2020, 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.

San Diego, California  
February 27, 2020

## **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, 2019**

---

**Revenues:**

Sales tax	\$ 2,629,162
Interest	<u>107,234</u>
<b>Total revenues</b>	<u><u>2,736,396</u></u>

**Expenditures:**

Current:	
Road repairs and maintenance	<u>42,123</u>
<b>Total expenditures</b>	<u><u>42,123</u></u>

<b>Revenues Over (Under) Expenditures</b>	<u><u>2,694,273</u></u>
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**Other Financing Sources (Uses):**

Transfer out to County	<u>(19,920)</u>
<b>Total Other Financing Sources (Uses)</b>	<u><u>(19,920)</u></u>

<b>Change in Fund Balance</b>	<u><u>\$ 2,674,353</u></u>
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## **NOTES TO THE FINANCIAL STATEMENT**

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**County of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

---

**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) County of Imperial
- 2) City of Calexico
- 3) City of Calipatria
- 4) City of Imperial
- 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.

***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 has an established special revenue fund to account for revenues and expenditures related to Ordinance No. 1-2008.

**County of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

***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, 2019, 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 change 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).

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 allocated	\$ 3,635,571
Withheld for debt service	<u>(1,006,409)</u>
<b>Net allocable sales tax</b>	<b><u><u>\$ 2,629,162</u></u></b>

**County of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to the Financial Statements (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**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 County**

The County recorded a transfer out to the County of \$19,920. The transfer out reflects 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 STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND  
MEASURE D COMPLIANCE REQUIREMENTS**

**Independent Auditors' Report**

To the Board of Directors  
of the 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, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 27, 2020. 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, 2019.

**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) to determine 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. We consider the deficiency described in the accompanying Schedule of Findings to be a material weakness (item 2019-001).

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 of Imperial 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **The County’s Responses to Findings**

The County’s responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The County’s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

## **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 entity’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.

San Diego, California  
February 27, 2020



**County of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Findings**  
**For the Fiscal Year Ended June 30, 2019**

---

**Section I – Compliance Findings**

**A. Current Year Findings**

**Finding 2019-001 Restatement of Beginning Balance**

**Criteria:**

Effective internal control over financial reporting provides reasonable assurance for the completeness and accuracy of accounting records and proper year-end closing.

**Condition:**

During the audit, we noted five invoices (22054-0 for \$2,884, 22249-0 for \$4,251, 18-06-040 for \$3,417, 32936-00101 for \$3,043, and 32936-00104 for \$1,488) in the total amount of \$15,083 for goods or services that were provided in a prior period that were recorded during the year ended June 30, 2019. A prior period adjustment was recorded to the Measure D Sales Tax Fund in order to record the invoices in the proper period.

**Cause:**

The County did not properly follow its policies and procedures for evaluating, reviewing, and properly recording financial transactions in the prior year.

**Effect:**

The County's Measure D Sales Tax Fund's Schedule of Revenues, Expenditures, and Change in Fund Balance's beginning net position was overstated by \$15,083.

**Recommendation:**

The County should enhance its review processes over year-end closing to ensure in order to facilitate the accurate and complete year-end closing of the general ledger and the preparation of its basic financial statements.

**View of Responsible Officials:**

Pending.

**B. Prior Year Findings**

No findings were noted for the year ended June 30, 2018.

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**OTHER INFORMATION**  
**(Unaudited)**

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**County of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Assets, Liabilities, and Fund Balance**  
**June 30, 2019**  
**(Unaudited)**

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**Assets:**

Cash and cash equivalents	\$ 9,142,305
Interest receivable	<u>42,476</u>
<b>Total assets</b>	<u><u>\$ 9,184,781</u></u>

**Liabilities and Fund Balance:**

**Liabilities:**

Accounts payable	\$ 421
<b>Total liabilities</b>	<u>421</u>

**Fund Balance:**

Restricted for:	
Road repairs and maintenance	<u>9,184,360</u>
<b>Total fund balance</b>	<u>9,184,360</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 9,184,781</u></u>

**County of Imperial**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures, and Change in Fund Balances**  
**For the Year Ended June 30, 2019**  
**(Unaudited)**

---

<b>Revenues:</b>	
Sales tax	\$ 2,629,162
Interest	<u>107,234</u>
<b>Total revenues</b>	<u>2,736,396</u>
<b>Expenditures:</b>	
Current:	
Road repairs and maintenance	<u>42,123</u>
<b>Total expenditures</b>	<u>42,123</u>
<b>Revenues Over (Under) Expenditures</b>	<u>2,694,273</u>
<b>Other Financing Sources (Uses):</b>	
Transfer out to County	<u>(19,920)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(19,920)</u>
<b>Change in Fund Balance</b>	2,674,353
<b>Fund Balance:</b>	
Beginning of year, as restated (Note 5)	<u>6,510,007</u>
End of year	<u><u>\$ 9,184,360</u></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, 2019**  
**(Unaudited)**

	Budget	Actual	Variance - Over (Under)
<b>Revenues:</b>			
Sales tax	\$ 3,000,000	\$ 2,629,162	\$ (370,838)
Interest	15,000	107,234	92,234
<b>Total revenues</b>	<u>3,015,000</u>	<u>2,736,396</u>	<u>(278,604)</u>
<b>Expenditures:</b>			
Current:			
Road repairs and maintenance	2,125,304	42,123	2,083,181
<b>Total expenditures</b>	<u>2,125,304</u>	<u>42,123</u>	<u>2,083,181</u>
<b>Revenues Over (Under) Expenditures</b>	<u>889,696</u>	<u>2,694,273</u>	<u>1,804,577</u>
<b>Other Financing Sources (Uses):</b>			
Transfer out to County	(300,000)	(19,920)	280,080
<b>Total Other Financing Sources (Uses)</b>	<u>(300,000)</u>	<u>(19,920)</u>	<u>280,080</u>
<b>Change in Fund Balance</b>	<u>\$ 589,696</u>	<u>2,674,353</u>	<u>\$ 2,084,657</u>
<b>Fund Balance:</b>			
Beginning of year, as restated (Note 5)		6,510,007	
End of year		<u>\$ 9,184,360</u>	

**County of Imperial**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects**  
**June 30, 2019**  
**(Unaudited)**

<b>ROAD</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Various Roads in Bombay Beach			Overlay
Various Roads in Desert Shores			Overlay
Various Roads in Heber			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea Beach			Overlay
Various Roads in Imperial County			Overlay
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	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	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



**County of Imperial**  
**Measure D Sales Tax Fund**  
**Five Year Program of Projects (Continued)**  
**June 30, 2019**  
**(Unaudited)**

<b>STREET</b>	<b>FROM</b>	<b>TO</b>	<b>PROJECT</b>
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct
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
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)	Humbert Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road	West End	Overlay
Neighbors Boulevard	County Line	Bridge	Overlay
Nina Road (HE)	SR86	.02 Miles North	Rehabilitate
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	9th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	SR1115	Norrish Road (25)	Overlay
Spa Road (9D08)	Hot Mineral Spa Road	Coachella Canal Road	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Bridges in Imperial County			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 Dogwood Road			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

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**County of Imperial**  
**Measure D Sales Tax Fund**  
**Notes to Other Information**  
**For the Fiscal Year Ended June 30, 2019**

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**Note 1 – Prior Period Adjustment**

The recorded a prior period adjustment of \$15,083 in order to remove expenditures for goods or services that were provided to the County in fiscal year 2018 but were recorded during the year ended June 30, 2019. The prior period adjustment is as follows:

Fund balance as previously reported	\$ 6,525,090
Adjustment	<u>(15,083)</u>
Adjusted beginning fund balance	<u><u>\$ 6,510,007</u></u>

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## **V. ACTION CALENDAR**

- B. City of Westmorland – recommendation to release LTA Bond action  
from July 25, 2018



**Imperial County Local Transportation Authority**

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

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

March 19, 2020

George Nava, Chairman  
Local Transportation Authority  
LTA Local Taxpayer Supervising Committee  
1503 N. Imperial Ave., Suite 104  
El Centro, CA 92243

**SUBJECT:** City of Westmorland – recommendation to release LTA Bond action from July 25, 2018

Dear Authority Members:

The LTA Oversight Committee met on July 10, 2018 to discuss the FY 2016-17 LTA audit for the City of Westmorland. At that time, the auditor presenting was Phil White from Varinek, Trine and Day (VTD). His role was to assess the risk and form an opinion based on that risk, which resulted in a disclaimed opinion. The financial statements could not be rendered to the significant material weaknesses described in the findings: Allocation of interest earned on cash and investments; and, the City's lack of bank reconciliations. In addition, the citywide audit was also behind, with the last complete audit in 2014.

At that time the Oversight Committee recommended the following:

- Require the City of Westmorland to provide an acceptable timeline of the completeness of the audit findings and allow LTA staff to withhold LTA funds from the agency and/or allow a claim reimbursement process only.

ICTC Management Committee met on July 11, 2018 and concurred with the Oversight Committee recommendations. The LTA Board met on July 25, 2018 and directed staff to allocate LTA funds for the City of Westmorland through a claim/reimbursement process only until completion of a city audit, effective July 1, 2018.

The City of Westmorland's corrective action plan included professional bookkeeping services be acquired for financial and accounting services. In April 2016, the city did open a separate interest-bearing account. The City also committed to provide a more in-depth reconciliation process for FY 2017-18. The City immediately began to remedy the findings and were exhibited as implemented in their LTA audit for FY 2017-18. During this process of reconciliation, the City noted that funds in the amount \$908, 930 from the general fund would be transferred to the appropriate LTA account. The city council took action to approve the transfer of funds on January 27, 2020.

Therefore, LTA staff requests that the previous action from July 25, 2018 be released so that the city may receive their monthly allocation. The LTA "Oversight Committee" met on February 22, 2020 and concurred with this recommendation.

The Local Taxpayer Supervising Committee (LTSC) forward this item to the LTA Board for review and approval after public comment, if any:

1. Direct staff to allow the City of Westmorland to receive their monthly LTA allocation without a claim/reimbursement process.

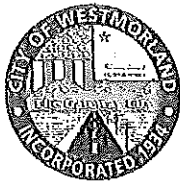
Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Baza", is written over a light blue rectangular background.

MARK BAZA  
Executive Director

MB/cl

Attachments



## CITY OF WESTMORLAND

355 South Center Street • Post Office Box 699

Westmorland, California 92281

Tel: (760) 344-3411 • Fax (760) 344-5307

[info@cityofwestmorland.net](mailto:info@cityofwestmorland.net)

[www.cityofwestmorland.net/index](http://www.cityofwestmorland.net/index)

### SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF WESTMORLAND

**6:00 PM Monday, January 27, 2020**

Call to Order – Mayor Ana Beltran

Pledge of Allegiance & Invocation

Oral Communication – Public & Staff Reports

#### *Mayor's Message*

This is a public meeting. You may be heard on an agenda item before the Council takes action on the item upon being recognized by the Mayor. During the oral communications portion of the agenda, you may address the Council on items that do not appear on the agenda that are within the subject matter jurisdiction of the Council. Personal attacks on individuals, slanderous comments or comments, which may invade an individual's privacy, are prohibited. The Mayor reserves the right to limit the speaker's time. 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 City Hall at (760) 344-3411. Please note that 48 hours advance notice will be necessary to honor your request.

#### Discussion/Action:

1. Discussion/Action Approval of Measure D Money Transfers – Ana Beltran
2. Discussion/Action Approval to adjust Journal Entries from Hutchinson and Bloodgood for FY8  
- Ana Beltran
3. Discussion/Action: Little Citizens Park Bid Update – Teri Nava

Adjournment: Next regular scheduled meeting set for February 5, 2020

Date Posted: January 25, 2020

*Judith Rivera*, City Clerk



MEETING MINUTES OF SPECIAL MEETING OF THE CITY COUNCIL OF THE CITY OF  
WESTMORLAND FOR January 27, 2020

The City Council of the City of Westmorland met in special meeting in City Hall on Wednesday, January 27, 2020 at 6:00 PM. Mayor Ana Beltran called the meeting in order at 6:00 PM and Mr. Joel Hamby led the invocation.

*Present at time of roll call:* Council members Mayor Ana Beltran, Larry Ritchie and Henry Graham, also present were City Attorney Mitch Driskill, City Clerk Judith Rivera, Chief of Police Perry Monita, City Treasurer Anne Graham, absent were Council members Xavier Mendez and Justina Cruz

Discussion/Action:

Discussion/Approval of Measure D Money Transfers – Ana Beltran: Mark Baza from ICTC who was present to answer all questions or concerns, he stated that regarding the Measure D funds the City is able to charge expenditures above the 1% administration cost, such as office supplies, building utilities, legal counsel and for Mr. Joel Hamby's time. Regarding the audit Mr. Baza recommends Council to approve the \$908,606.16 transfer into the specified account to put their account current. Councilmen Henry Graham stated that the indication is that \$900,000.00 of Measure D monies were placed into the general fund reserved account in the City and what is needed to be done now is for Council to reauthorize for funds to go back into the proper fund. Mr. Baza stated there are funds due back to the City about \$400,000.00 and will be released back to the City once the list of expenditures is submitted and approved by the ICTC board. Councilmen Henry Graham asked Mr. Joel Hamby as far as his aware as of today all the past street fund activities have been paid for, nothing is pending. Mr. Hamby stated that all the projects that he has been involved in are closed, nothing pending, nothing due. Mr. Graham asked Mr. Baza if in the future something comes up that was not charged back out of the general fund to pay for a street project and was never charged back to Measure D would it be able to be charged back to Measure D. Mr. Baza stated he is pretty sure it can be done as long as proper documentation is presented. Mayor Pro tem Larry Ritchie read Section 3 of the report prepared by Karina Alvarez CPA "Compare the amounts for cash (as shown in bank statement documents provided by the City of Westmorland) to the respective amounts shown in the General Ledger of Cash in Bank. As of June 30, 2018, the bank statement shows a balance of \$552,487 and the City of Westmorland trail balance shows a \$1,461,093.16 balance. An estimated cumulative variance of \$908,606.16 was noted as of June 30, 2018. It seems that some deposits accounted in the appropriate general ledger account were not deposited in Measure D bank account." M – Henry Graham in order to square away the ledgers dealing with both City's reserved general fund account and the Measure D account that \$908,606.16 be transferred the reserved general account to Measure D funds. S – Larry Ritchie M/C.

Discussion/Approval to adjust Journal Entries of Hutchinson and Bloodgood for FY18 – Ana Beltran: Mayor Ana Beltran stated that both Karina Alvarez CPA firm and Hutchinson and Bloodgood both agree in the numbers presented to Council the report of the \$908,606.16 funds

that are needed to be transferred from one account to another. City attorney Mitch Driskill stated that the purpose is Hutching and Bloodgood is seeking authorization from the Council to make the adjusting journal entries to reflect the transfers that have already been approved. M – Henry Graham approval for Hutchinson and Bloodgood to make the changes in the budget reflection of the transfer of the funds from the reserved general account to Measure D. S – Larry Ritchie M/C.

Little Citizens Park Update and Award – Teri Nava: **Item Dropped**

M – Henry Graham to adjourn this special meeting at 6:14 pm S – Larry Ritchie M/C. Next regular scheduled meeting will be held on Wednesday, February 5, 2020.

/s/ Judith C. Rivera

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Judith C. Rivera, City Clerk

/s/ Ana Beltran

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Ana Beltran, Mayor

CITY OF WESTMORLAND

INDEPENDENT ACCOUNTANT'S REPORT  
AGREED-UPON PROCEDURES  
ON MEASURE D

AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2018



**Karina B. Alvarez, CPA**

*It's what you keep that matters*

Se Habla Español

## INDEPENDENT ACCOUNTANT'S REPORT

### On Applying Agreed-Upon Procedures

To the City Council  
City of Westmorland:

I have performed the procedures described below, which were agreed to by the City of Westmorland, with respect to the cash balance and to assist in determining the accurate amount of the Measure D bank account of the City of Westmorland as of June 30, 2018. The City of Westmorland is responsible for maintaining records, bank statements and reconciliations needed to support the balance shown in the Measure D trial balance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the party specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

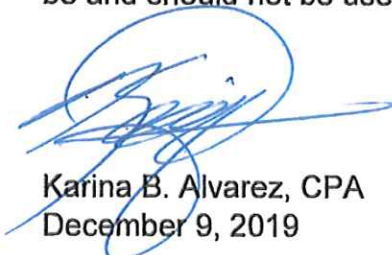
The procedures and associated findings are as follows:

1. Compare the total of the trial balance of Cash in Bank account at June 30, 2018 prepared by the City of Westmorland, to the balance in the related general ledger account. The total of the Cash in Bank account trial balance agreed with the balance in the related general ledger account, and the related entries to income and expenditures are recorded in Cash in Bank and in the Income accounts, and disbursements are recorded in the Cash in Bank account and in the expenses accounts.
2. It seems that the bank account opening deposit of \$96,346.02 on April 11, 2016 did not take into consideration the amount listed in the general ledger at that time of \$995,052.99 resulting in a \$898,706.97 variance.



3. Compare the amounts for cash (as shown in bank statement documents provided by the City of Westmorland) to the respective amounts shown in the General Ledger of Cash in Bank. As of June 30, 2018 the bank statement shows a balance of \$552,487 and the City of Westmorland's trial balance shows a \$1,461,093.16 balance. An estimated cumulative variance of \$908,606.16 was noted as of June 30, 2018. It seems that some deposits accounted in the appropriate general ledger account were not deposited in Measure D bank account.
4. Observed documentation issued by the bank institution, and City of Westmorland's accounting records, and bank reconciliations. It was noted that bank reconciliations are being performed. However, bank balances have not been reconciled against the general ledger for the specific fund that pertains to Measure D.

I was not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Measure D Cash in Bank. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you. This report is intended solely for the information and use of the Council of the City of Westmorland and is not intended to be and should not be used by anyone other than this specified party.



Karina B. Alvarez, CPA  
December 9, 2019

3:40 PM

01/17/20

Accrual Basis

**City of Westmorland**  
**Adjusting Journal Entries**  
 July 2017 through June 2018

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
06/30/2018	10		To account for funds deposited in general fund	11200 - Due From Other...	908,606.01	
			To account for funds deposited in general fund	10100 - Cash in Bank		908,606.01
					908,606.01	908,606.01
06/30/2018	11		To reclassify	32000 - Fund Balance	16,829.58	
			To reclassify	21000 - Accounts Payable		16,829.58
					16,829.58	16,829.58
<b>TOTAL</b>					<b>925,435.59</b>	<b>925,435.59</b>

12:58:36 PM CDT

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**Confirmation**

Your request has been applied on Tue Feb 4 10:58:31 PST 2020.  
Please refresh any related inquiry pages.

**Make One-Time Transfer**

Make another transfer?

From:	706774695 City Of Westmorland	To:	711932404 City Of Westmorland
Withdrawal:	908606.01	Deposit:	908606.01
Message:	Transfer processed.		