



Imperial County Local Transportation Authority

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

MEASURE D LOCAL TAXPAYER SUPERVISING COMMITTEE (LTSC)

DRAFT AGENDA

THURSDAY, FEBRUARY 21, 2019
1503 N. IMPERIAL AVE., SUITE 104
EL CENTRO, CA 92243
10:30 AM

Chairman: Robert Amparano

Executive Director: Mark Baza

I. CALL TO ORDER

A. Welcome and Introductions

1. Members:

- a. John Lau
- b. Robertta Burns
- c. Tim Jones
- d. Josue Mercado (ex-officio)
- e. Robert Amparano (Chairman of the LTA Board)

2. LTA Staff

3. LTA Auditor(s)

II. PUBLIC COMMENT

Any member of the public may address the Committee for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Committee. The Committee 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.

III. CONSENT CALENDAR

A. Approval of Minutes for March 13, 2018

IV. INFORMATION / DISCUSSION CALENDAR Page 6

- A. LTA Transit Set-Aside 2% funds
- B. LTA State Highway Set-Aside 5% funds
- C. LTA Bond Project Update
- D. LTA Revenues per City and County for FY 2013-14 to FY 2018-19

V. ACTION CALENDAR

B. LTA Audit, Fiscal Year 2017-18 Page 16 - 275

The auditor will be presenting the attached draft reports to the Committee.

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

1. Review and approve with recommendation(s) of the FY 2017-18 Imperial County Local Transportation Annual Financial Audit(s)

VI. Adjournment



MEASURE D LOCAL TAXPAYER SUPERVISING COMMITTEE (LTSC)

MINUTES FOR MARCH 13, 2018
10:30 AM

MEMBERS PRESENT:

Tim Jones, John Lau, Doug Newland (ex-officio)

Executive Director: Mark Baza

OTHERS PRESENT: Cristi Lerma, Michelle Bastidas, Kathi Williams: ICTC Staff; Phil White: VTD Auditor

I. WELCOME AND INTRODUCTIONS

- A. The meeting began at 10:40 a.m. Introductions were made.

II. PUBLIC COMMENTS

There were no public comments.

III. CONSENT CALENDAR

- A. Approval of the minutes for January 25, 2017 (Jones). **Motion accepted.**

IV. INFORMATION / DISCUSSION CALENDAR**A. LTA TRANSIT SET-ASIDE 25 FUNDS**

- LTA 2% Transit Set-Aside remaining balance (3-13-18): \$446,751.53

B. LTA STATE HIGHWAY SET-ASIDE 5% FUNDS

- LTA 5% Regional Hwy Balance as of 3-5-18: \$2,283.55

C. LTA BOND PROJECT UPDATE

- LTA Bond Participating agencies were: (Indenture was dated May 1, 2012)
 - City of Brawley: \$8,155,000
 - City of Calexico: \$15,410,000
 - City of Calipatria: \$2,305,000
 - City of Imperial: \$6,170,000
 - County of Imperial: \$21,935,000
- As of 1-31-18 the remaining bond project funds were:
 - City of Brawley: \$1,999,248.52
 - City of Calexico: \$6,130,923.27
 - The City of Calexico turned in a requisition for \$1,960,892.52 and is currently being processed.
 - City of Calipatria: \$0

- City of Imperial: \$0
- County of Imperial: \$0

D. LTA REVENUE PER CITY AND COUNTY FOR FY 2013-14 TO FY 2017-18

- Also reviewed were the Comparison Revenues per City and County report and the LTA Revenues Comparison Report

V. ACTION CALENDAR

A. Imperial County Local Transportation Authority Annual Financial Report for the Fiscal Year Ended June 30, 2018

Mr. White reviewed the audit reports with the Oversight Committee. He stated that the LTA Audit resulted in a clean audit opinion for all agencies with the exception of the City of Westmorland. The City of Westmorland's audit was not complete at this moment.

The agency (LTA) audit concluded with a deficiency with the year-end closing and corrective action was included in the report.

The City of Brawley had no instances of non-compliance, no slight material weaknesses and no significant deficiencies.

The City of Calipatria had no instances of non-compliance, no slight material weaknesses and no significant deficiencies.

The City of El Centro had no instances of non-compliance, no slight material weaknesses and no significant deficiencies.

The City of Imperial had one instance of non-compliance with eligible costs spent that were not included in the cities 5-year expenditure plan. City management will have an opportunity to provide a plan of corrective action. The options given to the city were the following:

- Add to list and allow expenses,
- Add to list in the next fiscal year, or
- Deem the expenses ineligible and return the funds to the program

The City of Imperial subsequent action will be reflected in the next audit.

This was an opportunity to address this possibility with Management staff to review each of their expenditure plans and make necessary changes with council approval.

The City of Holtville had a prior year (2016-17) corrective action regarding the 5-year expenditure plan. It was not approved by their council but since has been corrected.

The County of Imperial had no instances of non-compliance, no slight material weaknesses and no significant deficiencies.

Mr. Jones had the following comments:

- Are alleys allowed to be on the expenditure list (Brawley).
- Can Measure D funds be used on staff time (El Centro).

Recommendations by the Committee:

- If the LTA Chairman cannot make it to the Oversight Committee meeting, invite another Board member to attend in their place.

- Remind TAC and Management Committee that projects must be listed on the expenditure list and approved by their respective council/board.

The Local Taxpayer Supervising Committee (LTSC) reviewed this item and forwarded to the LTA Board for review and approval:

1. Reviewed and Approved the FY 2017-18 Imperial County Local Transportation Annual Financial Report, for the cities of Brawley, Calipatria, El Centro, Holtville, Imperial and the County of Imperial.

A motion was made by [Jones](#) and seconded by [Lau](#), **Motion Carried.**

VI. ADJOURNMENT

Meeting Adjourned at 11:56 p.m.



Imperial County Local Transportation Authority

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Measure D Local Taxpayer Supervising Committee

February 21, 2019

- LTA Transit Set-Aside 2% funds
- LTA State Highway Set-Aside 5% funds
- LTA Bond Project Update
- LTA Revenues per City and County for FY 2013-14 to FY 2018-19



Imperial County Local Transportation Authority

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7419000 LTA 2% Transit Set-Aside

FY 2017-18

ICTC	IVT Ride (Brawley, Calexico, Imperial, El Centro & WestShores)	\$350,000.00
El Centro	El Centro Transfer Terminal Security (7th & State St Terminal)	\$90,000.00
Total Disbursements FY 2017-18		\$440,000.00

7419000 LTA 2% Transit Set-Aside

FY 2018-19

ICTC	IVT Ride (Brawley, Calexico, Imperial, El Centro & WestShores)	\$350,000.00
El Centro	El Centro Transfer Terminal Security (7th & State St Terminal)	\$90,000.00
Total Allocations FY 2018-19		\$440,000.00

Available Balance 2-20-2019

\$206,996.00



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7243000 LTA 5% State Hwy Set-Aside

Disbursements

Agency	Project Description	Amount	LTA Board Approval	Funds Disbursed
Caltrans	Traffic Signal SR 86 & S Main St. Westmorland	\$373,000	7/24/2013	4/30/2014
County of Imperial	Traffic Signal SR 22 & SR 86 Salton City	\$438,858	9/24/2014	1/12/2015
Caltrans	Heber Bus Stop & Ped Access SR 86	\$708,240	8/27/2014	11/2/2016
City of Calexico	Two year funding for SR 111 Traffic Controllers	\$300,000	10/26/2016	1/10/2018 & 2/22/2018
Caltrans	Forrester Road PSR	\$186,443	1/25/2017	Invoiced to date
Caltrans/ICTC	SR 86 Border Patrol Checkpoint	\$122,161	9/27/2017	Invoiced to date

Total Disbursements \$2,128,702

Pending Disbursements

Agency	LTA 5% Regional Hwy Balance as of 2/15/2019	\$6,345,568	Pending projects	
County of Imperial	Traffic Signal SR 86 & Dogwood Rd Imperial County	\$1,680,815	LTA Board approved on 9/23/2015	
Caltrans	Forrester Road PSR	\$431,057	LTA Board approved on 1/25/2017	Multiple Invoices (\$617,500 approved amount)
Caltrans/ICTC	SR 86 Border Patrol Checkpoint	\$1,177,839	LTA Board approved on 9/27/2017	Multiple Invoices (\$1,300,000 approved amount)
City of Calexico	One year funding for SR 111 Traffic Controllers	\$150,000	LTA Board approved on 6/27/18	
ICTC	Calexico East Port of Entry Bridge Expansion	\$1,844,000	On LTA agenda 2/27/19	

Total pending to be Disbursed \$5,283,711

Available Balance Remaining \$1,060,857



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Calexico East Port of Entry Bridge Expansion Project

Calexico East Port of Entry Bridge Expansion
BUILD Grant Project Budget
February 2019

Funding Source Category	Match to BUILD	Description of Category	Status of Funding	Amount	Percent
BUILD		BUILD Discretionary Grant Funding	Secured - awarded in December 2018 by USDOT	\$ 20,000,000	67%
Local/State-TCEP	Match	Trade Corridor Enhancement	Secured - awarded June 2018	\$ 3,000,000	10%
Local	Match	Mearsure D - Regional Highway	Secured - awarded Feb. 2019	\$ 1,844,000	6%
Local, State or Federal	Match	Potential Local, State or Federal	Unsecured - award pending	\$ 5,000,000	17%

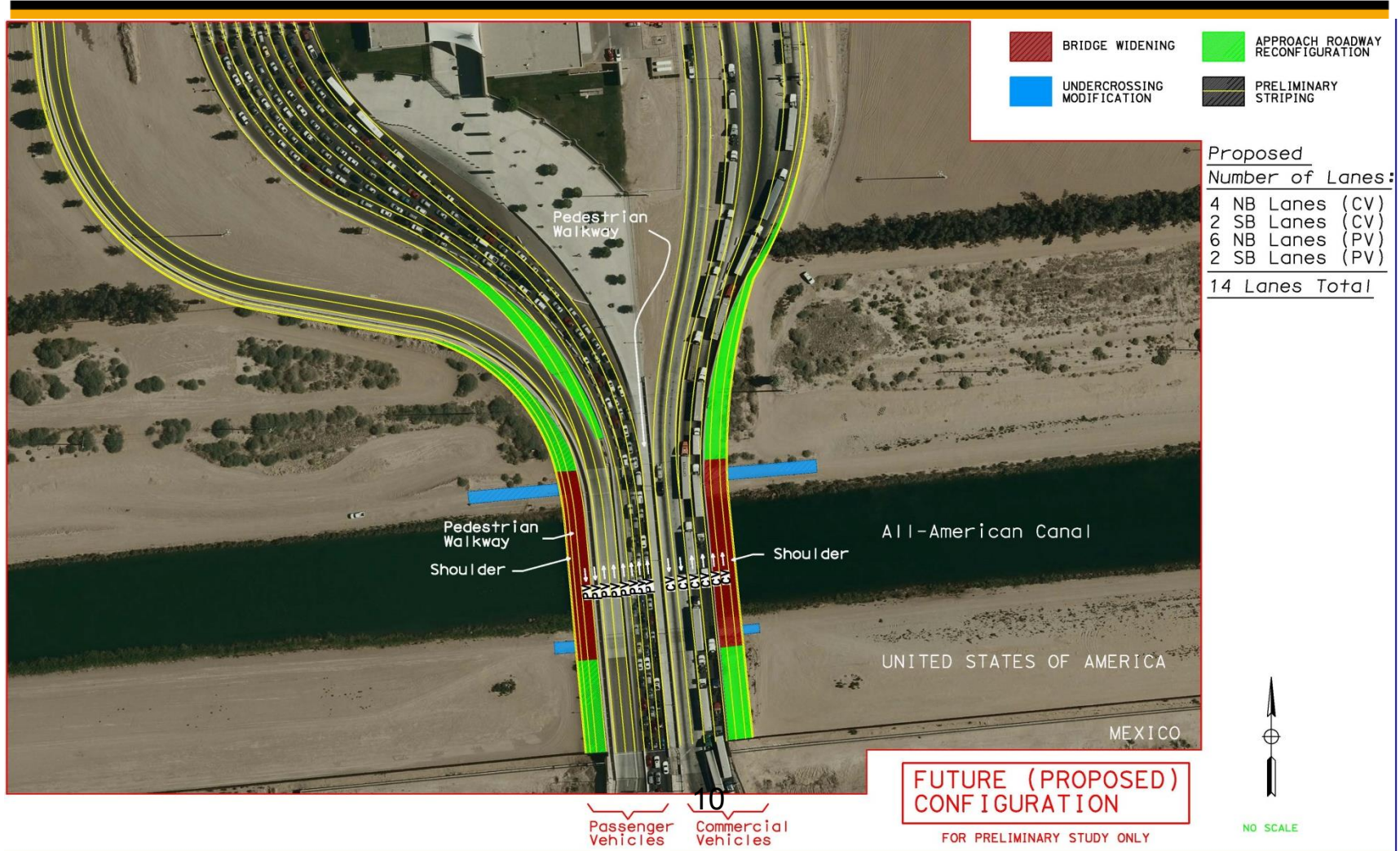
TOTAL COST: \$ 29,844,000



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FY 2017-18 LTA Bond Projects

Calexico

- Cesar Chavez Boulevard Improvement Project



Imperial

- Street Improvement Project Asphalt Rubber Composite Layer on Designated Streets Phase I



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2012 Bond Remaining Project Funds

- Calexico - \$1,483,210
- Brawley - \$2,026,425



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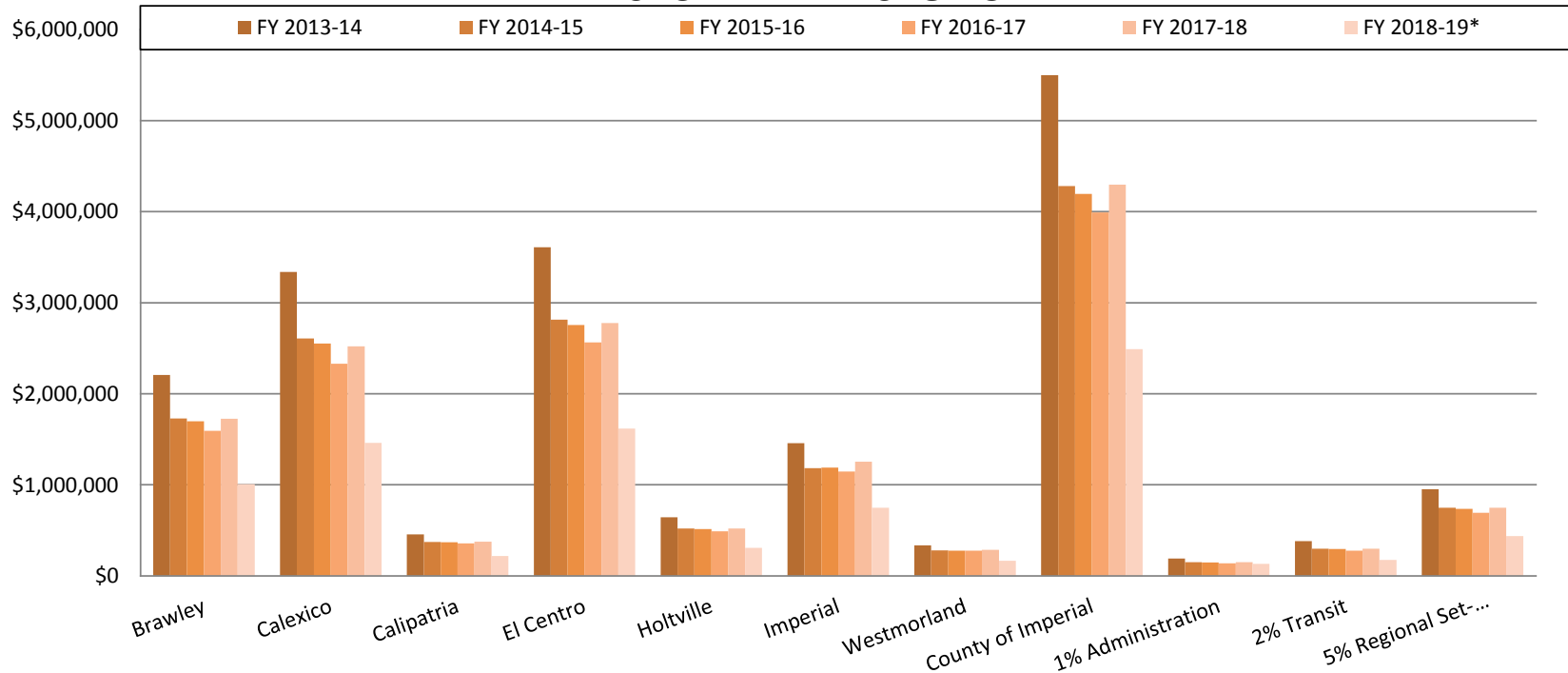
2018 Bond Project Funds

- Calexico - \$12,826,682
- Calipatria - \$1,361,871
- Holtville - \$3,039,203

LTA Revenues

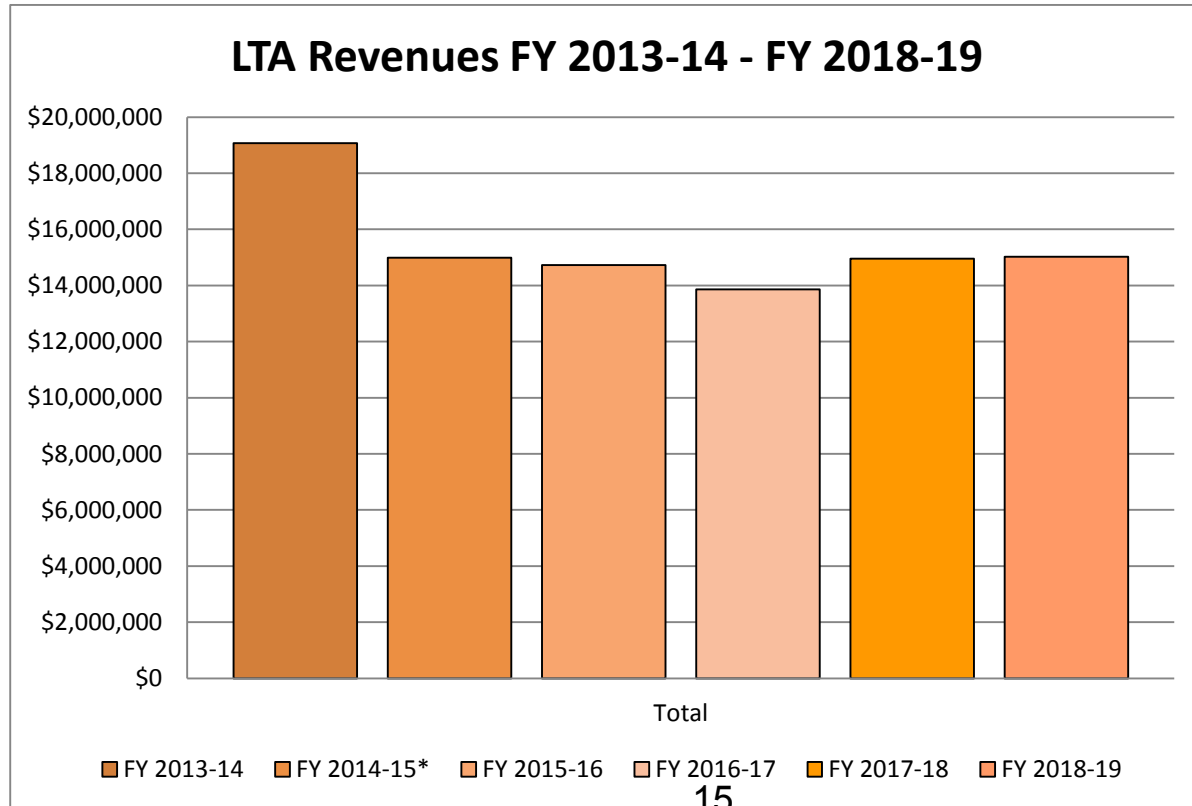
	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19*
Brawley	\$2,207,383.90	\$1,729,088.49	\$1,697,800.52	\$1,594,447.27	\$1,724,444.04	\$1,007,724.85
Calexico	\$3,337,274.39	\$2,608,076.08	\$2,552,876.05	\$2,330,616.78	\$2,522,261.10	\$1,459,073.26
Calipatria	\$455,291.09	\$373,604.34	\$368,882.38	\$358,648.40	\$376,847.80	\$219,416.71
El Centro	\$3,607,597.43	\$2,812,185.32	\$2,754,208.63	\$2,564,748.13	\$2,777,968.18	\$1,619,268.14
Holtville	\$645,064.65	\$520,794.23	\$513,371.35	\$488,397.80	\$520,865.11	\$308,493.29
Imperial	\$1,456,872.98	\$1,181,931.62	\$1,188,087.76	\$1,146,465.51	\$1,254,758.35	\$749,724.23
Westmorland	\$336,130.70	\$281,070.05	\$278,160.24	\$275,785.29	\$286,856.02	\$166,868.37
County of Imperial	\$5,496,792.26	\$4,281,246.39	\$4,193,312.94	\$3,990,335.85	\$4,295,754.01	\$2,488,876.52
1% Administration	\$190,678.34	\$149,869.53	\$147,246.74	\$138,580.93	\$149,562.56	\$133,117.96
2% Transit	\$381,356.69	\$299,739.05	\$294,493.48	\$277,161.87	\$299,125.10	\$175,323.94
5% Regional Set-Aside	\$953,391.71	\$749,347.64	\$736,233.69	\$692,904.63	\$747,812.75	\$438,309.86
	\$19,067,834.14	\$14,986,952.74	\$14,724,673.78	\$13,858,092.46	\$14,956,255.02	\$8,766,197.13

Comparison of total LTA Revenues FY 2013-14 - FY 2018-19



LTA Revenues Comparison

	FY 2013-14	FY 2014-15*	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	
Jul	\$878,700.00	\$1,359,700.00	\$830,705.82	\$1,047,700.00	\$910,800.00	\$1,101,286.46	
Aug	\$1,132,000.00	\$1,808,800.00	\$1,174,700.00	\$1,396,900.00	\$1,214,400.00	\$1,163,730.10	
Sept	\$2,861,553.00	\$94,567.00	\$1,649,336.31	\$736,918.47	\$1,475,692.05	\$1,079,877.70	
Oct	\$901,300.00	\$1,006,000.00	\$916,200.00	\$963,000.00	\$976,500.00	\$1,503,815.31	
Nov	\$1,201,800.00	\$1,301,300.00	\$1,221,600.00	\$1,284,000.00	\$1,302,000.00	\$1,229,607.38	
Dec	\$2,600,326.00	\$865,365.00	\$1,906,055.00	\$1,468,786.13	\$1,289,511.39	\$1,375,505.76	
Jan	\$1,203,900.00	\$1,182,500.00	\$1,526,500.00	\$1,157,100.00	\$1,056,100.00	\$1,312,374.43	\$8,766,197.14
Feb	\$1,594,900.00	\$1,576,600.00	\$2,035,400.00	\$1,542,800.00	\$1,408,100.00		7 Months Total
Mar	\$2,023,355.00	\$2,738,320.56	\$33,327.00	\$893,264.16	\$1,479,148.55		Revenues Received
Apr	\$1,381,400.00	\$1,308,800.00	\$928,300.00	\$905,600.00	\$920,200.00		
May	\$1,841,900.00	\$1,745,000.00	\$1,237,700.00	\$1,207,500.00	\$1,828,453.08		
Jun	\$1,446,699.00	\$0.00	\$1,264,849.64	\$1,254,523.70	\$1,095,349.95		
Total	\$19,067,833.00	\$14,986,952.56	\$14,724,673.77	\$13,858,092.46	\$14,956,255.02	\$15,027,766.53	(Annualized)



* For the month of June 2015 in FY 2014-15 no revenues were received

Imperial County Local Transportation Authority

El Centro, California

Annual Financial and Compliance Report

For the Fiscal Year Ended June 30, 2018



DRAFT 02.20.2019

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) (the "Authority"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of June 30, 2018, 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 X through X, 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 the Authority's basic financial statements. The supplementary information presented on pages XX through XX 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 XX through XX 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 XX, 2019 on our consideration of the Authority'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 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 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 District's internal control over financial reporting and compliance.

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

Independent Auditors' Report

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 (the "Authority"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February XX, 2019.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 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.

Santa Ana, California
February XX, 2019

DRAFT 02.20.2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

DRAFT 02.20.2019

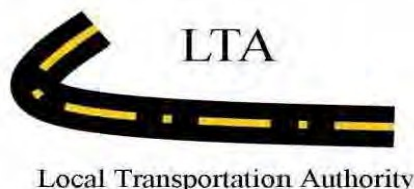
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BRAWLEY

CALIPATRIA

HOLTVILLE

WESTMORLAND



CALEXICO

EL CENTRO

IMPERIAL

IMPERIAL COUNTY

Management's Discussion & Analysis (Unaudited)

June 30, 2018

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, 2018 and 2017. 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, 2018 and 2017.

Statement of Activities – The Statement of Activities present the revenues earned and expenses incurred by the Authority during the years ended June 30, 2018 and 2017, 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.

At the end of the fiscal year the Authority's had a total long-term debt outstanding of \$41,770,000. This amount is comprised entirely of the 2012 Series bond payable.

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

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018
2012 Series	\$ 44,000,000	\$ -	\$ (2,230,000)	\$ 41,770,000

Imperial County Local Transportation Authority
Management's Discussion & Analysis (Unaudited) (Continued)
June 30, 2018

Condensed Financial Position Information

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2018 and 2017.

	2018	2017
Assets		
Cash and cash equivalents	\$ 7,902,946	\$ 7,632,126
Cash with fiscal agent	12,197,835	15,331,883
Due from other governments	2,446,218	2,624,393
Interest receivable	21,485	14,820
Total Assets	22,568,484	25,603,222
Liabilities		
Accounts payable	\$ 53	\$ 564
Due to other governments	513,202	632,101
Interest payable	144,904	149,157
Long-term liabilities		
Due within one year	2,300,000	2,230,000
Bond payable	39,470,000	41,770,000
Premium on bond payable, net of amortization	624,558	669,707
Total Liabilities	43,052,717	45,451,529
Net Position		
Restricted for:		
Debt service	6,967,189	6,978,679
State highway	6,116,735	5,807,044
Transit services	557,466	653,801
Unrestricted (Deficit)	(34,125,623)	(33,287,831)
Total Net Position	(20,484,233)	(19,848,307)

(a) Net Position

The liabilities of the Authority exceeded its assets at the close of fiscal year 2017-2018 by \$20,484,233 (Net Position). The deficit is the result of member agencies drawing down on bond proceeds.

(b) Liabilities

Liabilities decreased for fiscal year 2017-2018 by \$2,398,812. The decrease is primarily comprised of the sales tax revenue bond Series 2012 payment of \$2,230,000. The interest payable had a decrease of \$4,253 from the prior year.

Imperial County Local Transportation Authority
Management's Discussion & Analysis (Unaudited) (Continued)
June 30, 2018

Summary of Operations and Changes in Net Position

The Authority's increase in net position during fiscal year 2018 was \$1,016,338 and the decrease for 2017 was \$2,906,994. The tables below summarize the Authority's activity for the fiscal years ended June 30, 2018 and 2017:

	2018	2017
Revenues		
Retail sales tax	\$ 15,107,257	\$ 14,263,578
Interest income	262,454	191,251
Other	64,609	-
Total Assets	<u>15,434,320</u>	<u>14,454,829</u>
Expenses		
Allocations to local members	\$ 8,752,179	\$ 8,835,727
Administration	312,842	157,433
Transit services	350,000	350,000
Capital projects	3,213,073	6,214,523
Interest	1,789,888	1,804,140
Total Expenses	<u>14,417,982</u>	<u>17,361,823</u>
Change in Net Position	1,016,338	(2,906,994)
Net Position (Deficit) - Beginning	<u>(21,500,571)</u>	<u>(16,941,313)</u>
Net Position (Deficit) - Ending	<u><u>\$ (20,484,233)</u></u>	<u><u>\$ (19,848,307)</u></u>

(a) Revenues

In fiscal year 2018 revenues were comparable to 2017, reflecting a slight increase of less than 1%.

(b) Expenses

Deductions consist of expenditures for capital projects, allocations to members, administration, transit, state highway and bond related expenses. During the year, expenses decreased by 17% or \$2,943,841. The decrease is primarily attributed to the decrease in capital projects.

Requests for Information

This fiscal report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may reach 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, 2018

	Governmental Activities
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ASSETS	
Cash and investments	\$ 7,902,946
Cash and investments with fiscal agent	12,197,835
Due from other governments	2,446,218
Interest receivable	21,485
Total assets	<u>22,568,484</u>
LIABILITIES	
Accounts payable	53
Due to other governments	513,202
Interest payable	144,904
Noncurrent liabilities:	
Due within one year	2,300,000
Due in more than one year	39,470,000
Unamortized bond premium	624,558
Total liabilities	<u>43,052,717</u>
NET POSITION	
Restricted for:	
Debt services	6,967,189
State highway	6,116,735
Transit services	557,466
Unrestricted (Deficit)	(34,125,623)
Total net position	<u>\$ (20,484,233)</u>

Imperial County Local Transportation Authority
Statement of Activities
For the Year Ended June 30, 2018

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Net (Expense)Revenue and Changes in Net Position</u>
Governmental activities:		
Transportation:		
Payments to member agencies	9,102,179	(9,102,179)
Administration	312,842	(312,842)
Capital projects	3,213,073	(3,213,073)
Interest on long-term debt	1,789,888	(1,789,888)
Total Governmental Activities	<u>14,417,982</u>	<u>(14,417,982)</u>
General Revenues:		
Taxes:		
Sales taxes		15,107,257
Interest income		262,454
Other		64,609
Total General Revenues		<u>15,434,320</u>
Change in Net Position		1,016,338
Net Position (deficit) - Beginning of Year		<u>(21,500,571)</u>
Net Position (deficit) - End of Year		<u><u>\$ (20,484,233)</u></u>

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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Imperial County Local Transportation Authority
Balance Sheet
Governmental Funds
June 30, 2018

	General	State Highway	Transit Services	Debt Service	Total
ASSETS					
Cash and investments	\$ 1,404,705	\$ 5,987,417	\$ 510,824	\$ -	\$ 7,902,946
Cash and investments with fiscal agents	5,230,650	-	-	6,967,189	12,197,839
Due from other governments	2,287,667	113,251	45,300		2,446,218
Interest receivable	4,076	16,067	1,342		21,485
Total assets	\$ 8,927,098	\$ 6,116,735	\$ 557,466	\$ 6,967,189	\$ 22,568,488
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 53	\$ -	\$ -	\$ -	\$ 53
Due to other governments	513,202	-	-	-	513,202
Total liabilities	\$ 513,255	\$ -	\$ -	\$ -	\$ 513,255
Fund balances:					
Restricted					-
Capital projects	\$ 5,230,650	\$ -	\$ -	\$ -	\$ 5,230,650
State highway	-	6,116,735	-	-	6,116,735
Transit services	-	-	557,466	-	557,466
Debt service	-	-	-	6,967,189	6,967,189
Unassigned	3,183,193	-	-	-	3,183,193
Total fund balances	\$ 8,413,843	\$ 6,116,735	\$ 557,466	\$ 6,967,189	\$ 22,055,233
Total liabilities and fund balances	\$ 8,927,098	\$ 6,116,735	\$ 557,466	\$ 6,967,189	\$ 22,568,488

Imperial County Local Transportation Authority
Reconciliation of the Governmental Funds Balance Sheet to the
Government-wide Statement of Net Position
June 30, 2018

Fund Balances of Governmental Funds	\$ 22,055,233
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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.

Unamortized premium on bond payable	\$ (624,562)	
Bonds payable	(41,770,000)	(42,394,562)

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.	(144,904)
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Net Position of Governmental Activities	<u>\$ (20,484,233)</u>
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Imperial County Local Transportation Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	State Highway	Transit Services	Debt Service	Total
Revenues:					
Sales taxes	\$ 14,050,532	\$ 754,804	\$ 301,919	\$ -	\$ 15,107,255
County pool interest	13,369	54,035	5,180	-	72,584
Cash with fiscal agent interest	90,515	-	-	99,355	189,870
Other revenues	15,204	-	-	-	15,204
Total revenues	\$ 14,169,620	\$ 808,839	\$ 307,099	\$ 99,355	\$ 15,384,913
Expenditures:					
Current:					
Payment to member agencies	\$ 8,408,730	\$ 300,000	\$ 393,449	\$ -	\$ 9,102,179
Capital projects	3,213,073	-	-	-	3,213,073
Administration	138,649	174,188	-	-	312,837
Debt service:					
Principal payments on bonds	-	-	-	2,230,000	2,230,000
Interest payments on bonds	-	-	-	1,789,888	1,789,888
Total expenditures	\$ 11,760,452	\$ 474,188	\$ 393,449	\$ 4,019,888	\$ 16,647,977
Excess (Deficiency) of Revenues Over(Under) Expenditures	\$ 2,409,168	\$ 334,651	\$ (86,350)	\$ (3,920,533)	\$ (1,263,064)
Other financing sources (uses):					
Operating Transfers in	\$ -	\$ -	\$ -	\$ 3,909,043	\$ 3,909,043
Operating Transfers out	(3,909,043)	-	-	-	(3,909,043)
Total other financing sources (uses):	(3,909,043)	-	-	3,909,043	-
Net Change in Fund Balances	\$ (1,499,875)	\$ 334,651	\$ (86,350)	\$ (11,490)	\$ (1,263,064)
Fund balances:					
Beginning of year	9,913,718	5,782,084	643,816	6,978,679	23,318,297
End of year	\$ 8,413,843	\$ 6,116,735	\$ 557,466	\$ 6,967,189	\$ 22,055,233

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, 2018

Net Change in Fund Balances - Total Governmental Funds	\$ (1,263,064)
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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.	2,230,000
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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.	4,253
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Amortization of bond premium is reported on the Statement of Activities but des not require the use of current financials resources and ,therefore is no reported as expenditures in governmental funds.	45,149
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Change in Net Position of Governmental Activities	\$ 1,016,338
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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, 2018

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

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

Basis of Presentation

The Authority’s basic financial statements consist of government-wide 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 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, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Basis of Presentation (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, 2018, interest expense of \$1,789,888 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, 2018

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.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

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.

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.

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, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balances (Continued)

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.

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.

Accounting Changes

GASB has issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement No. 81, *Irrevocable Split-Interest Agreement* (GASB 81) This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

GASB Statement NO. 85, *Omnibus 2017* (GASB 85). This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 2 – Summary of Significant Accounting Policies (Continued)

Accounting Changes (Continued)

GASB Statement No. 86, *Certain Debt Extinguishment Issues* (GASB 86). Statement No. 7, *Advance Refundings Resulting in Defeasance of Debt*, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. This statement did not have a significant impact on the City's financial statements for the year ended June 30, 2018.

Note 3 – Cash and Investments

Cash and investments are comprised of the following at June 30, 2018:

Investments	
Imperial County Investment Pool	\$ 7,902,946
With Third Pary Fiscal Agent	12,197,835
Total Cash and Investments	\$ 20,100,781

Total deposits and investments are reported in the financial statements asL

Cash and Investments	\$ 7,902,946
Cash and Investments with Fiscal Agent	12,197,835
Total cash and investments	\$ 20,100,781

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.

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

Money market funds of \$12,197,835 were held as of June 30, 2018. 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, 2018

Note 3 – Cash and Investments (Continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The 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.

Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

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, 2018 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 – Due from Other Governments

The due from other governments account represents amounts due to the Authority from the California Board of Equalization for sales tax revenues. The amount due to the Authority was \$2,446,218, as of June 30, 2018.

Note 5 – Interfund Transfers

The Authority transferred \$3,909,043 for the year ended June 30, 2018, 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, 2018

Note 6 – Bond Payable

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. 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 are from \$1,745,000 to \$3,855,000. The bonds mature on June 1, 2032.

During the fiscal year ended June 30, 2018, the following changes occurred in bond payable.

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018	Due within One Year	Due in More Than One Year
2012 Revenue Bonds	\$ 44,000,000	\$ -	\$ (2,230,000)	\$ 41,770,000	\$ 2,300,000	\$ 39,470,000

Annual debt service requirements on the sales tax revenue bonds as of June 30, 2018, are as follows:

Year Ending June 30,	Principal	Interest	Total
2019	\$ 2,300,000	\$ 1,716,637	\$ 4,016,637
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
2023-2027	14,345,000	5,732,888	20,077,888
2028-2032	17,730,000	2,359,450	20,089,450
Total	\$ 41,770,000	\$ 14,460,138	\$ 56,230,138

Note 7 – 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, 2018, the unamortized bond premium was \$624,562.

Pledged Revenue

The 2012 Revenue Bonds outstanding are secured by the pledge of certain revenues. For the year ended June 30, 2017, 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	Pledge Revenue Coverage
Ordinance 1-2008 Sales Tax Revenue	\$ 15,107,257	\$ 2,230,000	\$ 6.77

Imperial County Local Transportation Authority
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2018

Note 8 – Governmental-wide Net Position Unrestricted Deficit

The deficit of \$20,484,233 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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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

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Imperial County Local Transportation Authority
Required Supplementary Information (Unaudited)
Schedules
June 30, 2018

	<u>Schedule 1</u>
Schedule 1 - Cash with Fiscal Agent	
* Cash with fiscal agent is allocated for the benefit of those agencies	
2012 Bond proceeds - City of Brawley	
Capital project funds	\$ 2,010,828
Debt services	638,276
Principal payment funds	177,321
Interest payment funds	277,081
City of Brawley - Total	<u>3,103,506</u>
2012 Bond proceeds - City of Calexico	
Capital project funds	\$ 3,219,548
Debt services	1,143,891
Principal payment funds	272,370
Interest payment funds	521,742
City of Calexico - Total	<u>5,157,551</u>
2012 Bond proceeds - City of Calipatria	
Capital project funds	\$ 4
Debt services	181,675
Principal payment funds	43,063
Interest payment funds	77,134
City of Calipatria - Total	<u>301,876</u>
2012 Bond proceeds - City of Imperial	
Capital project funds	\$ 25
Debt services	483,320
Principal payment funds	130,575
Interest payment funds	208,897
City of Imperial - Total	<u>822,817</u>
2012 Bond proceeds - County of Imperial	
Capital project funds	\$ 242
Debt services	1,625,594
Principal payment funds	436,851
Interest payment funds	749,398
County of Imperial - Total	<u>2,812,085</u>
Cash with Fiscal Agent - Grand Total	<u><u>\$ 12,197,835</u></u>

Imperial County Local Transportation Authority
Required Supplementary Information (Unaudited) (Continued)
Schedules (Continued)
June 30, 2018

	<u>Schedule 2 - 5</u>
Schedule 2 - Transit Service Project Expenses	
IVT Ride transit services	\$ 350,000
Transit Service Project Expenses - Total	<u>\$ 350,000</u>
Schedule 3 - Annual Allocations to Local Member	
City of Brawley	\$ 869,132
City of Calexico	1,360,845
City of Calipatria	145,952
City of El Centro	2,821,417
City of Holtville	520,865
City of Imperial	609,941
City of Westmoreland	286,856
County of Imperial	2,137,171
Annual allocations to local members - total	<u>\$ 8,752,179</u>
Schedule 4 - Bond Principal Payments	
2012 City of Brawley	\$ 335,000
2012 City of Calexico	635,000
2012 City of Calipatria	95,000
2012 City of Imperial	255,000
2012 County of Imperial	910,000
Bond principal payments - Total	<u>\$ 2,230,000</u>
Schedule 5 - Bond Interest Expenditures	
2012 City of Brawley	\$ 293,275
2012 City of Calexico	496,300
2012 City of Calipatria	81,725
2012 City of Imperial	221,938
2012 County of Imperial	696,650
Bond interest expenditures - Total	<u>\$ 1,789,888</u>

Imperial County Local Transportation Authority
City of Brawley
Five Year Program of Projects
June 30, 2018

STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface
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
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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
City of Brawley
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2018

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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2018

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

Imperial County Local Transportation Authority
City of Calexico
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
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, 2018

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

Imperial County Local Transportation Authority
City of Calipatria
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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, 2018

Project

Salaries (Tech II)
Street Lighting Master Plan
PMS Update & Speed Survey/Streetsaver
ICTC fees/Dial A Ride
Street Improvements - Misc. (Yearly Overlay)
North Date Canal under-grounding
La Brucherie Widening - Barbara Worth to Orange Avenue - Engineering (project transferred
to LTA BOND \$3M - City Fund 212)
Imperial Avenue South to McCabe - ENG
Imperial Avenue South to McCabe - ENV
Imperial Avenue South to McCabe - LAND
Imperial Avenue South to McCabe - CON
Imperial Avenue South to McCabe - CM
Wake Ave 12th to La Brucherie
Bradshaw extend from 8th to 12th Street
I-8 SR-86 Shoulder and Slope Maint.
Colonia Area Sidewalks - CDBG ENG
Colonia Area Sidewalks - CDBG CON
Colonia Drainage McDonald - Design
Colonia Drainage McDonald - ROW
Colonia Drainage McDonald - CON
Shovel ready project preparation - Design
Street Striping Maintenance
Article III - Bicycle & Pedestrian
Administrative Costs
Imperial Avenue South to McCabe - CON RSTPL match
Adams Avenue RSTP Con 710106
Euclid Avenue CMAQ Eng 710102
Euclid Avenue CMAQ Con 710106
Buenavista Ave CMAQ Eng 710102
Buenavista Ave CMAQ Con 710106
HSIP sidewalks and lighting
HSIP sidewalks and lighting
ATP Cyc 1 - 8th Street between Adams & Aurora (design)
ATP Cyc 1 - 8th Street between Adams & Aurora
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, 2018

STREET	FROM	TO	PROJECT
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eighth Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal
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
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, 2018

STREET	FROM	TO	PROJECT
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
Figuerola 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		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, 2018

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

Imperial County Local Transportation Authority
City of Westmorland
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
S.Center Street	SR 86	Baughman Rd	Traffic Calming
N. Center Street	SR 86	7th Street	Rehabilitation
N. Center Street	7th Street	8th Street	Reconstruction
1st Street	S. Center Street	F Street	Rehabilitation
1st Street	S. Center Street	C Street	Maintenance
1st Street	H Street	G Street	Rehabilitation
2nd Street	G Street	S. Center Street	Maintenance
3rd Street	F Street	S. Center Street	Maintenance
5th Street	G Street	B Street	Maintenance
5th Street	H Street	west end of street	Repair/Maintenance
G Street	6th Street	7th Street	Rehabilitation
6th Street	F Street	N. Center Street	Reconstruct
6th Street	H Street	west end of street	Repair/Maintenance
7th Street	N.Center	H Street	Minor / Maint
7th Street	H Street	Martin Rd	Rehabilitation
7th Street	D Street	Center Street	Reconstruction
8th Street	J Street	H Street	Reconstruction
8th Street	Center Street	150' E. of D St.	Repair/Maintenance
B Street	SR86	7th Street	Reconstruction
B Street	3rd Street	SR86	Reconstruction
C Street	SR 86	7th Street	Repair/Maintenance
D Street	7th Street	8th Street	Repair/Maintenance
F Street	SR86	5th Street	Reconstruction
F Street	6th Street	7th Street	Reconstruction
G Street	SR 86	3rd Street	Rehabilitation
H Street	5th Street	SR 86	Reconstruction
H Street	7th Street	8th Street	Reconstruction
J Street	7th Street	8th Street	Repair/Maintenance
Jauregui Street	G Street	End of Cul-de-sac	Repair/Maintenance
Sundance	J Street	End of Cul-de-sac	Repair/Maintenance

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2018

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

Imperial County Local Transportation Authority
County of Imperial
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
Kershaw Road (EC)	Titsworth Road (58)	Rutherford Road (54)	Overlay
Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen
Kubler Road (6)	Brockman Road (WL)	Rockwood Road (WJ)	Reconstruct
Lathrop Road	Worthington Road	Neckel Road	Overlay
Loveland Road	Fredricks Road	Andre Road	Overlay
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	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
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 (7G03)	Overlay
Underwood Road (7G01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Bridges in Imperial			Maintenance/Miscellaneous
Verde School Road (10)	Miller Road (EAA)	1.0 Miles East	Overlay
Walker Road (58)	Brandt Road (WC)	Kalin Road (WG)	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby Road at			Signals
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
Worthington Road (27)	New River	Forrester Road	Overlay
Yocum Road	SR111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	SR111	Overlay

City of Brawley
Measure D Sales Tax Fund

Brawley, California

**Financial Statements and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2018



DRAFT 02.12.2019

City of Brawley
Measure D Sales Tax Fund
For the Year Ended June 30, 2018

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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, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Brawley, California, as of June 30, 2018, 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 **X through XX** 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 XX, 2019**, 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 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 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.

Santa Ana, California
February XX, 2019

**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, 2018, and the related notes to the financial statement, and have issued our report thereon dated February XX, 2019. 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, 2018.

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*.

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 XX, 2019

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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, 2018

Revenues:

Taxes:

Sales tax revenue	\$ 1,114,155
Interest revenue	<u>12,420</u>
Total revenues	<u><u>1,126,575</u></u>

Expenditures:

Current:

Road repairs and maintenance	685,524
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Capital outlay:

Capital projects	<u>-</u>
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Total expenditures	<u><u>685,524</u></u>
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Net revenues Over/(Under) Expenditures	<u><u>441,051</u></u>
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Other Financing Sources (Uses):

Transfer out to City of Brawley	<u>-</u>
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Net Change in Fund Balance	<u><u>\$ 441,051</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 Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 1, 2008.

City of Brawley
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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.

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	\$ 1,594,447
Demand Deposits	(626,465)
Net allocable sales tax	\$ 967,982

Note C – 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 D – Transfer out to City of Brawley

During the year, the Measure D Sales Tax Fund recorded a transfer of \$109,282 to the City to fund costs associated with street projects.

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OTHER INFORMATION

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City of Brawley
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	\$ 3,473,393
Interest receivable	<u>5,349</u>
Total assets	<u><u>\$ 3,478,742</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>\$ 35,938</u>
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Fund Balance:

Restricted	
Road repairs and maintenance	<u>3,442,804</u>
Total liabilities, and fund balance	<u><u>\$ 3,478,742</u></u>

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City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:	
Sales tax	\$ 1,114,155
Interest	12,420
Total revenues	<u>1,126,575</u>
Expenditures:	
Current:	
Road repairs and maintenance	685,524
Capital outlay:	
Capital projects	-
Total expenditures	<u>685,524</u>
Net Revenues Over/(Under) Expenditures	<u>441,051</u>
Other Financing Sources (Uses)	
Transfer out to City of Brawley	-
Net Change in Fund Balance	441,051
Restricted Fund Balance, Beginning of year	3,001,753
Restricted Fund Balance, End of year	<u><u>\$ 3,442,804</u></u>

City of Brawley
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	Variance with Final Budget
Revenues:			
Taxes:			
Sales tax	\$ 1,269,389	\$ 1,114,155	\$ (155,234)
Interest	3,444	12,420	8,976
Total revenues	<u>1,272,833</u>	<u>1,126,575</u>	<u>(146,258)</u>
Expenditures:			
Current:			
Roads repairs and maintenance	906,638	685,524	(221,114)
Capital outlay:			
Capital projects	-	-	-
Total expenditures	<u>906,638</u>	<u>685,524</u>	<u>(221,114)</u>
Net Revenues Over/(Under) Expenditures	<u>366,195</u>	<u>441,051</u>	<u>74,856</u>
Other Financing Sources (Uses):			
Transfers Out	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net Change in fund balance	<u>566,195</u>	<u>441,051</u>	<u>(125,144)</u>
Fund Balance:			
Restricted Fund Balance, Beginning of year	3,001,753	3,001,753	
Restricted Fund Balance, End of year	<u><u>\$ 3,567,948</u></u>	<u><u>\$ 3,442,804</u></u>	<u><u>\$ (125,144)</u></u>

City of Brawley
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

STREET	FROM	TO	PROJECT
A St.	Magnolia St.	Rail Road	Resurface
A St.	Cesar Chavez St.	End of Cul-de-sac	Resurface
A St.	Eastern Ave.	Concord Ave.	Resurface
Abel Velasco St.	End of Cul-de-sac	Seventh St.	Resurface
Acorn Ct.	Walnut St.	End of Cul-de-sac	Resurface
Adams St.	River Dr.	B St.	Resurface
Adams St.	Leonard St.	Malan St.	Resurface
Adler Ct.	End of Cul-de-sac	Fifth St.	Resurface
Adler St.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler St.	Seventh St.	Eighth St.	Resurface
Adler St.	Palm Ave.	Eastern Ave.	Resurface
Alamo Ct.	End of Cul-de-sac	Chestnut Ave.	Resurface
Alamo St.	Chestnut Ave.	Imperial Ave.	Resurface
Allen St.	Marilyn Ave.	Western Ave.	Resurface
Andrita Pl.	I St.	G St.	Resurface
Appaloosa St.	First St.	Echo Canyon Dr.	Resurface
Apple Way	Imperial Ave.	Walnut St.	Resurface
Armando Aviles St.	End of Cul-de-sac	Seventh St.	Resurface
Arroyo Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Ash St.	End of Cul-de-sac	Eucalyptus Ave.	Resurface
Avenida de Colimbo	Malan St.	Avenida de la Paloma	Resurface
Avenida de Tortola	End of Cul-de-sac	Avenida de la Paloma	Resurface
Avenida del Valle	Legion St.	Calle Estrella	Resurface
B St.	West End of St.	Imperial Ave.	Resurface
B St.	Seventh St.	East End St.	Resurface
Bele Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Bell Ct.	Second St.	End of Cul-de-sac	Resurface
Best Ave.	Northern City Limits	Southern City Limits	Resurface
Bina St.	River Dr.	Magnolia St.	Resurface
Birch St.	End of Cul-de-sac	Joshua Ave.	Resurface
Boswell Ct.	Driftwood Pl.	C St.	Resurface
Branding Iron Ave.	Monterey St.	South End of St.	Resurface
Buitre Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
C St.	West End of St.	El Cerrito Dr.	Resurface
C St.	Boswell Ct.	Eighth St.	Resurface
C St.	Rail Road	Palm Ave.	Resurface
C St.	Thirteenth St.	Concord Ave.	Resurface
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, 2018

STREET	FROM	TO	PROJECT
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, 2018

STREET	FROM	TO	PROJECT
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, 2018

STREET	FROM	TO	PROJECT
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, 2018

STREET	FROM	TO	PROJECT
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, 2018

STREET	FROM	TO	PROJECT
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 Statements and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018



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**City of Calexico
Measure D Sales Tax Fund
For the Year Ended June 30, 2018**

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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 Calexico, California ("City") for the year ended June 30, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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, 2018, 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 X through XX 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 XX 2019, 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 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 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.

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, 2018

Revenues:

Sales tax revenue	\$ 1,407,433
Interest revenue	<u>125,745</u>
Total revenues	<u><u>1,533,178</u></u>

Expenditures:

Capital outlay:	
Capital projects	<u>84,135</u>

Excess of Revenues over Expenditures	<u><u>\$ 1,449,043</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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City of Calexico
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 1, 2008.

City of Calexico
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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.

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	\$ 2,330,617
Withheld for debt service	<u>1,121,226</u>
Net allocable sales tax	<u>\$ 3,451,843</u>

Note C – 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 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 Calexico, California ("City"), for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February XX, 2019. 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, 2018.

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*.

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.

Santa Ana, California
February XX, 2019

OTHER INFORMATION

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City of Calexico
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	<u>\$ 10,914,549</u>
Total assets	<u><u>10,914,549</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>1,230</u>
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Fund Balance:

Restricted	
Road repairs and maintenance	<u>10,913,319</u>
Total liabilities, and fund balance	<u><u>\$ 10,914,549</u></u>

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City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:

Sales tax	\$ 1,407,433
Interest revenue	<u>125,745</u>
Total revenues	<u><u>1,533,178</u></u>

Expenditures:

Capital outlay:	
Capital projects	<u>84,135</u>

Net Change in Fund Balance

1,449,043

Restricted Fund Balance, Beginning of year	<u>9,464,276</u>
Restricted Fund Balance, End of year	<u><u>\$ 10,913,319</u></u>

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City of Calexico
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	Variance with Final Budget
Revenues:			
Taxes:			
Sales tax	\$ 1,200,000	\$ 1,407,433	\$ 207,433
Interest revenue	10,000	125,745	115,745
Total revenues	<u>1,210,000</u>	<u>1,533,178</u>	<u>323,178</u>
Expenditures:			
Capital outlay:			
Capital projects	3,310,882	84,135	(3,226,747)
Net Change in fund balance	<u>(2,100,882)</u>	<u>1,449,043</u>	<u>3,549,925</u>
Fund Balance:			
Restricted Fund Balance, Beginning of year	9,464,276	9,464,276	-
Restricted Fund Balance, End of year	<u>\$ 7,363,394</u>	<u>\$ 10,913,319</u>	<u>\$ 3,549,925</u>

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

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

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2018

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

City of Calexico
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paeso de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
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, 2018

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

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City of Calipatria Measure D Sales Tax Fund

Calipatria, California

Financial Statements and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018



DRAFT 02.12.2019

**City of Calipatria
Measure D Sales Tax Fund
For the Year Ended June 30, 2018**

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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 Calipatria, California ("City") for the year ended June 30, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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, 2018, 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 8 through 16 is presented for purposes of additional analysis and is not a required part of the financial statements. The other information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February XX, 2019, 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 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 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.

Santa Ana, California
February XX, 2019

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FINANCIAL STATEMENT

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City of Calipatria
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2018

Revenues:

Sales tax revenue	\$ 202,653
Interest revenue	<u>22,153</u>
Total revenues	<u><u>224,806</u></u>

Expenditures:

Capital outlay:	
Capital projects	<u>279,186</u>

Excess of Revenues over Expenditures	<u><u>\$ (54,380)</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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City of Calipatria
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 1, 2008.

City of Calipatria
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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.

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	\$ 376,848
Withheld for debt service	174,195
Net allocable sales tax	\$ 202,653

Note C – Restriction of Net Revenues

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

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OTHER REPORTS

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL 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 Calipatria, California (City), for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 6, 2018. 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, 2018.

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*.

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.

Santa Ana, California
February XX, 2019

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OTHER INFORMATION

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	<u>\$ 1,802,518</u>
Total assets	<u><u>\$ 1,802,518</u></u>

Liabilities and Fund Balance:

Fund Balance:

Restricted	
Road repairs and maintenance	<u>1,802,518</u>
Total liabilities, and fund balance	<u><u>\$ 1,802,518</u></u>

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:

Sales tax	\$ 202,653
Interest revenue	<u>22,153</u>
Total revenues	<u>224,806</u>

Expenditures:

Capital outlay:	
Capital projects	<u>279,186</u>

Net Change in Fund Balance

(54,380)

Restricted Fund Balance, Beginning of year	<u>1,856,898</u>
Restricted Fund Balance, End of year	<u><u>\$ 1,802,518</u></u>

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City of Calipatria
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Budget	Actual	Variance with Final Budget
Revenues:			
Taxes:			
Sales tax	\$ 150,000	\$ 202,653	\$ 52,653
Interest revenue	-	22,153	\$ 22,153
Total revenues	<u>150,000</u>	<u>224,806</u>	<u>74,806</u>
Expenditures:			
Capital outlay:			
Capital projects	<u>500,000</u>	<u>279,186</u>	<u>220,814</u>
Net Change in fund balance	<u>(350,000)</u>	<u>(54,380)</u>	<u>295,620</u>
Fund Balance:			
Restricted Fund Balance, Beginning of year	<u>1,856,898</u>	<u>1,856,898</u>	<u>-</u>
Restricted Fund Balance, End of year	<u><u>\$ 1,506,898</u></u>	<u><u>\$ 1,802,518</u></u>	<u><u>\$ 295,620</u></u>

City of Calipatria
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

STREET	FROM	TO	PROJECT
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 Statements and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018



DRAFT 02.12.2019

**City of El Centro
Measure D Sales Tax Fund
For the Year Ended June 30, 2018**

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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 El Centro, California ("City") for the year ended June 30, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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, 2018, 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 X through XX 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 XX, 2019, 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 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 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.

Santa Ana, California
February XX, 2019

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FINANCIAL STATEMENT

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City of El Centro
Measure D Sales Tax Fund
Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2018

Revenues:

Sales tax revenue	\$ 2,575,539
Interest revenue	52,099
Other revenue	<u>-</u>
Total revenues	<u><u>2,627,638</u></u>

Expenditures:

Current:

Road repairs and maintenance	<u>2,946,520</u>
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Net Revenues Over (Under) Expenditures

(318,882)

Other Financing Sources (Uses):

Transfer out to City	<u>(1,330,603)</u>
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Net Change in Fund Balance

\$ (1,649,485)

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NOTES TO THE FINANCIAL STATEMENTS

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City of El Centro
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 1, 2008.

City of El Centro
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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 C – 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 D – Transfer Out to City

The City recorded a transfer out of \$1,330,603 to move funds to the LTA lease revenue bonds debt service fund. On December 6, 2009, the City issued its \$4,615,000 Lease Revenue Bonds 2009 Series A and \$10,125,000 Lease Revenue Bonds 2009 Series B. The bond funds are to be used for the acquisition, construction, and installation of certain transportation-related improvements within the City. The principal balance outstanding at June 30, 2018 is \$11,505,000.

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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 El Centro, California ("City"), for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February XX, 2019. 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, 2018.

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*.

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 XX, 2019

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OTHER INFORMATION

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City of El Centro
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	\$ 3,454,511
Interest receivable	-
Other receivables	-
Total assets	<u><u>\$ 3,454,511</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	-
------------------	---

Fund Balance:

Restricted	
Road repairs and maintenance	3,454,511
Total liabilities, and fund balance	<u><u>\$ 3,454,511</u></u>

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City of El Centro
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:	
Sales tax	\$ 2,575,539
Interest	52,099
Other revenue	-
Total revenues	<u>2,627,638</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>2,946,520</u>
Excess of revenues over (under) expenditures	<u>(318,882)</u>
Other Financing Sources (Uses):	
Transfer out	<u>(1,330,603)</u>
Net Change in Fund Balance	<u>(1,649,485)</u>
Restricted Fund Balance, Beginning of year	<u>5,103,996</u>
Restricted Fund Balance, End of year	<u><u>\$ 3,454,511</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, 2018

	Budget	Actual	Variance with Final Budget
Revenues:			
Taxes:			
Sales tax	\$ 2,670,000	\$ 2,575,539	\$ (94,461)
Interest revenue	14,000	52,099	38,099
Other revenue	-	-	-
Total revenues	<u>2,684,000</u>	<u>2,627,638</u>	<u>(56,362)</u>
Expenditures:			
Current:			
Road repairs and maintenance	5,184,092	2,946,520	(2,237,572)
Excess (deficiency) of revenues over (under) expenditures	<u>(2,500,092)</u>	<u>(318,882)</u>	<u>2,181,210</u>
Other Financing Sources (Uses):			
Transfer out	<u>(1,580,604)</u>	<u>(1,330,603)</u>	<u>250,001</u>
Net Change in Fund Balance	<u>(4,080,696)</u>	<u>(1,649,485)</u>	<u>2,431,211</u>
Restricted Fund Balance, Beginning of year	5,103,996	5,103,996	-
Restricted Fund Balance, End of year	<u>\$ 1,023,300</u>	<u>\$ 3,454,511</u>	<u>\$ 2,431,211</u>

City of El Centro
Measure D Sales Tax Fund
Reconciliation of the Schedule of Revenues, Expenditures and Changes in Fund Balance
to the Statement of Revenues and Allowable Expenditures
For the Year Ended June 30, 2018

Revenues:

Sales tax - Schedule	\$ 2,575,539
May and June 2017 sales tax received in 2017-2018	(414,843)
May and June 2018 sales tax received in 2018-2019	
Sales tax - Statement of Revenues and Allowable Expenditures	<u><u>\$ 2,160,696</u></u>

Expenditures:

Total expenditures - Schedule	\$ 2,946,520
Capital project costs for 2017-2018 paid in 2018-2019	
Total Expenditures - Statement of Revenues and Allowable Expenditures	<u><u>\$ 2,946,520</u></u>

**City of El Centro
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018**

Project

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

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City of Holtville
Measure D Sales Tax Fund

Holtville, California

**Financial Statements and
Other Information with
Independent Auditors' Reports**

For the Year Ended June 30, 2018



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City of Holtville
Measure D Sales Tax Fund
For the Year Ended June 30, 2018

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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 Holtville, California ("City") for the year ended June 30, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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, 2018, 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 22 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 XX, 2019, 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 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 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 XX, 2019

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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, 2018

Revenues:	
Sales tax revenue	\$ 524,745
Interest revenue	1,147
Total revenues	<u>525,892</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>-</u>
Revenues In Excess of Expenditures	<u>525,892</u>
Other Financing Sources (Uses):	
Transfer out to City	<u>(402,368)</u>
Total Other Financing Sources (Uses)	<u>(402,368)</u>
Net Change in Fund Balance	<u><u>\$ 123,524</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

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City of Holtville
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 1, 2008.

City of Holtville
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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.

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	\$ 520,865
Withheld for debt service	\$ -
Net allocable sales tax	\$ 520,865

Note C – 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 D – Transfers Out to City

The City recorded a transfer out of \$402,368 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 Holtville, California (City), for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated February XX, 2019. 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, 2018.

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*.

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 XX, 2019

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OTHER INFORMATION

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City of Holtville
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	<u>\$ 1,144,974</u>
Total assets	<u><u>1,144,974</u></u>

Liabilities and Fund Balance:

Fund Balance:

Restricted	
Road repairs and maintenance	<u>1,144,974</u>
Total liabilities, and fund balance	<u><u>\$ 1,144,974</u></u>

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City of Holtville
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:	
Sales tax	\$ 524,745
Interest	1,147
Total revenues	<u>525,892</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>-</u>
Excess of revenues over expenditures	<u>525,892</u>
Other Financing Sources (Uses):	
Transfer out	<u>(402,368)</u>
Net Change in Fund Balance	<u>123,524</u>
Restricted Fund Balance, Beginning of year	<u>1,021,450</u>
Restricted Fund Balance, End of year	<u><u>\$ 1,144,974</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, 2018

	Budget	Actual	Variance with Final Budget
Revenues:			
Revenues	\$ 480,000	\$ 524,745	\$ 44,745
Interest revenue	750	1,147	397
Total revenues	<u>480,750</u>	<u>525,892</u>	<u>45,142</u>
Expenditures:			
Current:			
Road repairs and maintenance	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>480,750</u>	<u>525,892</u>	<u>45,142</u>
Other Financing Sources (Uses):			
Transfer out	<u>(1,001,820)</u>	<u>(402,368)</u>	<u>(599,452)</u>
Net Change in Fund Balance	<u>\$ (521,070)</u>	<u>\$ 123,524</u>	<u>\$ 200,408</u>
Restricted Fund Balance, Beginning of year	1,021,450	1,021,450	-
Restricted Fund Balance, End of year	<u>\$ 500,380</u>	<u>\$ 1,144,974</u>	<u>\$ 200,408</u>

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

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

City of Holtville
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
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	Slaton	Beale	Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement
Citywide			Sidewalk Rehab/Replacement
Complete Street Plan			Transportation Planning Project
6th Street Improvements			
4th Street Project			
9th St Lateral	Cedar	Olive	

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City of Imperial Measure D Sales Tax Fund

Imperial, California

Financial Statements and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018

DRAFT 02.18.2019

City of Imperial
Measure D Sales Tax Fund
For the Year Ended June 30, 2018

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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 Imperial, California ("City") for the year ended June 30, 2018, 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 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 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. 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, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The statement of revenues and allowable expenditures presents only the activity of Measure D Sales Tax Fund and does not purport to, and does not, present fairly the financial position of the City of Imperial, California, as of June 30, 2018, 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 X through XX 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 XX, 2019, 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 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 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.

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, 2018

Revenues:

Sales tax revenue	\$ 789,327
Interest revenue	11,431
Other revenue	<u>13,477</u>
Total revenues	<u>814,235</u>

Expenditures:

Current:	
Road repairs and maintenance	<u>1,578,878</u>

Revenues In Excess of Expenditures

(764,643)

Other Financing Sources (Uses):

Bond proceeds	266,188
Transfer out to City	<u>(100,418)</u>

Total Other Financing Sources (Uses)

165,770

Net Change in Fund Balance

\$ (598,873)

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NOTES TO THE FINANCIAL STATEMENTS

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City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 Imperial has an established special revenue fund to account for revenues and expenditures related to Ordinance 1, 2008.

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 uses the modified accrual basis of accounting to 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.

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	\$ 1,254,758
Withheld for debt service	<u>465,431</u>
Net allocable sales tax	<u>\$ 789,327</u>

Note C – 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 D – Transfers Out to City

The City recorded a transfer out of \$100,418 to reflect the reimbursement of costs incurred in another City fund for Measure D eligible projects.

City of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note E – 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 Brawley, 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, 2018, the City requested and received \$266,188 in bond proceeds.

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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, 2018, and the related notes to the financial statement, and have issued our report thereon dated February XX, 2019. 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, 2018.

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 an instance of noncompliance which is required to be reported under *Government Auditing Standards* and in accordance with the Ordinance and which is described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002. Our opinion is not modified with respect to these matters.

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.

Santa Ana, California
February XX, 2019

OTHER INFORMATION

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City of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2017

Assets:

Cash and cash equivalent	\$ 3,482,592
Interest receivable	<u>3,252</u>
Total assets	<u><u>3,485,844</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>3,315</u>
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Fund Balance:

Restricted	
Road repairs and maintenance	<u>3,482,529</u>
Total liabilities, and fund balance	<u><u>\$ 3,485,844</u></u>

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City of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:	
Sales tax	\$ 789,327
Interest	11,431
Other revenue	13,477
Total revenues	<u>814,235</u>
Expenditures:	
Current:	
Road repairs and maintenance	<u>1,578,878</u>
Excess of revenues over expenditures	<u>(764,643)</u>
Other Financing Sources (Uses):	
Bond proceeds	266,188
Transfer out	(100,418)
Total Other Financing Sources (Uses)	<u>165,770</u>
Net Change in Fund Balance	<u>(598,873)</u>
Restricted Fund Balance, Beginning of year	<u>4,081,402</u>
Restricted Fund Balance, End of year	<u><u>\$ 3,482,529</u></u>

City of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

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

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County of Imperial Measure D Sales Tax Fund

Imperial, California

Financial Statements and Other Information with Independent Auditors' Reports

For the Year Ended June 30, 2018



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County of Imperial
Measure D Sales Tax Fund
For the Year Ended June 30, 2018

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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
Imperial, 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 County of Imperial, California ("County") for the year ended June 30, 2018, 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 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 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. 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 County for the year ended June 30, 2018, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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, 2018, 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 X through XX 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 XX, 2019, 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 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 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.

Santa Ana, California
February XX, 2019

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, 2018

Revenues:

Sales tax revenue	\$ 2,741,526
Interest revenue	<u>47,471</u>
Total revenues	<u><u>2,788,997</u></u>

Expenditures:

Current:

Road repairs and maintenance	<u>857,294</u>
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Excess (deficiency) of revenues over (under) allowable expenditures	<u><u>1,931,703</u></u>
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Other Financing Sources (Uses):

Transfer out to County	(57,531)
Bond proceeds	<u>-</u>
Total Other Financing Sources (Uses)	<u><u>(57,531)</u></u>

Net Change in Fund Balance	<u><u>\$ 1,874,172</u></u>
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NOTES TO THE FINANCIAL STATEMENTS

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County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018

Note A – Summary of Significant Accounting Policies

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 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 1, 2008.

County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note B – Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, the Measure D Sales Tax Fund presents increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses).

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measureable 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 City uses the modified accrual basis of accounting to 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.

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	\$ 4,295,754
Withheld for debt service	<u>\$ 1,554,228</u>
Net allocable sales tax	<u>\$ 2,741,526</u>

Note C – 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.

County of Imperial
Measure D Sales Tax Fund
Notes to the Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2018

Note D – Transfer Out to County

The County recorded a transfer out to the County of \$57,531. The transfer out reflects the reimbursement of costs incurred in another County fund. Those costs are being funded with Measure D sales tax revenue.

Note E – 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 Brawley, Calexico, Calipatria, and Imperial. The bond proceeds are held by the ICLTA until a reimbursement is requested by the County. During the year ended June 30, 2018, the County requested and received \$5,227,514 in bond proceeds.

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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
Imperial, 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, 2018, and the related notes to the financial statement, and have issued our report thereon dated April 6, 2018. 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, 2018.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statement of the Measure D Sales Tax Fund of the County is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements including the requirements of Measure D matters as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 (Ordinance), noncompliance with which could have a direct and material effect on the 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.

Santa Ana, California
February XX, 2019

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OTHER INFORMATION

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County of Imperial
Measure D Sales Tax Fund
Schedule of Assets, Liabilities, and Fund Balance
June 30, 2018

Assets:

Cash and cash equivalent	\$ 6,520,996
Interest receivable	<u>16,705</u>
Total assets	<u><u>6,537,701</u></u>

Liabilities and Fund Balance:

Liabilities:

Accounts payable	<u>12,611</u>
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Fund Balance:

Restricted	
Road repairs and maintenance	<u>6,525,090</u>
Total liabilities, and fund balance	<u><u>\$ 6,537,701</u></u>

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County of Imperial
Measure D Sales Tax Fund
Schedule of Revenues, Expenditures, and Change in Fund Balances
For the Year Ended June 30, 2018

Revenues:

Sales tax	\$ 2,741,526
Interest	<u>47,471</u>
Total revenues	<u><u>2,788,997</u></u>

Expenditures:

Current:	
Road repairs and maintenance	<u>857,294</u>

Excess (deficiency) of revenues over (under) allowable expenditures	<u><u>1,931,703</u></u>
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Other Financing Sources (Uses):

Transfer out	<u>(57,531)</u>
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Total Other Financing Sources	<u><u>(57,531)</u></u>
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Net Change in Fund Balance	1,874,172
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Restricted Fund Balance, Beginning of year	<u>4,650,918</u>
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Restricted Fund Balance, End of year	<u><u>\$ 6,525,090</u></u>
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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, 2018

	Budget	Actual	Variance - Over (Under)
Revenues:			
Revenues	\$ 3,000,000	\$ 2,741,526	\$ (258,474)
Interest	15,000	47,471	32,471
Total revenues	<u>3,015,000</u>	<u>2,788,997</u>	<u>(226,003)</u>
Expenditures:			
Current:			
Road repairs and maintenance	<u>2,699,400</u>	<u>857,294</u>	<u>\$ (1,842,106)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>315,600</u>	<u>1,931,703</u>	<u>1,616,103</u>
Other Financing Sources (Uses):			
Transfer out	(300,000)	(57,531)	\$ 242,469
Bond proceeds	<u>6,927,096</u>	<u>-</u>	<u>(6,927,096)</u>
Total Other Financing Sources (Uses)	<u>6,627,096</u>	<u>(57,531)</u>	<u>(6,684,627)</u>
Net Change in Fund Balance	<u>6,942,696</u>	<u>1,874,172</u>	
Restricted Fund Balance, Beginning of year	4,650,918	4,650,918	-
Restricted Fund Balance, End of year	<u>\$ 11,593,614</u>	<u>\$ 6,525,090</u>	<u>\$ -</u>

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects
June 30, 2018

ROAD	FROM	TO	PROJECT
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
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Road (WC)	Webster Road	Baughman Road (52)	Overlay/Reconstruct

County of Imperial
Measure D Sales Tax Fund
Five Year Program of Projects (Continued)
June 30, 2018

STREET	FROM	TO	PROJECT
McCabe Road (14)	Pitzer Road	Dogwood Road	Overlay/Reconstruct/Widen
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Road (16)	Humberg Road (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	LaBrucherie Road	West End	Overlay
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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