



Imperial County Local Transportation Authority

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MEASURE D LOCAL TAXPAYER SUPERVISING COMMITTEE (LTSC)

MINUTES FOR FEBRUARY 6, 2024 2:00 PM

MEMBERS PRESENT: Tim Jones, Joe Picazo, Martha Cardenas-Singh (Chair), David Aguirre (Executive Director), Karina Alvarez (County Auditor Controller)

OTHERS PRESENT: Michelle Bastidas, Angela Delgadillo, Katie Luna: ICTC Staff; Roger Martinez, Cid Conde, Frances Roque: Vasquez & Co. LLC

I. WELCOME AND INTRODUCTIONS

- A. The meeting began at 2:06 p.m. Introductions were made.

II. PUBLIC COMMENTS

There were no public comments.

III. ACTION CALENDAR

- A. Imperial County Local Transportation Authority Annual Financial Report for the Fiscal Year Ended June 30, 2023

Mr. Martinez with the CPA firm, Vasquez and Co. LLP, presented the *LTA Annual Financial Reports, for the fiscal year ended June 20, 2023*. The audit performed was in accordance with auditing standards accepted in the U.S. and the standards applicable to financial audits in Government Auditing Standards. The purpose of this audit is to ensure that the expenditures that are being reported are compliant with Measure D requirements.

The summary of the audit results/observations are listed below by agency. It was noted that no material weaknesses or significant deficiencies were identified during the audit.

City of Brawley: There were none.

City of Calexico:

1. The annual report of projects completed in the previous fiscal year was not turned into the LTA by the November 1st deadline.

City of Calipatria:

1. In August 2021, the city experienced a loss of its accounting data stored in the financial system starting from October 2020 through August 2021 due to server malfunction and data backup failure. The data was not recovered due to physical damage to the server's hard drive. In November 2023, the city completed re-encoding of the lost accounting data. Due to these issues the auditor made the following observations:

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- Reconciliation of major balance sheet accounts including back accounts for revenues and expenditures transactions posted were not yet completed.
 - Beginning fund balances were not yet reconciled with the previous year's audited reports.
 - Supporting documentation for two samples selected were not provided for review. The recommendations made by the auditor were to create a Business Contingency Plan and Disaster Recovery Plan. The auditor also recommended that the city establish and document proper closing and reconciliation procedures and assign responsibility for completing the procedures to specific city personnel. The city ensured that they would work on training, policies and procedures. The city also contacted the City of Imperial for support in Cyber Security and Information Technology. *It was stated that the city has a meeting with the auditor before the finalization of this audit to discuss the start balance of the reconciliation. If the city can provide documentation the auditor can provide a complete audit for the city for this FY.*
2. Maintenance of Effort minimum amounts are not set for the City of Calipatria.
 3. The annual report of projects completed in the previous fiscal year was not turned into the LTA by the November 1st deadline.

City of El Centro:

1. The annual report of projects completed in the previous fiscal year was not turned into the LTA by the November 1st deadline.

City of Holtville:

1. Maintenance of Effort minimum amounts are not set for the City of Holtville.

City of Imperial:

1. Annual Five-year list of projects was not turned in to LTA staff.
2. The annual report of projects completed in the previous fiscal year was not turned into the LTA by the November 1st deadline.

City of Westmorland:

1. Maintenance of Effort minimum amounts are not set for the City of Westmorland.
2. Administrative expenses for the city were 8%. Previously, LTA LTSC had recommended setting up a cap of no greater than 5%

County of Imperial:

1. Maintenance of Effort minimum amounts are not set for the County of Imperial.
2. The annual report of projects completed in the previous fiscal year was not turned into the LTA by the November 1st deadline.

ICLTA: Set a minimum Maintenance of Effort level for street and road expenditures for each local agency. It was recommended that the LTA revisit the MOE and establish efforts for everyone. Mr. Aguirre stated that staff have been doing research to see how we can establish something across the board.

The LTA Local Taxpayer Supervising Committee (LTSC) reviewed the financial reports, and recommended approval of the fiscal reports for FY 2022-23, for the LTA and the cities of Brawley, Calipatria, Calexico, El Centro, Holtville, Imperial, Westmorland and the County of Imperial”, with support for the following recommendations for member agencies and staff:

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- The committee would like staff to review options to update the Maintenance of Efforts expectations and requirements applicable to each agency
- The committee would like to continue to require a cap on administrative use of LTA expenditures to agencies to not exceed 5%.
- The committee would like the public to be provided with more information regarding projects that are funded with LTA funds, such as newspaper publications. LTA does have project information on the LTA website at <https://www.ltaimperial.com/regional-programs-and-projects>.
- Continue to meet with agency audit staff annually for training purposes and to better facilitate the auditing process. This includes reminding agencies to submit all required items.
- There is a specific request to be provided with an update on Calipatria.
- The committee requested to meet earlier in the year and have the auditor submit the audit earlier so that the oversight committee can see final audits when they meet.

A motion was made by Jones and seconded by Picazo; **Motion Carried.**

IV. CONSENT CALENDAR

- A. The minutes for February 16, 2023, were tabled.

V. INFORMATION CALENDAR

The following items were provided in the meeting backup.

- A. LTA Transit Set-Aside 2% Funds

FY 2022-23

IVT Ride \$250,000.00
(Brawley, Calexico, Heber, Imperial, El Centro & West Shores)

FY 2023-24

IVT Ride \$250,000.00
(Brawley, Calexico, Heber, Imperial, El Centro & West Shores)

Available Balance 2-05-24 **\$759,630.00**

- B. LTA State Highway Set-Aside 5% Funds
○ LTA 5% Regional Hwy Balance as of 2/5/2024: **\$4,666,844**

- C. LTA Bond Project Update
○ 2018 Bond Remaining Project Funds
 - Calexico – \$2,802,022
 - Calipatria – Fully Spent
 - Holtville – Fully Spent

- D. LTA REVENUES FY 2018-19 TO FY 2023-24
○ Also reviewed were the Comparison Revenues per City and County report and the LTA Revenues Comparison Report

VI. ADJOURNMENT

Meeting Adjourned at 3:47 p.m.