

**City of Westmorland, California**

**Schedule of Revenues, Expenditures and Change in Fund Balance  
and Supplementary Information of  
Measure D Sales Tax Fund**

*For the Year Ended June 30, 2021*

*with Independent Auditor's Reports*

**City of Westmorland, California**

**Schedule of Revenues, Expenditures and Change in Fund Balance  
and Supplementary Information  
of Measure D Sales Tax Fund**

***For the Year Ended June 30, 2021***

***with Independent Auditor's Reports***

**City of Wesmorland**  
**Measure D Sales Tax Fund**  
**For the Year Ended June 30, 2021**  
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## **FINANCIAL SECTION**

## Independent Auditor's Report

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

### Report on the Schedule

We have audited the accompanying schedule of revenues, expenditures and change in fund balance (Schedule) of the Measure D Sales Tax Fund of the City of Westmorland, California ("City") for the year ended June 30, 2021, and the related notes to the Schedule.

### *Management's Responsibility for the Schedule*

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the Schedule 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 Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.

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 Schedule referred to above presents fairly, in all material respects, the revenues, expenditures and change in fund balance of the Measure D Sales Tax Fund of the City of Westmorland, California for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

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

**Other Matters**

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the schedule of revenues, expenditures and change in fund balance of the Measure D Sales Tax Fund of the City. The supplementary information on pages 12 through 15 is presented for purposes of additional analysis and is not a required part of the Schedule. The supplementary information has not been subjected to the auditing procedures applied in the audit of the Schedule 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 March 1, 2022, on our consideration of the City's internal control over financial reporting which includes preparation of the schedule of revenues, expenditures and change in fund balance and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance as it relates to the Measure D Sales Tax Fund.

A handwritten signature in black ink that reads "Vaqueria &amp; Company LLP".

Glendale, California  
March 1, 2022

**City of Westmorland**  
**Measure D Sales Tax Fund**  
**Schedule of Revenues, Expenditures and Change in Fund Balance**  
**For the Year Ended June 30, 2021**

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**Revenues:**

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

**Expenditures:**

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

**Deficiency of Revenues Over Expenditures** (398,773)

**Other Financing Sources:**

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

**Change in Fund Balance** \$ (396,604)

*See accompanying Notes to the Schedule.*

**NOTE 1      REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

*Imperial County Local Transportation Authority*

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

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

The Authority consists of the following member agencies:

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

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

**Compliance Requirements of the Imperial County Local Transportation Authority**

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



**NOTE 1      REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**Fund Accounting**

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

**Basis of Presentation**

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

**Basis of Accounting**

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

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

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

**Use of Estimates**

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

**NOTE 2      SALES TAX REVENUE**

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

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

**NOTE 3      RESTRICTION OF NET REVENUES**

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

**NOTE 4      TRANSFER FROM THE CITY**

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

**Independent Auditor's 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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of revenues, expenditures and change in fund balance of the Measure D Sales Tax Fund (the Fund) of the City of Westmorland, California (City), for the year ended June 30, 2021, and the related notes to the schedule, and have issued our report thereon dated March 1, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the Schedule, we considered the City's internal control over the Fund's financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, 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 Schedule is 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 Schedule. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

**Glendale, California  
March 1, 2022**

## Independent Auditor's Report on Compliance

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

### Report on Compliance

We have audited the City of Westmorland, California's (the City) compliance with the requirements of Measure D as specified in the Imperial County Local Transportation Authority Retail Transactions and Use Ordinance No. 1-2008 ("Ordinance") for the year ended June 30, 2021.

### Management's Responsibility

Management is responsible for the City's compliance with the Ordinance.

### Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance with the Ordinance based on our audit. We conducted our audit of compliance in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Ordinance. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on Measure D Sales Tax Fund occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Ordinance. However, our audit does not provide a legal determination of the City's compliance with the Ordinance.

### Opinion

In our opinion, the City of Westmorland, California complied, in all material respects, with the compliance requirements of the Ordinance for the year ended June 30, 2021.



## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Ordinance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Vasquez &amp; Company LLP".

Glendale, California  
March 1, 2022

**SECTION I COMPLIANCE FINDINGS**

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

**SUPPLEMENTARY INFORMATION**



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

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**Assets:**

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

**Liabilities and Fund Balance:**

**Liabilities:**

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

**Fund Balance:**

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

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

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<b>Revenues:</b>		
Sales tax	\$	312,556
Interest earnings		199
	<b>Total revenues</b>	<u>312,755</u>
<b>Expenditures:</b>		
Road repairs and maintenance		14,404
Capital outlay		697,124
	<b>Total expenditures</b>	<u>711,528</u>
<b>Deficiency of Revenues Over Expenditures</b>		<u>(398,773)</u>
<b>Other Financing Sources:</b>		
Transfers from the City		2,169
	<b>Total other financing sources</b>	<u>2,169</u>
<b>Change in Fund Balance</b>		(396,604)
<b>Fund Balance:</b>		
Beginning of year		<u>1,725,747</u>
End of year	\$	<u><u>1,329,143</u></u>

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

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

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

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



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