



**1503 N. IMPERIAL AVENUE, SUITE 104  
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**TRANSPORTATION COMMISSION  
REVISED AGENDA**

**WEDNESDAY, MARCH 25, 2020  
6:00 PM**

**ICTC Offices – Large Conference Room  
1503 N. Imperial Ave., Suite 104  
El Centro, CA 92243**

**CHAIR: GEORGE NAVA**

**VICE CHAIR: CHERYL VIEGAS-WALKER**

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

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

Join Zoom Meeting: <https://zoom.us/j/7818240475?pwd=RFptQ1JlQ2tlUkthTnFHZTdPUFdOdz09>  
Dial 1-669-900-9128  
Meeting ID: 781 824 0475  
Password: 1503

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

**II. EMERGENCY ITEMS**

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

**III. PUBLIC COMMENTS**

Any member of the public may address the Commission for a period not to exceed three minutes on any item of interest not on the agenda within the jurisdiction of the Commission. The Commission will listen to all communication, but in compliance with the Brown Act, will not take any action on items that are not on the agenda.

**IV. CONSENT CALENDAR**

(Executive Director recommends approval of consent calendar items)

- A. Approval of the ICTC Commission Draft Minutes: February 26, 2020 Pages 4-17
- B. Receive and File:
  - 1. ICTC Management Committee Minutes: February 12, 2020
  - 2. ICTC TAC Draft Minutes: February 27, 2020
  - 3. ICTC SSTAC Minutes: February 5, 2020

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,  
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

- C. Specific Transit Operator Fiscal Reports FY 2018-19 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans Page 19

The ICTC Management Committee met on February 12, 2020 and forwards this item to the Commission for their review and approval after public comment, if any:

1. Receive and file the Specific Transit Operator Fiscal Reports FY 2018-19; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans

**V. REPORTS** (Up to 5 minutes per staff report)

- A. ICTC Executive Director
  - See attached Executive Director Report on page 63
- B. Southern California Association of Governments
  - See attached report on page 72
- C. California Department of Transportation – District 11
  - See attached report on page 75
- D. Commission Member Reports (if any)

**VI. ACTION CALENDAR**

- A. Transportation Development Act (TDA) and Program Fiscal Audits for FY 2018-19 Page 83

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

1. Receive and file the Transportation Development Act and other program fiscal audits for the Imperial County Transportation Commission, for FY 2018-19.
2. Direct staff to transmit the fiscal audits to the State Controller's Office.

**VII. MEETING DATE AND PLACE**

- A. The next meeting of the **Imperial County Transportation Commission** will be held on **Wednesday, April 22, 2020 at 6:00 p.m.**, at the **County of Imperial Board Chambers**, at 940 W. Main Street, El Centro, CA.

**VIII. ADJOURNMENT**

- A. Motion to adjourn

## **IV. CONSENT CALENDAR**

### **IV. CONSENT CALENDAR**

- A. APPROVAL OF THE ICTC COMMISSION DRAFT  
MINUTES: FEBRUARY 26, 2020
  - B. RECEIVE AND FILE:
    - 1. ICTC MANAGEMENT COMMITTEE DRAFT  
MINUTES: FEBRUARY 12, 2020
    - 2. ICTC SSTAC MINUTES: FEBRUARY 5, 2020
    - 3. ICTC DRAFT TAC MINUTES: FEBRUARY 27,  
2020

**IMPERIAL COUNTY TRANSPORTATION COMMISSION**  
**DRAFT MINUTES FOR FEBRUARY 26, 2020**  
**6:00 p.m.**

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**VOTING MEMBERS PRESENT:**

|                     |                        |
|---------------------|------------------------|
| City of Brawley     | George Nava - Chairman |
| City of Calipatria  | Maria Nava-Froelich    |
| City of Calexico    | Lewis Pacheco          |
| City of El Centro   | Cheryl Viegas-Walker   |
| City of Holtville   | James Predmore         |
| City of Imperial    | Robert Amparano        |
| City of Westmorland | Larry Ritchie          |
| County of Imperial  | Luis Plancarte         |
| County of Imperial  | Ryan Kelley            |

**NON-VOTING MEMBERS PRESENT:**      Caltrans District 11      Gustavo Dallarda

**STAFF PRESENT:**      Mark Baza, David Aguirre Cristi Lerma, Marlene Flores, Eric Havens (Counsel)

**OTHERS PRESENT:** David Salgado: SCAG; Ann Fox, Daniel Hernandez, Jose Ornelas: Caltrans; Ginger Ward: Area Agency on Aging

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The following action minutes are listed as they were acted upon by the Imperial County Transportation Commission and as listed on the agenda for the meeting held Wednesday, February 26, 2020 together with staff reports and related documents attached thereto and incorporated therein by reference.

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

[Chair Nava](#) called the Commission meeting to order at 6:05 p.m. Roll call was taken, and a quorum was present.

**II.     EMERGENCY ITEMS**

There were none.

**III.    PUBLIC COMMENTS**

There were none.

**IV.    CONSENT CALENDAR**

A motion was made by [Nava-Froelich](#) and seconded by [Ritchie](#) to approve the consent calendar as presented; **Motion carried.**

- |    |  |                  |
|----|--|------------------|
| A. | Approval of the ICTC Commission Draft Minutes:   | January 29, 2020 |
| B. | Receive and File:                                |                  |
|    | 1.      ICTC Management Committee Draft Minutes: | January 8, 2020  |
|    | 2.      ICTC SSTAC Minutes:                      | January 9, 2020  |
|    | 3.      ICTC Draft TAC Minutes:                  | January 23, 2020 |

**V.     REPORTS**

A.      ICTC Executive Director

Mr. Baza had the following updates:

- The UTN Hearing is scheduled for March 4<sup>th</sup>, 2020 at 3 p.m. at the County of Imperial Board Chambers, 940 W. Main St. in El Centro. Several other outreach opportunities were also scheduled specifically in the North-end of Imperial County.

This allowed more opportunity for transit users that are not able to attend the hearing to submit their comments for the record. Other outreach opportunities were as follows:

- January 27, 2020 – Calipatria North-end Advisory Meeting, 6 p.m.
- February 3, 2020 – Westshores Council Meeting, 6 p.m.
- February 24, 2020 – Brawley Council Chambers, 3 p.m.
- February 24, 2020 – Bombay Beach North-end Advisory Meeting, 6 p.m.
- Funding for phase 2B of the Calexico West Port of Entry is in the President’s Budget Proposal in the amount of \$99.7 million. Work for phase 2B will include demolition of the old port building and construction of the new pedestrian building. The total estimated cost for phases 2A and 2B is \$276 million.
- The groundbreaking for the I-8 / Imperial Interchange project is scheduled for end of April.
- The Calexico East Port of Entry Bridge Expansion over the All-American Canal Project proposes to widen the bridge over the All-American Canal at the U.S./Mexico border approximately 0.7 miles south of State Route (SR) 7. The project proposes to widen the existing structure by adding four-lanes: Two New Northbound Auto Lanes and Two New Northbound Commercial Vehicle Lanes. In May 2018, Caltrans and ICTC received \$3,000,000 from the California Transportation Commission and the Trade Corridor Enhancement Program (TCEP) to complete the Project Approval and Environmental Document (PA/ED) for the project. In June 2018, Caltrans completed a Project Initiation Document (PID). In Fall of 2018, the PA/ED phase was initiated by Caltrans, technical studies for the National Environment Policy Act (NEPA) document under Federal Highway Administration as the NEPA lead are in progress and is scheduled for completion in May 2020. In December, ICTC in partnership with Caltrans was awarded \$20 million under the U.S. Department of Transportation’s BUILD discretionary grant program to complete the Design-Build construction phase. NEPA studies are in progress and scheduled for approval in May 2020. Upon NEPA approval, ICTC will request authorization for the \$20 million in federal funding and proceed with the Request for Proposals for Design-Build in Fall 2020. Right-of-way and design phases will immediately follow environmental completion.
- ICTC has begun the transition of the IVRMA administration from the City of El Centro to ICTC. Cal Recycle does not recognize ICTC as a JPA therefore ICTC will continue same efforts the city was doing.
- Ms. Nava-Froelich requested that the bus stop in Niland be relocated to the new fire station. Staff will follow up on this request.
- Ms. Viegas-Walker asked about finalization of the priority list of the bus stop bench and shelter inventory project. Mr. Aguirre stated that priority list is complete and differs from city/county. Staff will continue to look for funding opportunities.
- A full list of updates and announcements can be found on page 18 of the agenda.

B. Southern California Association of Governments (SCAG)

Ms. Viegas-Walker had the following updates:

- Invited all to attend the SCAG General Assembly on May 6-8, 2020 at the JW Marriott Desert Springs Resort in Palm Desert.
- Encouraged agencies to apply for 2021 cycle 5 ATP Grant.
- RHNA methodology will be approved in the March/April with formal ratification at the General Assembly.
- The SCAG scholarship program is now accepting application until April 3, 2020. High School seniors attending college in the fall are encouraged to apply.
- A full list of updates and announcements can be found on page 27 of the agenda.

C. California Department of Transportation (Caltrans)

Mr. Dallarda had the following updates:

- The I-8/Imperial Avenue interchange replacement project is expected to begin construction in April 2020. The contract was awarded to Granite construction.
- Mr. Cory Binns the District 11 Director was on special assignment in Sacramento and was recently appointed as the Deputy Director of Maintenance and Operations. Mr. Dallarda stated that he will continue as the Acting District Director.
- District 11 will be doing outreach in Imperial County regarding the Active Transportation Plan being developed for District 11.
- There has been no change in the mud pots since the last report. The detour plan is still in place.
- A full list of updates and announcements can be found on page 33 of the agenda.

D. Commission Member Reports

- Commissioners had various announcements regarding events occurring in their jurisdictions.

**VI. ACTION CALENDER**

A. Imperial County Transportation Commission (ICTC) resolution for Federal Fiscal Year (FFY) 2020/2021 – 2025/2026 Federal Transportation Improvement Program

The ICTC Management Committee met on February 12, 2020 and forwarded this item to the Commission for their review and approval after public comment, if any:

1. Authorize the Chairman to sign the resolution that certifies funding has been identified for the projects in the FFY 2020/2021 - 2025/2026 FTIP and affirms our commitment to implement all projects in the program.

A motion was made by [Kelley](#) and seconded by [Pacheco](#); **Motion carried unanimously.**

**VII. NEXT MEETING DATE AND PLACE**

- A. The next meeting of the **Imperial County Transportation Commission** will be held on **March 25, 2020 at 6:00 p.m.**, at the **County of Imperial Board Chambers**, at 940 W. Main Street, El Centro, CA.

**VIII. ADJOURNMENT**

- A. Meeting adjourned at 6:40 p.m.

**IMPERIAL COUNTY TRANSPORTATION COMMISSION  
MANAGEMENT COMMITTEE  
DRAFT MINUTES OF February 12, 2020  
10:30 a.m.**

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**VOTING MEMBERS PRESENT:**

|                    |                     |
|--------------------|---------------------|
| City of Brawley    | Rosanna Bayon Moore |
| City of Calipatria | Rom Medina          |
| City of Calexico   | David Dale          |
| City of El Centro  | Marcela Piedra      |
| City of Holtville  | Nick Wells          |
| City of Imperial   | Alexis Brown        |
| County of Imperial | Tony Rouhotas       |

**STAFF PRESENT:** David Aguirre, Virginia Mendoza, Cristi Lerma

**OTHERS PRESENT:** David Salgado: SCAG; Jose Ornelas, Beth Landrum, Vanessa De La Rosa: Caltrans; Liz Zarate: City of El Centro

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The following minutes are listed as they were acted upon by the Imperial County Transportation Commission Management Committee and as listed on the agenda for the meeting held Wednesday, February 12, 2020 together with staff reports and related documents attached thereto and incorporated therein by reference.

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

Chair Piedra called the Committee meeting to order at 10:37 a.m. Roll call was taken at 11:09 a.m. and a quorum was present.

**II. EMERGENCY ITEMS**

A. There were none.

**III. PUBLIC COMMENTS**

There were none.

**IV. CONSENT ITEMS**

A motion was made by [Wells](#) seconded by [Medina](#) to approve the consent calendar as presented, **Motion carried unanimously.**

- A. Approved Management Committee Minutes for January 8, 2020
- B. Received and Filed:
  - 1. ICTC SSTAC Draft Minutes for January 9, 2020

**V. REPORTS**

- A. ICTC Executive Director
  - Mr. Aguirre had the following updates:
    - Regarding the Federal Triennial Review, policy changes are all procedural and will be updated internally.
  - Ms. Mendoza had the following updates:

- SR-78/Glamis Multiuse Grade Separated Crossing Feasibility Study had a public outreach event on January 18, 2019 in Glamis during Glamis clean-up day. Several stakeholders including the American Sand Association have provided input on the project. The goal of the project is to determine where the grade separated crossing will be located, funding and who will be the lead agency. Ms. Mendoza also stated that currently the consultant is reviewing surveys, they received 4,021.
- The 2020 Border Master Plan will be an item for discussion at the next IMBA meeting on March 12, 2020 at the ICTC Offices.
- The consultant is conducting data collection from project stakeholders for the Regional Climate Action Plan.
- Caltrans Local Assistance will be at the ICTC offices doing one-on-ones with local agencies, and for a Federal Aid Training.
- A report with additional updates can be found on page 11 of the agenda.

B. Southern California Association of Governments (SCAG)

Mr. Salgado had the following updates:

- Adoption of the Final Connect SOCAL Plan is planned for April with ratification at the General Assembly in May.
- Registration is now open for the SCAG General Assembly. It is scheduled for May 6-8, 2020. Please select your delegates and alternates.
- ATP Cycle 5 guidelines have been released with \$440 million available. Mr. Salgado is willing to assist with any questions. Ms. Mendoza stated that Cory Wilkinson from SCAG is willing to come to Imperial County to hold a workshop in March and will coincide with the final draft guidelines approval. SCAG's regional share is a potential \$900K. Also, bundled projects will be more successful.
- Mr. Rouhotas inquired about the Aerial Imagery Project. He stated that he had originally asked SCAG for the funds dedicated to Imperial County to be given to the region to use as needed.

C. Caltrans Department of Transportation – District 11

Ms. Landrum had the following updates:

- The contract for I-8/Imperial Interchange Project has been awarded to Granite Construction. Construction is scheduled to begin in April. Construction Management will be done by Kleinfelder. Closures will begin end of April or early May. Outreach will also begin soon. A web page dedicated to this project will be on the Caltrans site at <https://dot.ca.gov/caltrans-near-me/district-11/current-projects/i8-imp-interchange>.
- Caltrans has a new air quality liaison for project conformity and emission studies.

D. Committee Member Reports

- There were no updates.

## VI. ACTION CALENDAR

A. Imperial County Transportation Commission (ICTC) resolution for Federal Fiscal Year (FFY) 2020/2021 – 2025/2026 Federal Transportation Improvement Program

It was requested that ICTC Management Committee forward this item to the Commission for review and approval after public comment, if any:

1. Authorize the Chairman to sign the resolution that certifies funding has been identified for the projects in the FFY 2020/2021 - 2025/2026 FTIP and affirms our commitment to implement all projects in the program.



A motion was made by [Bayon Moore](#) seconded by [Brown](#). **Motion carried unanimously.**

## **VII. INFORMATION CALENDAR**

### **A. Presentation on the Caltrans District 11 Active Transportation Plan Development**

Ms. De La Rosa gave a presentation regarding the Active Transportation Plan development in District 11. The project overview is to have a state bicycle and pedestrian plan implemented throughout all of California by 2040. District 11 priorities are to identify location-based needs on the Caltrans right-of-way, and develop a methodology for analyzing performance measures. The deliverables of the plan will include the following:

- A geospatial active transportation tool
- A prioritized list of location-based needs
- An existing condition reports
- And a final plan

Public engagement opportunities will include a map-based survey, public outreach and a CAT Working Group. The role of the working group will be to share perspective, technical skills and community-based knowledge; participate in identifying and prioritizing bike and ped improvements provide feedback; and, inform and update networks and community groups.

Ms. De La Rosa give a more in-depth presentation at the ICTC TAC meeting later in February. A draft plan is expected by the end of 2021.

### **B. Staff Update to the Unmet Transit Needs Outreach**

Mr. Aguirre had the following update:

The UTN Hearing is scheduled for March 4<sup>th</sup>, 2020 at 3 p.m. at the County of Imperial Board Chambers, 940 W. Main St. in El Centro. Several other outreach opportunities were also scheduled specifically in the North-end of Imperial County. This will allow more opportunity for transit users that are not able to attend the hearing to submit their comments for the record. Other outreach opportunities are as follows:

- January 27, 2020 – Calipatria North-end Advisory Meeting, 6 p.m.
- February 3, 2020 – Westshores Council Meeting, 6 p.m.
- February 24, 2020 – Brawley Council Chambers, 3 p.m.
- February 24, 2020 – Bombay Beach North-end Advisory Meeting, 6 p.m.

## **VIII. NEXT MEETING DATE AND PLACE**

The next meeting of the **Management Committee** is scheduled for **March 11, 2020** at the **City of Brawley**, Brawley, Ca.

## **IX. ADJOURNMENT**

### **A. Meeting adjourned at 11:09 a.m.**



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**TECHNICAL ADVISORY COMMITTEE**  
**DRAFT MINUTES**

**February 27, 2020**

**Present:**

|                 |                     |
|-----------------|---------------------|
| Gordon Gaste    | City of Brawley     |
| Victor Garcia   | City of Brawley     |
| Lily Falomir    | City of Calexico    |
| Abraham Campos  | City of El Centro   |
| Veronica Atondo | County of Imperial  |
| Jesus Villegas  | City of Imperial    |
| Joel Hamby      | City of Westmorland |

**Others:**

|                     |                   |
|---------------------|-------------------|
| Marlene Flores      | ICTC              |
| David Salgado       | SCAG              |
| Beth Landrum        | Caltrans          |
| Bing Luu            | Caltrans          |
| Ben Guerrero        | Caltrans          |
| Seth Cutter         | Caltrans          |
| Vanessa De La Rosa  | Caltrans          |
| Felix DeLeon        | City of El Centro |
| Catherine Gutierrez | City of El Centro |
| John Kilps          | IID               |

The meeting was called to order at 10:08 a.m. A quorum was present, and introductions were made. There were no public comments made.

1. Introductions
2. **Regional Climate Action Plan:** *(Presented by Poonam Boparai from Ascent)*  
Poonam provided a quick update on the Regional Climate Action Plan to TAC members. Moving forward with the project, local agencies and county will be provided with a form including a list of GHG reductions policies for each jurisdiction and a template intended to easily analyze the success and progress implementing each identified policy for the Existing Conditions Analysis. Local agencies will need to complete this task by no later than March, 20, 2020. ICTC and consultant team continue their efforts in collecting as much data from all local agencies for this project.
3. A *motion* was made to adopt the minutes for January 23, 2020 (**Hamby/Campos**) **Motion Carried.**

4. **American Society of Civil Engineers (ASCE) Imperial County Division**

*(Presented by Abraham Campos, City of El Centro)*

Mr. Campos mentioned ASCE stands at the forefront of a profession that plans, designs, constructs, and most important it provides a collaboration among cities. Abraham mentioned how in the past there was an ASCE Imperial County Division and he wants to bring the ASCE back to Imperial county. Abraham Campos introduced John Kilps from the Imperial Irrigation District and he as well is very interested in getting the ASCE started. Abraham mentioned how they can start with quarterly meetings and having the meetings in different locations. Abraham will provide more information on this topic and see if local agencies are interested.

5. **Caltrans District 11: Active Transportation Plan Development Presentation**

*(Presented by Vanessa De La Rosa and Seth Cutter from Caltrans)*

Caltrans is developing an Active Transportation Plan for San Diego and Imperial County. This plan will include an existing conditions analysis and a prioritized list of identified bicycle and pedestrian needs on and around the State Highway System. The purpose of this presentation is to obtain input from our local agencies and see if we can participate in the Active Transportation Plan Working Group (ATPWG). Next steps to follow, local agencies need to fill out an excel sheet identifying areas of need. Upcoming meeting dates will follow.

6. **ICTC Updates / Announcements**

*(Presented by ICTC Staff)*

a. **Transit Planning Updates-** No updates at this moment.

b. **Transportation Planning Updates (by Marlene Flores):**

- **Phase II of the Calexico West Port of Entry-** Funding for phase 2B is in the President's Budget Proposal in the amount of \$99.7 million. Work for Phase 2B will include demolition of the old port building and construction of the new pedestrian building.
- **Imperial Mexicali Binational Alliance Meeting-** The next IMBA meeting is scheduled for March 18, 2020 in the City of Calexico CA (421 Heffernan Ave. #2741) We will have presentations from Dr. Todd Finnell from the Imperial County Office of Education and from Caltrans on the 2020 Border Master Plan.
- **SR-78/Glamis Multiuse Grade Separated Crossing Feasibility Study-** The third technical working group meeting was held on February 13, 2020 in San Diego, CA. Currently the consultant team is conducting an analysis of the alternatives and the next technical working group meeting is scheduled for May 14, 2020.
- **FFY 2019-20 Programmed Project Updates (by Marlene Flores):** Update on State and Federal funding obligations. A complete list of programmed projects was provided as an attachment to the agenda. Each agency provided an update on the current status of each project. See attachment with updated status of each project.

c. **LTA Updates 2012 and 2018 (by Marlene Flores):**

- **2012 LTA Bond-** City of Brawley still has a balance on their respective 2012 LTA Bond account of (\$666,629).

- 2018 LTA Bond- The City of Holtville already utilize all their 2018 LTA money and City of Calexico (\$7,986,721) and City of Calipatria (\$1,392,482).

7. **SCAG Updates / Announcements (by David Salgado)**

- **2019 SCAG 54th Annual General Assembly:** The 55th Regional Conference and General Assembly will be on May 6-8 at the JW Marriott Desert Springs Resort & Spa in Palm Desert, CA. Registration for the 2020 Regional Conference is available. The event is free for elected officials and city managers in the region, and a room block is currently available through the SCAG General Assembly Website.
- **RHNA Update:** The final RHNA methodology should be approved in the March 2020/April 2020 time frame for formal ratification at the 2020 SCAG General Assembly.
- **ATP Training:** Cory Wilkerson from SCAG will be providing an ATP training for TAC members in the month of March. ICTC will provide more information in regards to the training.

8. **Cities and County Planning / Public Works Updates:**

- Local agencies gave an update on their local projects in progress.
  - Calexico- Lily Falomir was proud to announce that the City of Calexico had been selected as a recipient of the California Department of Parks and Recreation 2020 Proposition 68 Statewide Park Grant Program. The City of Calexico obtained a \$8.5 million grant to expand the Heber Park.
  - El Centro- Abraham Campos provided an update on I-8/Imperial Avenue Interchange Reconstruction. Construction will begin in April 2020 and expect closures to begin in April/May. Additional outreach will be done for this project. The bridge will be removed in June 2020.
  - City of Brawley- Victor Garcia mentioned a water line replacement project.
  - County of Imperial- Veronica Atondo provided an update on several on-going projects. Heber Avenue project is moving along with bids and the County is preparing to award in two months.
  - City of Imperial- Aten and Clark intersection project will start construction soon.

9. **Caltrans Updates / Announcements (By: Bing Luu and Beth Landrum)**

**Local Assistance:** Bing Luu provided updates on local assistance.

**Quality Assurance Program (QAP)-** A quick reminder, City of Calexico, City of El Centro and City of Westmorland need to renew the QAP if federal funds are anticipated for future projects. A list with specific dates for each agency was provided. An updated QAP package must be submitted as soon as possible to the Local Area Engineer, Ben Guerrero.

**FY 2018-19 Single Audit Reporting (SAR)-** Bing Luu mentioned the packages are due by March 31, 2020. Caltrans sent instructions for submitting the required SAR packages.

**Inactive Projects-** A quick reminder on the inactive projects. February 20, 2020 was the deadline to submit Inactive invoices.

**2020 Updates- Local Assistance Procedures Manual and Program Guidelines-** Updates to the LAPM and LAPG have been documented in Local Programs Procedures and can be viewed on the website.

**Preparation Schedule for California Transportation Commission (CTC)-** Bing Luu provided the schedule with deadlines to send allocation request packages for CTC approval. March 13, 2020 is the next deadline.

**Call for Local Roadway Safety Plan (LRSP) Applications-** Caltrans announced a Call for Local Roadway Safety Plan (LRSP) Applications on October 8, 2019. The funds will be awarded to the applicants on a “first-come, first-serve” basis. There is no application deadline. Caltrans will continue to accept applications as long as funding is available.

**Planning:** Beth Landrum provided an update on the SR-78/Glamis Grade Separated Crossing Feasibility Study. Beth mentioned how Caltrans is looking at the BUILD grant for possible grant funds for this project.

**10. General Discussion / New Business**

-Abraham Campos from the City of El Centro mentioned if the Border Master Plan (BMP) TWG meetings will be the same day as TAC. He is part of the committee and it is hard for him to attend the BMP meeting. Beth Landrum will check with Caltrans to see what are the upcoming dates of the BMP and will get back to Abraham.

- Bing Luu mentioned how he wants to bring to the Imperial County more workshops for our local agencies. If anyone has a topic of preferences to let him or Ben Guerrero know.

11. Meeting adjourned at 11:49 a.m.



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**SOCIAL SERVICES TRANSPORTATION ADVISORY COUNCIL**

**DRAFT MINUTES**

February 5, 2020

Present

Voting Attendees:

|                           |                                     |
|---------------------------|-------------------------------------|
| Victor Torres             | Imperial Valley College (IVC)       |
| Michael Hack – Vice-Chair | Consumer                            |
| Raul Cordova              | Work Training Center (WTC)          |
| Sonia Silva               | Access to Independence              |
| Rosalina Blankenship      | Area Agency on Aging (AAA)          |
| Dr. Kathleen Lang         | California Health & Wellness (CH&W) |
| David Aguirre             | CTSA-ICTC                           |
| Maricela Galarza          | CTSA-ICTC                           |
| Gustavo Gomez             | CTSA-ICTC                           |

Non-Voting Attendees:

|               |                                      |
|---------------|--------------------------------------|
| Cesar Sanchez | IVT/IVT Access/IVT Ride/IVT MedTrans |
| Helio Sanchez | IVT                                  |
| Jose Guillen  | IVT MedTrans                         |
| Karla Aguilar | IVT Ride                             |
| Karla Pacheco | IVT Access                           |

1. Mr. Torres called the meeting to order at 10:02 a.m. **A quorum was present.** Introductions were made.
2. Minutes adopted for January 9, 2020 ([Hack](#), [Silva](#)), **Motion Carried.**
3. CTSA Reports:

Mr. Gomez had the following updates:

- There were about 22 ADA certifications for the month of December.
- IVT Ride services continue to have at least 6-7 people on average signing up per week.
- Staff attended the Niland Community Resource Fair, where IVT and IVT Access were promoted.
- Mr. Gomez attended the Access to Independence open house event.
- Staff plans to participate in IVC's 411 Event coming up mid-February.
- The Unmet Transit Needs Hearing will be held on March 4, 2020. SSTAC members were invited to attend. Staff attended the Calipatria Northend Council meeting on January 27<sup>th</sup>, and

the Westshores Council meeting on February 3<sup>rd</sup>, to present brief information on the Unmet Transit Needs process. ICTC staff will be having an Unmet Transit Needs workshop in the city of Brawley, at the Brawley Council Chambers, on February 24, 2020, from 3:00 pm to 5:00 pm. This gives another opportunity for people to provide any comments before the actual hearing. The information for dates and times can be found on the Unmet Transit Needs flyer (attached). ICTC staff also plans to attend the Bombay Beach Northend Council meeting on the 24<sup>th</sup> of February.

- Dr. Lang asked for the number of people that usually attend the Unmet Transit Needs hearing.
  - Mr. Aguirre stated that attendance is usually between 10-15 people.
- Mr. Aguirre added that in prior years the Unmet Transit Needs process only included the actual hearing that is held in the city of El Centro. ICTC is attempting to give people more opportunities to provide comments, therefore staff is attending various council meetings to share the information and will host an Unmet Transit needs workshop in the city of Brawley to further open more opportunities for people to come forward with any comments. Although, people are always free to submit any comments via mail, email, and also personally at ICTC offices, before 5:00 pm on March 3, 2020.

Mr. Aguirre had the following updates:

- In the past couple of years the Unmet Transit Needs hearing was normally held at the City of El Centro Chambers, but this year the location changed to the County Board of Supervisor Chambers. The attempt is to keep the Unmet Transit Needs hearing centralized to give people the opportunity to attend.
- There are various projects ongoing for the moment.
- The City of El Centro is working on relocating the bus shelters on State St., between 5<sup>th</sup> and 6<sup>th</sup> st. (Old Library). There have been issues with the patients of the Imperial Valley Methadone Clinic taking over the bus stops. There is an ongoing discussion with the City of El Centro to determine if the bus shelters will be relocated to another bus stop.
- The Clinicas de Salud bus stop is still in progress. There is still discussion between all involved parties. One of the biggest issues to arise is the bus circling out of the area.
  - Ms. Blankenship asked if all Clinicas de Salud moved to the new El Centro location.
    - Dr. Lang explained that only the administration part moved to the El Centro location, but the Clinicas de Salud for patients continues to remain at their original locations.

#### 4. FY 2020-21 Master Needs List:

- The FY 2020-21 Master Needs List draft was presented to SSTAC members.
  - Mr. Aguirre stated that any changes and/or additions can be made to the list.
- There were no changes and/or additions to the FY 2020-21 Master Needs List.  
**(Lang, Silva), Motion Carried.**

#### 5. Unmet Transit Needs Hearing Letter :

- Mr. Aguirre presented SSTAC members with the draft Unmet Transit Needs SSTAC letter.
  - SSTAC members agreed to move item #2 to item #3 and move item #3 to item #2, on page 2, on the section of “In addition, the following issues and concerns are identified for consideration in order of priority for the Fiscal Year 2020-21”.
- Final changes will be made and the final draft will be signed by Mr. Torres.  
**(Blankenship, Hack), Motion Carried.**
- Mr. Torres will read the letter at the Unmet Transit Needs hearing and encouraged IVT service consumers to attend.

#### 6. Transit Operator Reports:

- Imperial Valley Transit: Mr. H. Sanchez reported the following:
  - Presented the quarterly statistics for IVT, IVT Blue Line, IVT Green Line, and IVT Gold Line.
  - Ridership for IVT services is decreasing, especially when IVC is out on a break.
    - Mr. Torres asked if data can be presented to the IVC body.
      - Mr. Aguirre stated that the information can be presented and staff can arrange it where it focuses more on the IVC ridership.
    - Dr. Lang asked if an information breakdown of every community event, the stats, the fiscal impact, etc., can be shared with SSTAC members.
      - Mr. Aguirre stated that the information can be shared and staff will develop a breakdown for SSTAC members to view.
    - Ms. Blankenship asked if she can share the data with the AAA council members.
      - Mr. Aguirre stated that information can be shared and staff can also provide her with the electronic version to refer to.
- IVT Access: Ms. Pacheco reported the following:
  - Presented the quarterly statistics for IVT Access service.
  - No comments from SSTAC members.
- IVT Ride: Ms. Aguilar reported the following:
  - Presented the quarterly statistics for IVT Ride service, all cities.
  - No comments from SSTAC members.
- IVT MedTrans: Mr. Guillen reported the following:
  - Presented the quarterly statistics for IVT MedTrans service.
  - No comments from SSTAC members.

#### 7. General Discussion

- Ms. Blankenship shared her sincere appreciation to ICTC and First Transit staff in regard to the transportation of seniors to the 15<sup>th</sup> Annual Senior Appreciation Day.



- Ms. Silva shared her gratitude for those who attended the Access to Independence open house event and extended an invitation, for those who did not get the chance to go, to visit their new office location in El Centro to see the various programs, activities, and technologies that are available to their clients.
- Mr. Torres announced that new areas of opportunity arose for him at IVC but will continue to serve as Chairman in SSTAC. There are plans to expand non-credit courses for seniors.

8. Adjournment

- The meeting adjourned at 10:39 a.m. ([Torres](#)), **Motion Carried.**
- The next meeting will be held on Wednesday, March 4, 2020, at the Imperial County Transportation Commission Office, 1503 N. Imperial Ave., Suite 104, El Centro, CA 92243.

## **IV. CONSENT CALENDAR**

### **IV. CONSENT CALENDAR**

- C. SPECIFIC TRANSIT OPERATOR FISCAL REPORTS FY 2018-19 FOR IVT, IVT ACCESS, IVT RIDE AND IVT MEDTRANS



1503 N. IMPERIAL AVE. SUITE 104  
EL CENTRO, CA 92243-2875  
PHONE: (760) 592-4494  
FAX: (760) 592-4410

March 20, 2020

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

SUBJECT: Specific Transit Operator Fiscal Reports FY 2018-19 for Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans

Dear Commission Members:

The Commission conducts fiscal reviews of its transit operators on an annual basis. For FY 2018-19 they were performed by the CPA firm, Eide Bailly formerly known as Vavrinek, Trine and Day LLP, on the four transit services under contract with FIRST TRANSIT, Inc. Attached, please find the FY 2018-19 fiscal reports for: Imperial Valley Transit, IVT Access, IVT Ride and IVT MedTrans.

The review focuses on observations and sampling of administrative and operational areas that have a direct impact on service cost including; a review of services hours operated versus budgeted, cash handling of fare revenues, controls over spare parts usage and inventories, invoicing etc.

The FY 18-19 reviews did not note any areas of improvement. There has been a number of improvements completed to administrative and operations areas in previous years which resulted in no areas of improvement being noted for FY 18-19.

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

1. Receive and file the Specific Transit Operator Fiscal Reports FY 2018-19; IMPERIAL VALLEY TRANSIT, IVT ACCESS, IVT RIDE and IVT MedTrans

Sincerely,

A handwritten signature in blue ink that reads 'Mark Baza'.

MARK BAZA  
Executive Director

MB/da/mb

Attachment

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND, IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Imperial County Transportation Commission  
El Centro, California

We have performed the procedures enumerated below, which were agreed to by management of the Imperial County Transportation Commission (ICTC) (the specified party) solely to assist ICTC in monitoring the fiscal accountability and reporting of First Transit, Inc. (Transit Operator), and its records relating to the Imperial Valley Transit Line, Green Line, Blue Line and Gold Line for the period ending June 30, 2019. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator. The sufficiency of these procedures is solely the responsibility of management of ICTC. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are listed below.

***1) Observation of service provided***

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Fixed Route Transit Service Agreement (May 2011) and related amendments (#1-8), and inspected the Imperial Valley Transit (IVT) Rider's Guide (in order to obtain an understanding of the services being provided. The Imperial Valley Transit provides public bus services throughout the Imperial County. The fixed routes operate on a set pattern of travel and published schedules.

We selected a sample of 6 fixed routes (1 South, 2 North, 3 East, and Blue 750PM) and observed the following:

- Route 1 South: We boarded a First Transit bus leaving the 7<sup>th</sup> and State Street station at 11:50am (on schedule). We rode the bus for a total of 6 stops noting the driver would stop based on passengers' needs. The bus arrived at the IV Mall stop at 12:15pm (on schedule).
- Route 2 North: We observed the First Transit bus depart from the 7<sup>th</sup> and State Street station at 3:20pm (on schedule). We observed the shuttle operate for a total of 2 stops. We observed the shuttle stop at the Wal-Mart & Bradshaw stop at 3:27pm (on schedule).
- Route 3 East: We observed the First Transit shuttle depart from the State & 7<sup>th</sup> Street station (El Centro) location at 3:20pm (on schedule). We observed the bus operate for a total of 2 stops. We observed the bus stop at the Wal-Mart & Bradshaw stop at 3:32pm (on schedule).

- Route 2 North: We observed the First Transit shuttle depart from the State & 7<sup>th</sup> Street station location at 5:40pm (on schedule). We observed the shuttle operate for a total of 2 stops. We observed the shuttle arrive at Wal-Mart & Bradshaw at 5:47pm (on schedule).
- Route 3 East: We observed the First Transit shuttle depart from the Costco at 5:40pm (on schedule). We observed the shuttle operate for a total of 3 stops. We observed the shuttle stop at the Wal-Mart (El Centro) stop at 5:52pm (on schedule).
- Route #750PM Blue Line: We observed the First Transit bus depart from the 7<sup>th</sup> & State Street stop at 1:00pm (on scheduled). We observed the bus operate for a total of 5 stops. We observed the bus stopped at the El Centro Regional Hospital stop at 1:12 (on schedule).

In addition, we noted that the Transit Operator did not meet the Farebox Ratio for the Green line and Blue line as required by the First Transit Fixed Route Transit Service Agreement.

See Exhibit A for further details of procedure #1. See complete listing of routes listed as part of Exhibit C.

No other exceptions were found as a result of procedures performed.

## 2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2019. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Operations Manual over cash handling and performed an observation over the cash handling process on December 12, 2019. We observed the following:

The Transit Operator drivers are required to complete the *Driver's Daily Log Sheet* which tracks the number of riders per route and the estimated cash collections. We observed that the driver does not have access to the cash deposited into the cash box within the farebox located on each bus.

Cash boxes are collected and exchanged on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to access the cash boxes are located in the Safety Manager's office. Access to the cash box keys is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box is to automatically lock when the cash box is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by the armored service. We observed that not all cash boxes are stored in the locked vault prior to being counted as there is limited space in the vault, which is an exception to the documented policies. The remaining cash boxes not stored in the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to First Transit dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We observed that the bus driver pulling the cash box was wearing a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatchers performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We observed the cash counting process is under video surveillance.

We observed that two dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the *IVT Vault & Farebox LogDay Sheet*, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by the third party armored service truck.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We observed actual cash collections and the estimated cash collections based on the number of riders over the *Driver's Daily Log Sheet* is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

### 3) *Spare Parts and Inventory Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Inventory Count Policies and Purchase Order Policies and performed an observation over the spare parts and inventory controls on December 11, 2019. We observed the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 have to be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the First Transit Vice President. Spare parts and inventory are stored in a locked gated area that is under 24 hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked through the use of separate work orders for each project.

Each spare part and inventory item is tracked by the use of a pin or part number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We identified that there is no evidence of the Director of Maintenance review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed there is no documentary evidence of this review process.

No other exceptions were found as a result of procedures performed.

**4) Invoicing Process Control**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample of three invoices to ensure policy was followed.

**Results:** We inquired of the Transit Operator management and performed an observation on December 11, 2019 over the invoicing process and observed the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the IVT Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include *Driver's Daily Log Sheets*, *Time Sheets*, *IVT Vault & Farebox LogDay Sheets*, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2018, March 2019, and May 2019 and observed that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we observed that the monthly excel files agreed to supporting source documents. See details of samples tested documented at procedure 6 (Financial Data Analysis).

We observed that all monthly invoices for the period ending June 30, 2019 were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

**5) Reporting Process**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Fixed Route Transit Service Agreement (May 2011), related amendments and annexes and performed observations and observed the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include *Driver's Daily Log Sheets*, *Time Sheets*, *IVT Vault & Farebox LogDay Sheets*, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) *Financial Data Analysis*

- 6.1 Inspect documents provided by ICTC and the Transit Operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three daily fare collection reports in each of a sample of three months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Fixed Route Transit Service Agreement (May 2011) and related amendments, inspected the First Transit Riders Guide (July 2018 to June 2019) and performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the Transit Operator for the IVT Line, Green Line, Blue Line, and Gold Line services and noted the invoices provided by the Transit Operator agreed to the invoices received by ICTC. No exceptions were found as a result of procedures performed.
- 6.2 We selected the months of October 2018, March 2019 and May 2019 and obtained the monthly invoices for the IVT Line, Green Line, Blue Line, and Gold Line services. We compared the monthly invoices to the supporting data schedule and marketing invoices. No exceptions were found as a result of procedures performed.

The revenue hours in the monthly invoices are prepared based on the *Driver's Daily Log Sheets* and the *Time Sheets*. The *Driver's Daily Log Sheets* and the *Time Sheets* should agree; the *Time Sheets* are to be reviewed and approved by the supervisor on duty. We selected the following lines and obtained all related *Driver's Daily Log Sheets* and *Time Sheets* for a selected date and compared them to the data schedule which supports the monthly invoices. We observed the following:

- Line 1S - Date: October 4<sup>th</sup>, 2018
  - No exceptions were observed.
- Line 2N - Date: October 10<sup>th</sup>, 2018
  - No exceptions were observed.
- Line 1N - Date: March 6<sup>th</sup>, 2019
  - No exceptions were observed.
- Line 3E - Date: March 13<sup>th</sup>, 2019
  - No exceptions were observed.
- Line 2S - Date: May 9<sup>th</sup>, 2019
  - No exceptions were observed.
- Blue Line - Date: May 16<sup>th</sup>, 2019
  - No exceptions were observed.
- Green Line - Date: March 20<sup>th</sup>, 2019
  - No exceptions were observed.
- Gold Line - Date: April 22, 2019
  - No exceptions were observed.



6.3 We inspected the monthly invoices for the IVT Line, Green Line, Blue Line, and Gold Line services for the fiscal year ending June 30, 2019 and observed no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract. No exceptions were found as a result of procedures performed.

6.4 We selected the months of October 2018, March 2019 and May 2019 and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected 3 days for each month to inspect the daily fares per the source document “Daily Fare Collections Report”. We observed that for the samples selected for the months of October 2018, March 2019 and May 2019, the daily fare collections per the “Farebox Accounting” report agreed to the supporting source document, “Daily Fare Collection Reports”. See Exhibit B for details.

6.5 We prepared an estimate of the service hours per inspection of the First Transit Riders Guide and compared the calculated estimate to the revenue hours per the First Transit Fixed Route Transit Service Agreement (May 2011) and related amendments and the revenue hours billed for the IVT Line, Green Line, Blue Line and Gold Line services. See Exhibit C for details.

No other exceptions were found as a result of procedures performed.

## **7) Budget Development**

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

**Results:** We inquired of the Transit Operator management and inspected the IVT Line, Green Line, Blue Line, and Gold Line services budget for the fiscal year ending June 30, 2019 and observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies of the Transit Operator. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which in total do not exceed the agreed upon subsidy in the First Transit Fixed Route Transit Service Agreement (May 2011) and related amendments. The estimates are based on prior year’s data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the Transit Operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Riverside, California  
February 13, 2019

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Operating Services   |                     |                   |                     |                |                  |  |
|--|---------------------|-------------------|---------------------|----------------|------------------|--|
|  | A                   | B                 | C= (A-B)            | D              | E                | F= (C+E)                                     |
|  |                     |                   |                     |                |                  | Net Cost & Total<br>Paid to First<br>Transit |
| Date   | Base Cost           | Farebox           | Net Subsidy         | Fuel Escalator | Marketing        |  |
| July 2018  | \$ 287,697          | \$ 72,637         | \$ 215,060          | \$ -           | \$ -             | \$ 215,060                                   |
| August 2018  | 302,371             | 52,941            | 249,430             | -              | 277              | 249,707                                      |
| September 2018   | 280,120             | 54,843            | 225,277             | -              | 7,895            | 233,172                                      |
| October 2018   | 312,713             | 64,030            | 248,683             | -              | 926              | 249,609                                      |
| November 2018  | 283,035             | 45,522            | 237,513             | -              | 3,633            | 241,146                                      |
| December 2018  | 272,508             | 35,750            | 236,758             | -              | 3,186            | 239,944                                      |
| January 2019   | 294,311             | 47,273            | 247,038             | -              | 2,212            | 249,250                                      |
| February 2019  | 268,593             | 42,690            | 225,903             | -              | 12,010           | 237,913                                      |
| March 2019   | 299,506             | 56,711            | 242,795             | -              | -                | 242,795                                      |
| April 2019   | 297,614             | 50,477            | 247,137             | -              | -                | 247,137                                      |
| May 2019   | 304,033             | 52,268            | 251,765             | -              | 3,369            | 255,134                                      |
| June 2019  | 282,981             | 37,395            | 245,586             | -              | 6,200            | 251,786                                      |
| Total:   | <u>\$ 3,485,482</u> | <u>\$ 612,537</u> | <u>\$ 2,872,945</u> | <u>\$ -</u>    | <u>\$ 39,708</u> | <u>\$ 2,912,653</u>                          |
| Contract Specifications paragraph 8.1.1.3 For Base Cost and Base Subsidy | <u>\$ 3,609,234</u> | <u>\$ 613,570</u> | <u>\$ 2,995,664</u> |                |                  |  |
| Over (Under) Contract Requirements                                       | <u>\$ (123,752)</u> | <u>\$ (1,033)</u> | <u>\$ (122,719)</u> |                |                  |  |
| Operating Costs (A+E)  |                     | \$ 3,525,190      |                     |                |                  |  |
| Farebox Ratio Actual   |                     |                   | 17.38%              |                |                  |  |
| Minimum Farebox Ratio Contract   |                     |                   | 17%                 |                |                  |  |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Green Line Services  |                   |                   |                   |                |               |  |
|--|-------------------|-------------------|-------------------|----------------|---------------|--|
|  | A                 | B                 | C= (A-B)          | D              | E             | F= (C+E)                                     |
| Date   | Base Cost         | Farebox           | Net Subsidy       | Fuel Escalator | Marketing     | Net Cost & Total<br>Paid to First<br>Transit |
| July 2018  | \$ 27,069         | \$ 588            | \$ 26,481         | \$ -           | \$ -          | \$ 26,481                                    |
| August 2018  | 28,979            | 707               | 28,272            | -              | -             | 28,272                                       |
| September 2018   | 25,142            | 638               | 24,504            | -              | -             | 24,504                                       |
| October 2018   | 28,975            | 830               | 28,145            | -              | 62            | 28,207                                       |
| November 2018  | 26,100            | 715               | 25,385            | -              | 60            | 25,445                                       |
| December 2018  | 26,106            | 571               | 25,535            | -              | 38            | 25,573                                       |
| January 2019   | 27,060            | 844               | 26,216            | -              | -             | 26,216                                       |
| February 2019  | 25,142            | 664               | 24,478            | -              | -             | 24,478                                       |
| March 2019   | 27,059            | 549               | 26,510            | -              | 102           | 26,612                                       |
| April 2019   | 28,015            | 708               | 27,307            | -              | -             | 27,307                                       |
| May 2019   | 28,013            | 689               | 27,324            | -              | -             | 27,324                                       |
| June 2019  | 26,100            | 540               | 25,560            | -              | -             | 25,560                                       |
| Total:   | <u>\$ 323,760</u> | <u>\$ 8,043</u>   | <u>\$ 315,717</u> | <u>\$ -</u>    | <u>\$ 262</u> | <u>\$ 315,979</u>                            |
| Contract Specifications paragraph 8.1.2.8 For Base Cost and Base Subsidy |                   |                   |                   |                |               |  |
|  | <u>\$ 332,038</u> | <u>\$ 16,602</u>  | <u>\$ 315,436</u> |                |               |  |
| Over (Under) Contract Requirements                                       |                   |                   |                   |                |               |  |
|  | <u>\$ (8,278)</u> | <u>\$ (8,559)</u> | <u>\$ 281</u>     |                |               |  |
| Operating Costs (A+E)  | \$ 324,022        |                   |                   |                |               |  |
| Farebox Ratio Actual   | 2.48%             |                   |                   |                |               |  |
| Minimum Farebox Ratio Contract   | 5%                |                   |                   |                |               |  |

**Exhibit A**  
**Procedure #1- Services Provided**  
**Fiscal Year Ending June 30, 2019**  
**(Unaudited)**

| Blue Line Services   |                   |                   |                   |                |               |  |
|--|-------------------|-------------------|-------------------|----------------|---------------|--|
|  | A                 | B                 | C= (A-B)          | D              | E             | F= (C+E)                                     |
| Date   | Base Cost         | Farebox           | Net Subsidy       | Fuel Escalator | Marketing     | Net Cost & Total<br>Paid to First<br>Transit |
| July 2018  | \$ 27,056         | \$ 2,332          | \$ 24,724         | \$ -           | \$ -          | \$ 24,724                                    |
| August 2018  | 28,973            | 913               | 28,060            | -              | -             | 28,060                                       |
| September 2018   | 25,142            | 884               | 24,258            | -              | 641           | 24,899                                       |
| October 2018   | 28,973            | 865               | 28,108            | -              | 62            | 28,170                                       |
| November 2018  | 26,085            | 859               | 25,226            | -              | 28            | 25,254                                       |
| December 2018  | 26,085            | 499               | 25,586            | -              | 28            | 25,614                                       |
| January 2019   | 27,057            | 774               | 26,283            | -              | -             | 26,283                                       |
| February 2019  | 25,141            | 716               | 24,425            | -              | -             | 24,425                                       |
| March 2019   | 27,057            | 989               | 26,068            | -              | 102           | 26,170                                       |
| April 2019   | 28,043            | 1,685             | 26,358            | -              | -             | 26,358                                       |
| May 2019   | 28,005            | 820               | 27,185            | -              | -             | 27,185                                       |
| June 2019  | 26,100            | 768               | 25,332            | -              | -             | 25,332                                       |
| Total:   | <u>\$ 323,717</u> | <u>\$ 12,104</u>  | <u>\$ 311,613</u> | <u>\$ -</u>    | <u>\$ 861</u> | <u>\$ 312,474</u>                            |
| Contract Specifications paragraph 8.1.2.8 For Base Cost and Base Subsidy |                   |                   |                   |                |               |  |
|  | <u>\$ 332,038</u> | <u>\$ 16,602</u>  | <u>\$ 315,436</u> |                |               |  |
| Over (Under) Contract Requirements                                       |                   |                   |                   |                |               |  |
|  | <u>\$ (8,321)</u> | <u>\$ (4,498)</u> | <u>\$ (3,823)</u> |                |               |  |
| Operating Costs (A+E)  |                   | \$ 324,578        |                   |                |               |  |
| Farebox Ratio Actual   |                   | 3.73%             |                   |                |               |  |
| Minimum Farebox Ratio Contract   |                   | 5%                |                   |                |               |  |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Gold Line Services   |                    |                  |                    |                |               |  |  |
|--|--------------------|------------------|--------------------|----------------|---------------|--|--|
|  | A                  | B                | C= (A-B)           | D              | E             | F= (C+E)                                     |  |
| Date   | Base Cost          | Farebox          | Net Subsidy        | Fuel Escalator | Marketing     | Net Cost & Total<br>Paid to First<br>Transit |  |
| July 2018  | \$ 20,829          | \$ 944           | \$ 19,885          | \$ -           | \$ -          | \$ 19,885                                    |  |
| August 2018  | 22,813             | 1,002            | 21,811             | -              | -             | 21,811                                       |  |
| September 2018   | 18,841             | 1,127            | 17,714             | -              | -             | 17,714                                       |  |
| October 2018   | 22,813             | 987              | 21,826             | -              | 62            | 21,888                                       |  |
| November 2018  | 19,837             | 924              | 18,913             | -              | 96            | 19,009                                       |  |
| December 2018  | 19,837             | 873              | 18,964             | -              | 36            | 19,000                                       |  |
| January 2019   | 20,829             | 725              | 20,104             | -              | -             | 20,104                                       |  |
| February 2019  | 18,848             | 707              | 18,141             | -              | -             | 18,141                                       |  |
| March 2019   | 20,829             | 749              | 20,080             | -              | 102           | 20,182                                       |  |
| April 2019   | 21,817             | 988              | 20,829             | -              | -             | 20,829                                       |  |
| May 2019   | 21,831             | 1,218            | 20,613             | -              | -             | 20,613                                       |  |
| June 2019  | 19,841             | 788              | 19,053             | -              | -             | 19,053                                       |  |
| Total:   | <u>\$ 248,965</u>  | <u>\$ 11,032</u> | <u>\$ 237,933</u>  | <u>\$ -</u>    | <u>\$ 296</u> | <u>\$ 238,229</u>                            |  |
| Contract Specifications paragraph 8.1.3.6 For Base Cost and Base Subsidy |                    |                  |                    |                |               |  |  |
|  | <u>\$ 279,871</u>  | <u>\$ 11,195</u> | <u>\$ 268,676</u>  |                |               |  |  |
| Over (Under) Contract Requirements                                       |                    |                  |                    |                |               |  |  |
|  | <u>\$ (30,906)</u> | <u>\$ (163)</u>  | <u>\$ (30,743)</u> |                |               |  |  |
| Operating Costs (A+E)  |                    | \$ 249,261       |                    |                |               |  |  |
| Farebox Ratio Actual   |                    | 4.43%            |                    |                |               |  |  |
| Minimum Farebox Ratio Contract   |                    | 4%               |                    |                |               |  |  |

Exhibit B  
 Procedure #6.4- Daily Fare Collections  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Date                | Farebox Accounting -<br>Per Monthly Invoice/Reporting | Daily Fare Collections -<br>Per Daily Fare Collection Report | Variance |
|---------------------|---|--|----------|
| <b>October 2018</b> |   |  |          |
| <b>IVT</b>          |   |  |          |
| 2                   | \$ 1,901.73   | \$ 1,901.73  | \$ -     |
| 9                   | 2,245.15  | 2,245.15   | -        |
| 11                  | 2,093.50  | 2,093.50   | -        |
| <b>Green Line</b>   |   |  |          |
| 12                  | 32.59   | 32.59  | -        |
| 17                  | 37.64   | 37.64  | -        |
| 19                  | 33.61   | 33.61  | -        |
| <b>Blue Line</b>    |   |  |          |
| 4                   | 34.73   | 34.73  | -        |
| 22                  | 23.55   | 23.55  | -        |
| 29                  | 31.97   | 31.97  | -        |
| <b>Gold Line</b>    |   |  |          |
| 5                   | 59.27   | 59.27  | -        |
| 15                  | 40.29   | 40.29  | -        |
| 30                  | 27.50   | 27.50  | -        |
| <b>March 2019</b>   |   |  |          |
| <b>IVT</b>          |   |  |          |
| 7                   | \$ 1,966.23   | \$ 1,966.23  | \$ -     |
| 14                  | 2,057.41  | 2,057.41   | -        |
| 21                  | 1,754.60  | 1,754.60   | -        |
| <b>Green Line</b>   |   |  |          |
| 1                   | 45.06   | 45.06  | -        |
| 12                  | 26.05   | 26.05  | -        |
| 29                  | 21.79   | 21.79  | -        |
| <b>Blue Line</b>    |   |  |          |
| 5                   | 18.79   | 18.79  | -        |
| 13                  | 27.11   | 27.11  | -        |
| 20                  | 33.69   | 33.69  | -        |
| <b>Gold Line</b>    |   |  |          |
| 11                  | 42.77   | 42.77  | -        |
| 15                  | 49.81   | 49.81  | -        |
| 25                  | 43.01   | 43.01  | -        |

Exhibit B  
 Procedure #6.4- Daily Fare Collections  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Date              | Farebox Accounting -<br>Per Monthly Invoice/Reporting | Daily Fare Collections -<br>Per Daily Fare Collection Report | Variance |
|-------------------|---|--|----------|
| <b>April 2018</b> |   |  |          |
| <b>IVT</b>        |   |  |          |
| 3                 | \$ 1,991.07   | \$ 1,991.07  | \$ -     |
| 10                | 1,527.04  | 1,527.04   | -        |
| 17                | 1,537.85  | 1,537.85   | -        |
| <b>Green Line</b> |   |  |          |
| 9                 | 24.72   | 24.72  | -        |
| 16                | 27.05   | 27.05  | -        |
| 23                | 28.64   | 28.64  | -        |
| <b>Blue Line</b>  |   |  |          |
| 8                 | 26.39   | 26.39  | -        |
| 15                | 21.40   | 21.40  | -        |
| 22                | 17.60   | 17.60  | -        |
| <b>Gold Line</b>  |   |  |          |
| 6                 | 43.43   | 43.43  | -        |
| 13                | 42.65   | 42.65  | -        |
| 28                | 35.93   | 35.93  | -        |

Exhibit C  
 Procedure #6.5- Annual Revenue Hours Analytic  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| <b>Gold Line-</b>            |                                  |   |   |                                    |
|------------------------------|----------------------------------|---|---|------------------------------------|
| <i>Sched. Run Time (hrs)</i> | <i>Sched. Layover Time (hrs)</i> | <i>Estimated Service Hours per Published Rider's Guide- April 2017 (Annualized)</i> | <i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i> | <i>Annual Billed Service Hours</i> |
| 11.03                        | 2                                | 3,284   | 3,276   | 3,527                              |

| <b>Blue Line</b>             |                                  |   |   |                                    |
|------------------------------|----------------------------------|---|---|------------------------------------|
| <i>Sched. Run Time (hrs)</i> | <i>Sched. Layover Time (hrs)</i> | <i>Estimated Service Hours per Published Rider's Guide- April 2017 (Annualized)</i> | <i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i> | <i>Annual Billed Service Hours</i> |
| 10.63                        | 2                                | 3,184   | 3,200   | 3,284                              |

| <b>Green Line</b>            |                                  |   |   |                                    |
|------------------------------|----------------------------------|---|---|------------------------------------|
| <i>Sched. Run Time (hrs)</i> | <i>Sched. Layover Time (hrs)</i> | <i>Estimated Service Hours per Published Rider's Guide- April 2017 (Annualized)</i> | <i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i> | <i>Annual Billed Service Hours</i> |
| 10.63                        | 2                                | 3,184   | 3,200   | 3,292                              |

| <b>IVT Service Line</b>   |                              |   |   |                                    |
|---------------------------|------------------------------|---|---|------------------------------------|
| <i>Route</i>              | <i>Sched. Run Time (hrs)</i> | <i>Estimated Service Hours per Published Rider's Guide- October 2019 (Annualized)</i> | <i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i> | <i>Annual Billed Service Hours</i> |
| 1 South (Weekdays)        | 15.52                        | 3,910   |   |                                    |
| 1 South (Weekends)        | 9.75                         | 1,014   |   |                                    |
| 1 North (Weekdays)        | 27.05                        | 6,817   |   |                                    |
| 1 North (Weekend)         | 18.08                        | 1,881   |   |                                    |
| 2 South (Weekdays)        | 18.12                        | 4,565   |   |                                    |
| 2 South (Weekends)        | 17.15                        | 1,784   |   |                                    |
| 2 North (Weekdays)        | 15.97                        | 4,024   |   |                                    |
| 2 North (Weekends)        | 17.83                        | 1,855   |   |                                    |
| 3 East (Weekdays)         | 5.08                         | 1,281   |   |                                    |
| 3 East (Saturday Only)    | 2.00                         | 104   |   |                                    |
| 3 West (Weekdays)         | 4.88                         | 1,231   |   |                                    |
| 3 West (Saturday Only)    | 2.50                         | 130   |   |                                    |
| 4 West (Weekdays)         | 2.00                         | 504   |   |                                    |
| 4 West (Saturday Only)    | 2.37                         | 123   |   |                                    |
| 4 East (Weekdays)         | 2.00                         | 504   |   |                                    |
| 4 East (Saturday Only)    | 2.37                         | 123   |   |                                    |
| 21 IVC Express*           | 9.33                         | 1,748   |   |                                    |
| 22 IVC Express*           | 4.62                         | 942   |   |                                    |
| 31 Direct (Weekdays)      | 2.58                         | 651   |   |                                    |
| 31 Direct (Saturday Only) | 2.67                         | 139   |   |                                    |
| 32 Direct (Weekdays)      | 2.58                         | 651   |   |                                    |
| 32 Direct (Saturday Only) | 2.67                         | 139   |   |                                    |
| 41 S                      | 0.88                         | 223   |   |                                    |
| 41 N                      | 0.42                         | 105   |   |                                    |
| 45W                       | 0.75                         | 189   |   |                                    |
| 45E                       | 0.42                         | 105   |   |                                    |
| 51S                       | 1.92                         | 96  |   |                                    |
| 51N                       | 2.12                         | 106   |   |                                    |
|                           |                              | 34,941  | 34,600  | 34,387                             |

| <b>Total for all Service Lines:</b> |                                  |   |   |                                    |
|-------------------------------------|----------------------------------|---|---|------------------------------------|
| <i>Sched. Run Time (hrs)</i>        | <i>Sched. Layover Time (hrs)</i> | <i>Estimated Service Hours per Published Rider's Guide- Octobre 2019 (Annualized)</i> | <i>Estimated Annual Service Hours per First Transit Fixed Route Agreement</i> | <i>Annual Billed Service Hours</i> |
| 225.92                              | 6                                | 44,593  | 44,276  | 44,490                             |

\*Estimated that the Monday through Friday routes run 204 days per year and the Monday through Thursday routes run 166 days per year.



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Imperial County Transportation Commission  
El Centro, California

We have performed the procedures enumerated below, which were agreed to by management of the Imperial County Transportation Commission (ICTC) (the specified party) solely to assist ICTC in monitoring the fiscal accountability and reporting of First Transit, Inc. (Transit Operator), and its records relating to the IVT-Access transit services for the period ending June 30, 2019. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator. The sufficiency of these procedures is solely the responsibility of management of ICTC. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are listed below.

***1) Observation of service provided***

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator.

**Results:** We inquired of the Transit Operator management, inspected the ADA Paratransit Service Agreement (May 2011) and related amendments (#1-3), and inspected the Imperial Valley Transit (IVT) Rider's Guide in order to obtain an understanding of the services being provided. IVT-Access provides curb-to-curb transportation service with wheelchair lifts for mobility disadvantaged persons that have completed a certification and eligibility process. The IVT-Access program operates through an advanced reservation system and covers much of the County of Imperial. See Exhibit A for details of procedure #1.

Based on procedures performed as documented at Exhibit A, we noted that the Transit Operator exceeded the not-to-exceed amount of subsidy and did not meet the Farebox Ratio as required per the First Transit ADA Paratransit Service Agreement (as amended by amendment #3).

No other exceptions were found as a result of procedures performed.

2) *Cash Handling Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2019. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Operations Manual over cash handling and performed an observation over the cash handling process on December 12, 2019. We observed the following:

The Transit Operator drivers are required to complete the *Driver's Daily Log Sheet* which tracks the number of riders per route and the estimated cash collections. We observed that the driver does not have access to the cash deposited into the cash box within the farebox located on each bus.

Cash boxes are collected and exchanged on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to access the cash boxes are located in the Safety Manager's office. Access to the cash box keys is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box is to automatically lock when the cash box is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by the armored service. We observed that not all cash boxes are stored in the locked vault prior to being counted as there is limited space in the vault, which is an exception to the documented policies. The remaining cash boxes not stored in the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to First Transit dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We observed that the bus driver pulling the cash box was wearing a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatcher performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We observed the cash counting process is under video surveillance.

We observed that two dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the *IVT Access Vault & Farebox LogDay Sheet*, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by the third party armored service truck.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We observed actual cash collections and the estimated cash collections based on the number of riders over the *Driver's Daily Log Sheet* is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

3) *Spare Parts and Inventory Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Inventory Count Policies and Purchase Order Policies and performed an observation over the spare parts and inventory controls on December 11, 2019. We observed the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 have to be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the First Transit Vice President. Spare parts and inventory are stored in a locked gated area that is under 24 hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked through the use of separate work orders for each project.

Each spare part and inventory item is tracked by the use of a pin or part number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We identified that there is no evidence of the Director of Maintenance review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed there is no documentary evidence of this review process.

No other exceptions were found as a result of procedures performed.

4) *Invoicing Process Control*

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample to ensure policy was followed.

**Results:** We inquired of the Transit Operator management and performed an observation on December 10, 2019 over the invoicing process and observed the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the Operations Manager and then reviewed and approved by the First Transit General Manager. All invoices are prepared based on source documents which include *Driver's Daily Log Sheets*, *Time Sheets*, *IVT Access Vault & Farebox LogDay Sheets*, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of December 2018, February 2019, and April 2019 and observed that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we observed that the monthly excel files agreed to supporting source documents. See details documented at procedure 6 (Financial Data Analysis).

We observed that all monthly invoices for the period ending June 30, 2019 were reviewed and approved by the First Transit General Manager.

No exceptions were found as a result of procedures performed.

**5) Reporting Process**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

**Results:** We inquired of the Transit Operator management, inspected the ADA Paratransit Service Agreement (May 2011) and related amendments and performed observations and observed the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT-Access Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include *Driver's Daily Log Sheets, Time Sheets, IVT Access Vault & Farebox LogDay Sheets*, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

**6) Financial Data Analysis**

- 6.1 Inspect documents provided by ICTC and the transit operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three daily fare collection reports in each of a sample of three months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

**Results:** We inquired of First Transit management, inspected the First Transit ADA Paratransit Service Agreement (May 2011) and related amendments, inspected the First Transit Rider's Guide, performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the transit operator for IVT-Access and identified the invoices provided by the Transit Operator agreed to the invoices received by ICTC. No exceptions were found as a result of procedures performed.

- 6.2 We selected the months of December 2018, February 2019, and April 2019 and obtained the monthly invoices for IVT-Access. We compared the monthly invoices to the supporting data schedule and marketing invoices. No exceptions were found as a result of procedures performed.
- 6.3 We inspected the monthly invoices for IVT-Access for the fiscal year ending June 30, 2019 and identified no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract. No exceptions were found as a result of procedures performed.
- 6.4 We selected the months of December 2018, February 2019, and April 2019 and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected 3 days for each month to inspect the daily fares per the source document “Daily Fare Collections Report”. We observed that for the samples selected for the months of December 2018, February 2019, and April 2019, the daily fare collections per the “Farebox Accounting” report agreed to the supporting source document, “Daily Fare Collection Reports” without exception. See Exhibit B for details.
- 6.5 The IVT-Access provides curb to curb transportation service with wheelchair lifts for mobility disadvantaged persons that have completed a certification and eligibility process and is not a fixed route with published schedules. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheets and the Time Sheets. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected the following IVT-Access Routes and obtained all related Driver’s Daily Log Sheets and Time Sheets for a selected date and compared them to the data schedule which supports the monthly invoices. We observed the following:

| <u>Route</u>            | <u>Date</u> | <u>First PU</u> | <u>Last DO</u> | <u>Rev Hours</u> |
|-------------------------|-------------|-----------------|----------------|------------------|
| 300                     | 6/20/2019   | 6:40            | 15:05          | 7.08             |
| 301                     | 6/20/2019   | 7:30            | 16:43          | 7.88             |
| 302                     | 6/20/2019   | 14:07           | 19:58          | 5.01             |
| 303                     | 6/20/2019   | 6:36            | 13:04          | 5.63             |
| 304                     | 6/20/2019   | 5:50            | 13:35          | 6.41             |
| 305A                    | 6/20/2019   | 7:06            | 9:17           | 1.84             |
| 305B                    | 6/20/2019   | 12:43           | 15:27          | 2.39             |
| 306                     | 6/20/2019   | 6:54            | 10:30          | 3.26             |
| 307                     | 6/20/2019   | 12:12           | 19:10          | 6.13             |
| 308                     | 6/20/2019   | 9:19            | 14:43          | 5.06             |
| <b>Total</b>            |             |                 |                | 50.69            |
| <b>Invoiced to ICTC</b> |             |                 |                | 52.75            |
| <b>Difference</b>       |             |                 |                | 2.06             |

No other exceptions were found as a result of procedures performed.

**7) Budget Development**

Inspect the operator’s accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

**Results:** We inquired of the Transit Operator management and inspected the IVT-Access services budget for the fiscal year ending June 30, 2019 and observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies of First Transit, Inc. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the First Transit ADA Paratransit Service Agreement (May 2011) and related amendments. The estimates

are based on prior year's data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the transit operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Riverside, California  
February 13, 2019

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT-ACCESS ADA Paratransit Service Line                                |                     |                     |                     |                |                  |  |
|--|---------------------|---------------------|---------------------|----------------|------------------|--|
|  | A                   | B                   | C= (A-B)            | D              | E                | F= (C+E)                               |
| Date   | Base Cost           | Farebox             | Net Subsidy         | Fuel Escalator | Marketing        | Net Cost & Total Paid to First Transit |
| July 2018  | \$ 120,004          | \$ 6,630            | \$ 113,374          | \$ -           | \$ 59            | \$ 113,433                             |
| August 2018  | 131,264             | 7,327               | 123,937             | -              | 5,044            | 128,981                                |
| September 2018   | 119,015             | 4,854               | 114,161             | -              | 87               | 114,248                                |
| October 2018   | 132,048             | 5,441               | 126,607             | -              | 2,638            | 129,245                                |
| November 2018  | 117,228             | 4,514               | 112,714             | -              | 125              | 112,839                                |
| December 2018  | 113,803             | 4,067               | 109,736             | -              | 202              | 109,938                                |
| January 2019   | 119,269             | 4,412               | 114,857             | -              | 111              | 114,968                                |
| February 2019  | 114,383             | 5,926               | 108,457             | -              | 98               | 108,555                                |
| March 2019   | 126,236             | 5,450               | 120,786             | -              | 5,577            | 126,363                                |
| April 2019   | 124,841             | 5,090               | 119,751             | -              | 184              | 119,935                                |
| May 2019   | 125,813             | 4,669               | 121,144             | -              | 95               | 121,239                                |
| June 2019  | 118,492             | 6,121               | 112,371             | -              | 75               | 112,446                                |
| Total:   | <u>\$ 1,462,396</u> | <u>\$ 64,501</u>    | <u>\$ 1,397,895</u> | <u>\$ -</u>    | <u>\$ 14,295</u> | <u>\$ 1,412,190</u>                    |
| Contract Specifications paragraph 8.1.3 For Base Cost and Base Subsidy | <u>\$ 1,682,121</u> | <u>\$ 168,212</u>   | <u>\$ 1,513,909</u> |                |                  |  |
| Over (Under) Contract Requirements                                     | <u>\$ (219,725)</u> | <u>\$ (103,711)</u> | <u>\$ (116,014)</u> |                |                  |  |
| Operating Costs (A+E)  |                     | \$ 1,476,691        |                     |                |                  |  |
| Farebox Ratio Actual   |                     | 4.37%               |                     |                |                  |  |
| Minimum Farebox Ratio Contract   |                     | 10%                 |                     |                |                  |  |

**Exhibit B  
 Procedure #6.4- Daily Fare Collections  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)**

| <b>Date</b>          | <b>Farebox Accounting -<br/>Per Monthly Invoice/Reporting</b> |        | <b>Daily Fare Collections-<br/>Per Daily Fare Collection Report</b> |        |
|----------------------|---|--------|---|--------|
| <b>December 2018</b> |   |        |   |        |
| <b>IVT Access</b>    |   |        |   |        |
| 6                    | \$  | 133.27 | \$  | 133.27 |
| 12                   |   | 127.10 |   | 127.10 |
| 19                   |   | 120.55 |   | 120.55 |
| <b>February 2019</b> |   |        |   |        |
| <b>IVT Access</b>    |   |        |   |        |
| 1                    | \$  | 95.44  | \$  | 95.44  |
| 8                    |   | 130.51 |   | 130.51 |
| 13                   |   | 144.37 |   | 144.37 |
| <b>April 2019</b>    |   |        |   |        |
| <b>IVT Access</b>    |   |        |   |        |
| 3                    | \$  | 118.71 | \$  | 118.71 |
| 11                   |   | 136.09 |   | 136.09 |
| 17                   |   | 93.05  |   | 93.05  |



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Imperial County Transportation Commission  
El Centro, California

We have performed the procedures enumerated below, which were agreed to by management of the Imperial County Transportation Commission (ICTC) (the specified party) solely to assist ICTC in monitoring the fiscal accountability and reporting of First Transit, Inc. (Transit Operator), and its records relating to the IVT-Ride transit services for the period ending June 30, 2019. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of the Transit Operator. The sufficiency of these procedures is solely the responsibility of management of ICTC. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are listed below.

**1) *Observation of service provided***

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Agreement for Paratransit Services (September 2014 and April 2016), and inspected the IVT-Ride published brochure in order to obtain an understanding of the services being provided. IVT-Ride provides dial-a-ride services for seniors and persons with disabilities. The IVT-Ride program operates upon request and services the cities of Brawley, Calexico, El Centro, Imperial, and West Shores. See Exhibit A for details of procedure #1.

Based on procedures performed as documented at Exhibit A, we noted that the Transit Operator did not meet the Farebox Ratio for any of the Ride Service lines as required by the First Transit Agreement for Paratransit Services and its related amendments. Additionally, we noted that the IVT-Ride Calexico service line exceeded the not-to-exceed subsidy limit as stipulated in the agreement.

No other exceptions were found as a result of procedures performed.

**2) *Cash Handling Control***

Inspect the Transit Operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the Transit Operator's internal controls over cash handling during the year ending June 30, 2019. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Operations Manual over cash handling and performed an observation over the cash handling process on December 12, 2019. We observed the following:

The Transit Operator drivers are required to complete the *Driver's Daily Log Sheet* which tracks the number of riders per route and the estimated cash collections. We observed that the driver does not have access to the cash deposited into the cash box within the farebox located on each bus.

Cash boxes are collected and exchanged on a daily basis upon the vehicle's return to the yard. A key is required to release the cash box from the farebox. A separate key is required to access the contents of the cash box. The key to access the cash boxes are located in the Safety Manager's office. Access to the cash box keys is limited to the dispatchers. We observed that the cash boxes are equipped with a security feature in which the cash box is to automatically lock when the cash box is removed from the farebox cabinet.

Per inspection of the Cash Handling policies, cash boxes are to be stored in a locked vault until the cash is counted and picked up by the armored service. We observed that not all cash boxes are stored in the locked vault prior to being counted as there is limited space in the vault, which is an exception to the documented policies. The remaining cash boxes not stored in the vault are stored in the locked cash count room. Access to the vault and cash count room is limited to First Transit dispatchers and is under video surveillance.

Per inspection of the Cash Handling policies, cashbox pullers must wear special pocket-less clothing provided by the Transit Operator during the cashbox pulling process. We observed that the bus driver pulling the cash box was wearing a uniform consistent with their primary driving responsibilities which have pockets. However, the dispatchers performing the cash count each morning wear pocket-less coveralls for the duration of the cash counting process.

We observed the cash counting process is under video surveillance.

We observed that two dispatchers participate in the emptying of the cash boxes and the counting of cash. The cash counts are logged on the *IVT Ride Vault & Farebox LogDay Sheet*, which includes the cash box identification number, bus number, time and date of count, dispatchers present, and the total bill and coin collections. The counted cash is then bagged and labeled with the appropriate deposit information and is picked up for deposit by the third party armored service truck.

A spreadsheet summarizing the monthly cash collections is maintained. On a monthly basis, a Senior Financial Analyst at the Transit Operator's corporate office will reconcile the total balance counted and reported by the dispatchers with the balance deposited per the bank statement.

We observed actual cash collections and the estimated cash collections based on the number of riders over the *Driver's Daily Log Sheet* is subject to fluctuate as the driver cannot provide change for customers and cannot verify payment once the fare is deposited into the farebox.

No other exceptions were found as a result of procedures performed.

### **3) Spare Parts and Inventory Control**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Inventory Count Policies and Purchase Order Policies and performed an observation over the spare parts and inventory controls on December 11, 2019. We observed the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 have to be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the First Transit Vice President. Spare parts and inventory are stored in a locked gated area that is under 24 hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Managers, Mechanics, and the General Manager. The use of spare parts and inventory is tracked through the use of separate work orders for each project.

Each spare part and inventory item is tracked by the use of a pin or part number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation. The inventory count is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We identified that there is no evidence of the Director of Maintenance review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed there is no documentary evidence of this review process.

No other exceptions were found as a result of procedures performed.

#### **4) *Invoicing Process Control***

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample to ensure policy was followed.

**Results:** We inquired of the Transit Operator management and performed an observation on December 10, 2019 over the invoicing process and observed the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the IVT-Ride Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include *Driver's Daily Log Sheets, Time Sheets, IVT Ride Vault & Farebox LogDay Sheets*, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of October 2018, April 2019, and May 2019 and observed that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we observed that the monthly excel files agreed to supporting source documents. See details documented at procedure 6 (Financial Data Analysis).

We observed that all monthly invoices for the period ending June 30, 2019 were reviewed and approved by the First Transit General Manager.

No exceptions were found as a result of procedures performed.

**5) Reporting Process**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Paratransit Service Agreement (September 2014 and April 2016), and performed observations and observed the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. First Transit submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT- Ride Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include *Driver's Daily Log Sheets, Time Sheets, IVT Ride Vault & Farebox LogDay Sheets*, etc. The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

**6) Financial Data Analysis**

- 6.1** Inspect documents provided by ICTC and the transit operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2** Select a sample of three months of expense reports and compare amounts to supporting documentation.
- 6.3** Select a sample of three months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4** Select a sample of three daily fare collection reports in each of a sample of three months and compare to supporting documentation. We noted a trivial difference.
- 6.5** Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

**Results:** We inquired of First Transit management, inspected the First Transit Paratransit Service Agreement (September 2014 and April 2016) and related amendments and inspected the IVT-Ride published brochure and performed observations and observed the following:

- 6.1** We inspected the monthly invoices provided by the Transit Operator for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, and IVT-Ride El Centro service lines and identified the invoices provided by the Transit Operator agreed to the invoices received by ICTC. No exceptions were found as a result of procedures performed.
- 6.2** We selected the months of October 2018, April 2019, and May 2019 and obtained the monthly invoices for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, and IVT-Ride El Centro service lines. We compared the monthly invoices to the supporting data schedule and marketing invoices. No exceptions were found as a result of procedures performed.
- 6.3** We inspected the monthly invoices for IVT-Ride Brawley, IVT-Ride Calexico, IVT-Ride Imperial, IVT-Ride West Shores, and IVT-Ride El Centro service lines for the fiscal year ending June 30, 2019 and identified no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract. No exceptions were found as a result of procedures performed.

**6.4** We selected the months of October 2018, April 2019, and May 2019 and obtained the fare collections by day from the “Farebox Accounting” report included in the monthly reporting packet. We selected 3 days for each month to inspect the daily fares per the source document “Daily Fare Collections Report”. We observed that for the samples selected for the months of October 2018, April 2019, and May 2019, the daily fare collections per the “Farebox Accounting” report agreed to the supporting source document, “Daily Fare Collection Reports” with the exception of 1 sample in which we noted trivial variances. See Exhibit B for details.

**6.5** The IVT-Ride provides curb to curb transportation services upon advance reservations and operates upon request by eligible persons. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheets and the Time Sheets. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected the following IVT-Ride Routes and obtained all related Driver’s Daily Log Sheets and Time Sheets for a selected date and compared them to the data schedule which supports the monthly invoices. We excluded hours for breaks and lunch to estimate the revenue hours that would be reported for the selected day. We observed the following:

| <u>Route</u> | <u>Date</u> | <u>First PU</u> | <u>Last DO/ Route End</u> | <u>Rev Hours</u> |
|--------------|-------------|-----------------|---------------------------|------------------|
| Brawley 1    | 6/20/2019   | 8:15            | 18:00                     | 8.41             |
| Brawley 2    | 6/20/2019   | 7:00            | 15:00                     | 7.25             |
|              |             |                 | <b>Total</b>              | <b>15.66</b>     |
|              |             |                 | <b>Invoiced to ICTC</b>   | <b>13.15</b>     |
|              |             |                 | <b>Difference</b>         | <b>(2.51)</b>    |
| Calexico 1   | 6/20/2019   | 7:06            | 15:00                     | 6.56             |
| Calexico 2   | 6/20/2019   | 7:00            | 17:00                     | 8.82             |
| Calexico 3   | 6/20/2019   | 7:00            | 17:00                     | 8.82             |
|              |             |                 | <b>Total</b>              | <b>24.20</b>     |
|              |             |                 | <b>Invoiced to ICTC</b>   | <b>21.60</b>     |
|              |             |                 | <b>Difference</b>         | <b>(2.60)</b>    |
| El Centro 1  | 6/20/2019   | 7:00            | 16:00                     | 7.66             |
| El Centro 2  | 6/20/2019   | 7:00            | 18:00                     | 9.66             |
| El Centro 3  | 6/20/2019   | 7:00            | 18:00                     | 9.66             |
| El Centro 4  | 6/20/2019   | 7:00            | 18:30                     | 10.16            |
| El Centro 5  | 6/20/2019   | 9:18            | 14:45                     | 4.77             |
|              |             |                 | <b>Total</b>              | <b>41.91</b>     |
|              |             |                 | <b>Invoiced to ICTC</b>   | <b>38.78</b>     |
|              |             |                 | <b>Difference</b>         | <b>(3.13)</b>    |
| Imperial     | 6/20/2019   | 6:45            | 17:15                     | 9.16             |
|              |             |                 | <b>Total</b>              | <b>9.16</b>      |
|              |             |                 | <b>Invoiced to ICTC</b>   | <b>6.40</b>      |
|              |             |                 | <b>Difference</b>         | <b>(2.76)</b>    |
| Westshores   | 6/20/2019   | 7:00            | 16:30                     | 8.16             |
|              |             |                 | <b>Total</b>              | <b>8.16</b>      |
|              |             |                 | <b>Invoiced to ICTC</b>   | <b>4.70</b>      |
|              |             |                 | <b>Difference</b>         | <b>(3.46)</b>    |

No other exceptions were found as a result of procedures performed.

**7) Budget Development**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's methodology related to developing an annual budget.

**Results:** We inquired of the Transit Operator management and inspected the IVT-Ride services budgets for the fiscal year ending June 30, 2019 and observed the following:

The budget is developed primarily by the Transit Operator's General Manager who follows the "Preparing Fiscal Year Budget" policies of First Transit, Inc. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the First Transit Paratransit Service Agreements (September 2014 and April 2016). The estimates are based on prior year's data and changes in route schedules. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the transit operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Riverside, California  
February 13, 2019

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| All IVT-Ride Combined Services                                  |                     |                     |                     |                |                 |  |                     |
|---|---------------------|---------------------|---------------------|----------------|-----------------|--|---------------------|
|   | A                   | B                   | C= (A-B)            | D              | E               | F= (C+E)                                     |                     |
| Date  | Base Cost           | Farebox             | Net Subsidy         | Fuel Escalator | Marketing       | Net Cost & Total<br>Paid to First<br>Transit |                     |
| July 2018   | \$ 126,883          | \$ 4,981            | \$ 121,902          | \$ -           | \$ 14           | \$   | 121,916             |
| August 2018   | 134,235             | 5,847               | 128,388             | -              | 8               |  | 128,396             |
| September 2018  | 124,272             | 5,065               | 119,207             | -              | 3               |  | 119,210             |
| October 2018  | 136,386             | 6,055               | 130,331             | -              | 16              |  | 130,347             |
| November 2018   | 127,724             | 5,236               | 122,488             | -              | 1,438           |  | 123,926             |
| December 2018   | 121,897             | 4,455               | 117,442             | -              | 151             |  | 117,593             |
| January 2019  | 130,149             | 5,183               | 124,966             | -              | 24              |  | 124,990             |
| February 2019   | 122,562             | 4,973               | 117,589             | -              | 18              |  | 117,607             |
| March 2019  | 135,675             | 5,416               | 130,259             | -              | 1,699           |  | 131,958             |
| April 2019  | 136,173             | 5,331               | 130,842             | -              | 8               |  | 130,850             |
| May 2019  | 136,340             | 5,327               | 131,013             | -              | 2,890           |  | 133,903             |
| June 2019   | 116,739             | 5,961               | 110,778             | -              | 2,614           |  | 113,392             |
| Total:  | <u>\$ 1,549,035</u> | <u>\$ 63,830</u>    | <u>\$ 1,485,205</u> | <u>\$ -</u>    | <u>\$ 8,883</u> |  | <u>\$ 1,494,088</u> |
| Combined Contract Specifications For Base Cost and Base Subsidy |                     |                     |                     |                |                 |  |                     |
|   | <u>\$ 1,734,172</u> | <u>\$ 169,437</u>   | <u>\$ 1,564,735</u> |                |                 |  |                     |
| Over (Under) Contract Requirements                              |                     |                     |                     |                |                 |  |                     |
|   | <u>\$ (185,137)</u> | <u>\$ (105,607)</u> | <u>\$ (79,530)</u>  |                |                 |  |                     |
| Operating Costs (A+E)   | \$ 1,557,918        |                     |                     |                |                 |  |                     |
| Farebox Ratio Actual  | 4.10%               |                     |                     |                |                 |  |                     |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Ride Brawley Service Line  |                    |                    |                    |                |               |  |
|--|--------------------|--------------------|--------------------|----------------|---------------|--|
|  | A                  | B                  | C= (A-B)           | D              | E             | F= (C+E)                               |
| Date   | Base Cost          | Farebox            | Net Subsidy        | Fuel Escalator | Marketing     | Net Cost & Total Paid to First Transit |
| July 2018  | \$ 21,573          | \$ 1,203           | \$ 20,370          | \$ -           | \$ -          | \$ 20,370.00                           |
| August 2018  | 22,957             | 1,501              | 21,456             | -              | -             | 21,456                                 |
| September 2018   | 20,910             | 1,219              | 19,691             | -              | -             | 19,691                                 |
| October 2018   | 23,623             | 1,557              | 22,066             | -              | -             | 22,066                                 |
| November 2018  | 21,804             | 1,243              | 20,561             | -              | -             | 20,561                                 |
| December 2018  | 21,307             | 1,089              | 20,218             | -              | 14            | 20,232                                 |
| January 2019   | 22,212             | 1,309              | 20,903             | -              | -             | 20,903                                 |
| February 2019  | 20,743             | 1,181              | 19,562             | -              | -             | 19,562                                 |
| March 2019   | 22,761             | 1,292              | 21,469             | -              | -             | 21,469                                 |
| April 2019   | 23,201             | 1,277              | 21,924             | -              | -             | 21,924                                 |
| May 2019   | 22,955             | 1,319              | 21,636             | -              | -             | 21,636                                 |
| June 2019  | 19,160             | 1,073              | 18,087             | -              | 433           | 18,520                                 |
| Total:   | <u>\$ 263,206</u>  | <u>\$ 15,263</u>   | <u>\$ 247,943</u>  | <u>\$ -</u>    | <u>\$ 447</u> | <u>\$ 248,390</u>                      |
| Contract Specifications paragraph 8.1.1.5 For Base Cost and Base Subsidy | <u>\$ 319,575</u>  | <u>\$ 31,958</u>   | <u>\$ 287,617</u>  |                |               |  |
| Over (Under) Contract Requirements                                       | <u>\$ (56,369)</u> | <u>\$ (16,695)</u> | <u>\$ (39,674)</u> |                |               |  |
| Operating Costs (A+E)  |                    | \$ 263,653         |                    |                |               |  |
| Farebox Ratio Actual   |                    |                    | 5.79%              |                |               |  |
| Minimum Farebox Ratio Contract   |                    |                    | 10%                |                |               |  |



Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Ride Calexico Service Line  |                    |                    |                   |                |               |  |
|---|--------------------|--------------------|-------------------|----------------|---------------|--|
|   | A                  | B                  | C= (A-B)          | D              | E             | F= (C+E)                                     |
| Date  | Base Cost          | Farebox            | Net Subsidy       | Fuel Escalator | Marketing     | Net Cost & Total<br>Paid to First<br>Transit |
| July 2018   | \$ 35,853          | \$ 1,215           | \$ 34,638         | \$ -           | \$ -          | \$ 34,638                                    |
| August 2018   | 37,380             | 1,265              | 36,115            | -              | -             | 36,115                                       |
| September 2018  | 34,452             | 1,111              | 33,341            | -              | -             | 33,341                                       |
| October 2018  | 38,188             | 1,323              | 36,865            | -              | -             | 36,865                                       |
| November 2018   | 33,843             | 1,200              | 32,643            | -              | -             | 32,643                                       |
| December 2018   | 32,032             | 989                | 31,043            | -              | 39            | 31,082                                       |
| January 2019  | 33,723             | 979                | 32,744            | -              | -             | 32,744                                       |
| February 2019   | 31,899             | 831                | 31,068            | -              | -             | 31,068                                       |
| March 2019  | 36,347             | 984                | 35,363            | -              | -             | 35,363                                       |
| April 2019  | 36,347             | 939                | 35,408            | -              | -             | 35,408                                       |
| May 2019  | 36,347             | 796                | 35,551            | -              | -             | 35,551                                       |
| June 2019   | 31,814             | 1,525              | 30,289            | -              | 650           | 30,939                                       |
| Total:  | <u>\$ 418,225</u>  | <u>\$ 13,157</u>   | <u>\$ 405,068</u> | <u>\$ -</u>    | <u>\$ 689</u> | <u>\$ 405,757</u>                            |
| Contract Specifications paragraph 8.1.2.56 For Base Cost and Base Subsidy | <u>\$ 449,794</u>  | <u>\$ 44,979</u>   | <u>\$ 404,815</u> |                |               |  |
| Over (Under) Contract Requirements  | <u>\$ (31,569)</u> | <u>\$ (31,822)</u> | <u>\$ 253</u>     |                |               |  |
| Operating Costs (A+E)   |                    | \$ 418,914         |                   |                |               |  |
| Farebox Ratio Actual  |                    |                    | 3.14%             |                |               |  |
| Minimum Farebox Ratio Contract  |                    |                    | 10%               |                |               |  |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Ride Imperial Service Line   |                    |                    |                    |                |               |  |
|--|--------------------|--------------------|--------------------|----------------|---------------|--|
|  | A                  | B                  | C= (A-B)           | D              | E             | F= (C+E)                                     |
| Date   | Base Cost          | Farebox            | Net Subsidy        | Fuel Escalator | Marketing     | Net Cost & Total<br>Paid to First<br>Transit |
| July 2018  | \$ 14,197          | \$ 450             | \$ 13,747          | \$ -           | \$ -          | \$ 13,747                                    |
| August 2018  | 15,043             | 435                | 14,608             | -              | -             | 14,608                                       |
| September 2018   | 14,516             | 475                | 14,041             | -              | -             | 14,041                                       |
| October 2018   | 16,075             | 514                | 15,561             | -              | -             | 15,561                                       |
| November 2018  | 14,708             | 429                | 14,279             | -              | -             | 14,279                                       |
| December 2018  | 15,392             | 411                | 14,981             | -              | 19            | 15,000                                       |
| January 2019   | 15,355             | 486                | 14,869             | -              | -             | 14,869                                       |
| February 2019  | 14,734             | 592                | 14,142             | -              | -             | 14,142                                       |
| March 2019   | 16,563             | 691                | 15,872             | -              | -             | 15,872                                       |
| April 2019   | 16,174             | 754                | 15,420             | -              | -             | 15,420                                       |
| May 2019   | 16,174             | 770                | 15,404             | -              | -             | 15,404                                       |
| June 2019  | 14,236             | 719                | 13,517             | -              | 217           | 13,734                                       |
| Total:   | <u>\$ 183,167</u>  | <u>\$ 6,726</u>    | <u>\$ 176,441</u>  | <u>\$ -</u>    | <u>\$ 236</u> | <u>\$ 176,677</u>                            |
| Contract Specifications paragraph 8.1.3.5 For Base Cost and Base Subsidy |                    |                    |                    |                |               |  |
|  | <u>\$ 218,966</u>  | <u>\$ 21,897</u>   | <u>\$ 197,069</u>  |                |               |  |
| Over (Under) Contract Requirements                                       |                    |                    |                    |                |               |  |
|  | <u>\$ (35,799)</u> | <u>\$ (15,171)</u> | <u>\$ (20,628)</u> |                |               |  |
| Operating Costs (A+E)  | \$ 183,403         |                    |                    |                |               |  |
| Farebox Ratio Actual   | 3.67%              |                    |                    |                |               |  |
| Minimum Farebox Ratio Contract   | 10%                |                    |                    |                |               |  |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Ride West Shores Service Line  |                    |                   |                   |                |               |  |
|--|--------------------|-------------------|-------------------|----------------|---------------|--|
|  | A                  | B                 | C= (A-B)          | D              | E             | F= (C+E)                               |
| Date   | Base Cost          | Farebox           | Net Subsidy       | Fuel Escalator | Marketing     | Net Cost & Total Paid to First Transit |
| July 2018  | \$ 5,850           | \$ 162            | \$ 5,688          | \$ -           | \$ -          | \$ 5,688                               |
| August 2018  | 5,850              | 153               | 5,697             | -              | -             | 5,697                                  |
| September 2018   | 5,543              | 111               | 5,432             | -              | -             | 5,432                                  |
| October 2018   | 5,850              | 135               | 5,715             | -              | -             | 5,715                                  |
| November 2018  | 5,543              | 115               | 5,428             | -              | -             | 5,428                                  |
| December 2018  | 5,236              | 97                | 5,139             | -              | 15            | 5,154                                  |
| January 2019   | 5,850              | 131               | 5,719             | -              | -             | 5,719                                  |
| February 2019  | 5,870              | 157               | 5,713             | -              | -             | 5,713                                  |
| March 2019   | 5,850              | 157               | 5,693             | -              | -             | 5,693                                  |
| April 2019   | 6,218              | 146               | 6,072             | -              | -             | 6,072                                  |
| May 2019   | 6,218              | 124               | 6,094             | -              | -             | 6,094                                  |
| June 2019  | 4,267              | 111               | 4,156             | -              | 217           | 4,373                                  |
| Total:   | <u>\$ 68,145</u>   | <u>\$ 1,599</u>   | <u>\$ 66,546</u>  | <u>\$ -</u>    | <u>\$ 232</u> | <u>\$ 66,778</u>                       |
| Contract Specifications paragraph 8.1.4.5 For Base Cost and Base Subsidy | <u>\$ 79,613</u>   | <u>\$ 3,981</u>   | <u>\$ 75,632</u>  |                |               |  |
| Over (Under) Contract Requirements                                       | <u>\$ (11,468)</u> | <u>\$ (2,382)</u> | <u>\$ (9,086)</u> |                |               |  |
| Operating Costs (A+E)  |                    | \$ 68,377         |                   |                |               |  |
| Farebox Ratio Actual   |                    | 2.34%             |                   |                |               |  |
| Minimum Farebox Ratio Contract   |                    | 5%                |                   |                |               |  |

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| IVT Ride El Centro Service Line  |                    |                    |                    |                |                 |  |
|--|--------------------|--------------------|--------------------|----------------|-----------------|--|
|  | A                  | B                  | C= (A-B)           | D              | E               | F= (C+E)                               |
| Date   | Base Cost          | Farebox            | Net Subsidy        | Fuel Escalator | Marketing       | Net Cost & Total Paid to First Transit |
| July 2018  | \$ 49,410          | \$ 1,951           | \$ 47,459          | \$ -           | \$ 14           | \$ 47,473                              |
| August 2018  | 53,005             | 2,493              | 50,512             | -              | 8               | 50,520                                 |
| September 2018   | 48,851             | 2,149              | 46,702             | -              | 3               | 46,705                                 |
| October 2018   | 52,650             | 2,526              | 50,124             | -              | 16              | 50,140                                 |
| November 2018  | 51,826             | 2,249              | 49,577             | -              | 1,438           | 51,015                                 |
| December 2018  | 47,930             | 1,869              | 46,061             | -              | 64              | 46,125                                 |
| January 2019   | 53,009             | 2,278              | 50,731             | -              | 24              | 50,755                                 |
| February 2019  | 49,316             | 2,212              | 47,104             | -              | 18              | 47,122                                 |
| March 2019   | 54,154             | 2,292              | 51,862             | -              | 1,699           | 53,561                                 |
| April 2019   | 54,233             | 2,215              | 52,018             | -              | 8               | 52,026                                 |
| May 2019   | 54,646             | 2,318              | 52,328             | -              | 2,890           | 55,218                                 |
| June 2019  | 47,262             | 2,533              | 44,729             | -              | 1,097           | 45,826                                 |
| Total:   | <u>\$ 616,292</u>  | <u>\$ 27,085</u>   | <u>\$ 589,207</u>  | <u>\$ -</u>    | <u>\$ 7,279</u> | <u>\$ 596,486</u>                      |
| Contract Specifications paragraph 8.3.3 For Base Cost and Base Subsidy |                    |                    |                    |                |                 |  |
|  | <u>\$ 666,224</u>  | <u>\$ 66,622</u>   | <u>\$ 599,602</u>  |                |                 |  |
| Over (Under) Contract Requirements                                     |                    |                    |                    |                |                 |  |
|  | <u>\$ (49,932)</u> | <u>\$ (39,537)</u> | <u>\$ (10,395)</u> |                |                 |  |
| Operating Costs (A+E)  | \$ 623,571         |                    |                    |                |                 |  |
| Farebox Ratio Actual   | 4.34%              |                    |                    |                |                 |  |
| Minimum Farebox Ratio Contract   | 10%                |                    |                    |                |                 |  |

Exhibit B  
 Procedure #6.4- Daily Fare Collections  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Date                | Farebox Accounting -<br>Per Monthly Invoice/Reporting | Daily Fare Collections -<br>Per Daily Fare Collection Report | Variance |
|---------------------|---|--|----------|
| <b>October 2018</b> |   |  |          |
| <b>Brawley</b>      |   |  |          |
| 4                   | \$ 13.51  | \$ 13.51   | \$ -     |
| 11                  | 5.90  | 5.90   | -        |
| 18                  | 10.50   | 10.50  | -        |
| <b>Calexico</b>     |   |  |          |
| 2                   | 33.00   | 33.00  | -        |
| 9                   | 33.00   | 33.00  | -        |
| 16                  | 46.27   | 46.27  | -        |
| <b>Imperial</b>     |   |  |          |
| 12                  | 15.75   | 15.75  | -        |
| 19                  | 5.95  | 5.95   | -        |
| 25                  | 6.00  | 6.00   | -        |
| <b>Westshores</b>   |   |  |          |
| 16                  | -   | -  | -        |
| 23                  | 24.00   | 24.00  | -        |
| 25                  | 8.00  | 8.00   | -        |
| <b>El Centro</b>    |   |  |          |
| 3                   | 54.61   | 54.61  | -        |
| 10                  | 54.68   | 54.68  | -        |
| 18                  | 54.25   | 54.25  | -        |
| <b>April 2019</b>   |   |  |          |
| <b>Brawley</b>      |   |  |          |
| 3                   | \$ 10.50  | \$ 10.50   | \$ -     |
| 9                   | -   | -  | -        |
| 15                  | -   | -  | -        |
| <b>Calexico</b>     |   |  |          |
| 10                  | -   | -  | -        |
| 16                  | -   | -  | -        |
| 24                  | -   | -  | -        |
| <b>Imperial</b>     |   |  |          |
| 2                   | 9.50  | 9.50   | -        |
| 18                  | -   | -  | -        |
| 26                  | -   | -  | -        |
| <b>Westshores</b>   |   |  |          |
| 4                   | -   | -  | -        |
| 11                  | -   | -  | -        |
| 18                  | -   | -  | -        |
| <b>El Centro</b>    |   |  |          |
| 19                  | -   | -  | -        |
| 29                  | -   | -  | -        |
| 30                  | 0.04  | 0.04   | -        |

Exhibit B  
 Procedure #6.4- Daily Fare Collections (Continued)  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| Date              | Farebox Accounting -<br>Per Monthly Invoice/Reporting |   | Daily Fare Collections -<br>Per Daily Fare Collection Report |       | Variance |
|-------------------|---|---|--|-------|----------|
| <b>May 2019</b>   |   |   |  |       |          |
| <b>Brawley</b>    |   |   |  |       |          |
| 9                 | \$  | - | \$   | -     | -        |
| 14                |   | - |  | -     | -        |
| 15                |   | - |  | -     | -        |
| <b>Calexico</b>   |   |   |  |       |          |
| 2                 |   | - |  | -     | -        |
| 6                 |   | - |  | 10.00 | (10.00)  |
| 10                |   | - |  | -     | -        |
| <b>Imperial</b>   |   |   |  |       |          |
| 1                 |   | - |  | -     | -        |
| 13                |   | - |  | -     | -        |
| 29                |   | - |  | -     | -        |
| <b>Westshores</b> |   |   |  |       |          |
| 7                 |   | - |  | -     | -        |
| 14                |   | - |  | -     | -        |
| 21                |   | - |  | -     | -        |
| <b>El Centro</b>  |   |   |  |       |          |
| 8                 |   | - |  | -     | -        |
| 15                |   | - |  | -     | -        |
| 23                |   | - |  | -     | -        |

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Imperial County Transportation Commission  
El Centro, California

We have performed the procedures enumerated below, which were agreed to by management of the Imperial County Transportation Commission (ICTC) (the specified party) solely to assist ICTC in monitoring the fiscal accountability and reporting of First Transit, Inc. (Transit Operator), and its records relating to the IVT MedTrans transit services for the period ending June 30, 2019. The Transit Operator's management is responsible for its accounting records and reporting requirements. Management of ICTC is responsible for monitoring the accounting records and reporting of Transit Operator. The sufficiency of these procedures is solely the responsibility of management of ICTC. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are listed below.

***1) Observation of service provided***

Obtain an understanding of the service being provided based on inquiry of management and inspection of the agreement. Perform an observation and obtain supporting documentation regarding the services provided by the operator.

**Results:** We inquired of the Transit Operator management, inspected the MedTrans Service Agreement (April 2016) and inspected the IVT MedTrans Rider's Guide in order to obtain an understanding of the services being provided. IVT MedTrans is specifically intended to link Imperial Valley and San Diego County for non-emergency transportation to access medical facilities, clinics and doctor offices.

As part of our inquiries, we identified that there is no formal application or interview process to verify if a passenger is eligible to receive the services being provided.

Per procedures performed as documented at Exhibit A we noted that the Transit Operator exceeded the not-to-exceed amount of subsidy and did not meet the Farebox Ratio as required per the First Transit Agreement for MedTrans Paratransit Services.

No other exceptions were found as a result of procedures performed.

**2) Cash Handling Control**

Inspect the operator's accounting policies and procedures, and interview management and staff in order to obtain an understanding of the operator's internal controls over cash handling during the year ending June 30, 2019. Observe that the procedures provide for adequate safeguards of cash and separation of duties. Perform an observation over cash handling and compare the results of the observation to the policy.

**Results:** We inquired of the Transit Operator management, inspected the First Transit Operations Manual over cash handling and performed an observation over the cash handling process on December 12, 2019. We observed the following:

The Transit Operator shuttle operators are required to complete the *Driver's Daily Log Sheet* which tracks the number of riders per route and fare amount per rider. We noted that passengers must call the IVT MedTrans office to book a reservation and must pay their fare in person prior to their trip. As such, money is not collected by the MedTrans shuttle operators and the IVT MedTrans shuttles are not equipped with fare boxes.

We observed the First Transit Inc. dispatch offices on December 12, 2019 and noted that the money for the IVT MedTrans fares is received by the Dispatch Manager within the Safety Manager's Office. The customer is given a receipt and a copy is kept for the Operations Manager to retrieve. We noted that cash is kept in a locked cash box within a locker in the Safety Manager's office. The Safety Manager's office is under 24 hour video surveillance which is monitored by the Maintenance Manager.

The Operations Manager will retrieve receipts for the IVT MedTrans fare multiple times throughout the workday. We noted that the receipts are cataloged by date of scheduled ride and are kept in the Operations Manager's office. We noted receipts are cataloged daily and are reconciled against bank deposit receipts on a monthly basis.

We noted that there is no set schedule as to when deposits are to be made. Per inquiry with the Transit Operator we noted that bank deposits are typically performed three times a month by the Dispatch Manager. The amount to be deposited at the end of each month should be the remainder for the month based on the receipts kept by the Operations Manager.

We noted that the Dispatch Manager will keep a spreadsheet that summarizes the total amount of money collected for all of the IVT service lines and will send the spreadsheet to an offsite Staff Accountant for reconciliation to the total balance by the counters and balance per the bank statement. We noted that this procedure is performed at the First Transit corporate offices and contact will only be made with the El Centro location if a discrepancy was noted during the reconciliation. As such, evidence of this process could not be obtained.

We selected June 27, 2019 and obtained the catalog of IVT MedTrans receipts for that day as well as the *Driver's Daily Log Sheet*. We noted that the log sheet was approved by the shuttle driver's supervisor and the fare information had been entered by an Office Dispatcher. We noted that the amount from the receipts agreed to the fare revenue for the day on the "Farebox" tab of the electronic invoice file that is sent to ICTC without error.

No other exceptions were found as a result of procedures performed.

**3) Spare Parts and Inventory Control**

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls over the purchasing, safeguarding and use of spare parts and inventory, in the maintenance department. Identify how the maintenance department tracks the use of spare parts and inventory and identify the safeguards that are in place for the maintenance of inventory. Identify whether the procedures provide for periodic inventory counts and reconciliation of such counts to the general ledger. Perform an observation over the spare parts and inventory and compare the results of the observation to the policy. Identify evidence of pilferage, other losses, or instances of improper usage.



**Results:** We inquired of the Transit Operator management, inspected the First Transit Inventory Count Policies and Purchase Order Policies and performed an observation over the spare parts and inventory controls on December 11, 2019. We observed the following:

We observed that the purchase of spare parts and inventory is initiated and tracked by the Maintenance Manager. The Maintenance Manager has the authority to purchase any items below \$2,500. Purchases between \$2,500 and \$5,000 must be approved by the General Manager. Purchases between \$5,000 and \$10,000 have to be approved by the Director of Maintenance located at the Transit Operator's corporate office. Any purchases above \$10,000 must be approved by the First Transit Vice President. Spare parts and inventory are stored in a locked gated area that is under 24 hour video surveillance. The key to the locked gate is kept in the maintenance shop. Access to spare parts and inventory after hours is limited to the Maintenance Manager, Operations Manager, Mechanics, and the General Manager. The use of spare parts and inventory is tracked through the use of separate work orders for each project.

Each spare part and inventory item is tracked by the use of a pin or part number. A complete inventory is taken on a quarterly basis. Any variances from expected inventory counts (based on part usage and the work order process) greater than 5% require explanation. The inventory is performed by the Maintenance Manager and is submitted to the Director of Maintenance at the corporate office for his review and approval. We identified that there is no evidence of the Director of Maintenance review.

The Maintenance Manager performs spot checks every few weeks to ensure inventory levels are appropriate; however, we observed there is no documentary evidence of this review process.

No other exceptions were found as a result of procedures performed.

#### **4) *Invoicing Process Control***

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls related to the invoicing process. Scan the current year detail for invoices and select a sample to ensure policy was followed.

**Results:** We inquired of the Transit Operator management and performed an observation on December 10, 2019 over the invoicing process and observed the following:

The Transit Operator submits an invoice to ICTC on a monthly basis which includes the monthly fixed costs, determined as part of the contractual agreement, the total revenue hours requested for reimbursement and any marketing expenses incurred during the month.

The invoices are prepared by the IVT MedTrans Operations Manager and then reviewed and approved by the Transit Operator's General Manager. All invoices are prepared based on source documents which include *Driver's Daily Log Sheets*, *Time Sheets*, *Fare Receipt Catalogs*, and supporting marketing invoices. The source documents are summarized in an excel file which generates the monthly invoice.

We selected the months of January 2019, March 2019, and May 2019 and observed that the invoices agreed to the summarized excel files and supporting marketing invoices without exception. In addition, on a sample basis, we observed that the monthly excel files agreed to supporting source documents. See details of samples tested documented at procedure 6 (Financial Data Analysis).

We observed that all invoices for the period ending June 30, 2019 were reviewed and approved by the Transit Operator's General Manager.

No exceptions were found as a result of procedures performed.

5) *Reporting Process*

Inspect the operator's accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator's internal controls related to the reporting process.

**Results:** We inquired of the Transit Operator management, inspected the First Transit MedTrans Paratransit Services Agreement (April 2016) and performed observations and observed the following:

The Transit Operator is required to submit monthly reports regarding the monthly operations, route statistics, management summary statements, and passenger data. The Transit Operator submits the required reporting information on a monthly basis as part of the monthly invoice process.

The invoices and required reports are prepared by the IVT MedTrans Operations Manager and then reviewed and signed off by the General Manager. All reports are prepared based on source documents which include *Driver's Daily Log Sheets, Time Sheets, Fare Receipts Catalogs, etc.* The source documents are summarized in an excel file which generates the monthly reports.

No exceptions were found as a result of procedures performed.

6) *Financial Data Analysis*

- 6.1 Inspect documents provided by ICTC and the transit operator to identify expenditures and fare revenue amounts reported to ICTC are accurate.
- 6.2 Select a sample of three months of expense reports and compare amounts to supporting documentation.
- 6.3 Select a sample of three months of fuel expenditures and determine whether amounts exceeded the escalators stated in the contract. Identify any evidence of loss or improper fuel usage.
- 6.4 Select a sample of three daily fare collection reports in each of a sample of three months and compare to supporting documentation.
- 6.5 Recalculate service hours from published schedules and compare to the contract and to actual hours billed. Inspect supporting documentation on the daily routes and daily operating schedule to determine actual hours versus invoices revenue hours.

**Results:** We inquired of the Transit Operator management, inspected the MedTrans Paratransit Services Agreement (April 2016) and performed observations and observed the following:

- 6.1 We inspected the monthly invoices provided by the Transit Operator for MedTrans and observed the invoices provided by the Transit Operator agreed to the invoices received by ICTC. No exceptions were found as a result of procedures performed.
- 6.2 We selected the months of January 2019, March 2019 and May 2019 and obtained the monthly invoices for IVT MedTrans. We compared the monthly invoices to the supporting data schedule and marketing invoices. No exceptions were found as a result of procedures performed.
- 6.3 We inspected the monthly invoices for IVT MedTrans for the fiscal year ending June 30, 2019 and observed no additional fuel expenditures were incurred outside of the fuel expenditure costs included in the revenue hour rate determined as part of the annual contract. No exceptions were found as a result of procedures performed.
- 6.4 We selected the months of January 2019, March 2019 and May 2019 and obtained the cash fare collections by day from the Daily Fare Collections report included in the monthly reporting packet. We selected 3 days for each month to inspect the daily fares per the fare receipt catalogs. We observed that for the samples selected for the months of January 2019, March 2019 and May 2019, the daily fare collections per the Daily Fare Collections report agreed to the supporting source document without exception. See Exhibit B for details.

6.5 IVT MedTrans provides non-emergency transportation services for transit dependent individuals and is not a fixed route with published schedules. The revenue hours in the monthly invoices are prepared based on the Driver’s Daily Log Sheet. The Driver’s Daily Log Sheets and the Time Sheets should agree; the Time Sheets are to be reviewed and approved by the supervisor on duty. We selected June 27, 2019 and obtained the Driver’s Daily Log Sheets and Time Sheets and compared them to the data schedule which supports the monthly invoices. We observed the following:

6.6

| <u>Route/Paddle</u> | <u>Date</u> | <u>1st PU</u> | <u>Last DO</u>   | <u>Rev. Hours</u> |
|---------------------|-------------|---------------|------------------|-------------------|
| MedTrans 1          | 6/27/2019   | 6:35          | 17:10            | 8.25              |
| MedTrans 2          | 6/27/2019   | 6:30          | 6:50             | 0.33              |
|                     |             |               | Total            | 8.58              |
|                     |             |               | Invoiced to ICTC | 8.17              |
|                     |             |               | Variance         | (0.41)            |

No other exceptions were found as a result of procedures performed.

**7) Budget Development**

Inspect the operator’s accounting policies and procedures and interview management and staff in order to obtain an understanding of the operator’s methodology related to developing an annual budget.

**Results:** We inquired of Transit Operator management and inspected the IVT MedTrans services budget for the fiscal year ending June 30, 2019. We observed the following:

The budget is developed primarily by the Transit Operator’s General Manager who follows the “Preparing Fiscal Year Budget” policies of the Transit Operator. The budget accounts for the estimated fixed costs, estimated revenue hours, and estimated fare revenues which together do not exceed the agreed upon subsidies in the First Transit MedTrans Paratransit Services Agreement (April 2016). The estimates were based on internal calculations prepared by the Transit Operator’s prior General Manager. A separate budget is developed for estimated marketing expenditures.

No exceptions were found as a result of procedures performed.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the accounting records and reporting requirements of the transit operator or its controls. Accordingly, we do not express such opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Imperial County Transportation Commission management and is not intended to be and should not be used by anyone other than the specified party.

Riverside, California  
February 13, 2019

Exhibit A  
 Procedure #1- Services Provided  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)

| First Transit - IVT MedTrans Service Line                              |  |                    |                   |                |                 |                   |
|--|--|--------------------|-------------------|----------------|-----------------|-------------------|
|  | A                                      | B                  | C= (A-B)          | D              | E               | F= (C+E)          |
|  | Net Cost & Total Paid to First Transit |                    |                   |                |                 |                   |
| Date   | Base Cost                              | Farebox            | Net Subsidy       | Fuel Escalator | Marketing       | Transit           |
| July 2018  | \$ 41,168                              | \$ 3,016           | \$ 38,152         | \$ -           | \$ -            | \$ 38,152         |
| August 2018  | 41,382                                 | 4,011              | 37,371            | -              | -               | 37,371            |
| September 2018   | 37,842                                 | 3,180              | 34,662            | -              | -               | 34,662            |
| October 2018   | 41,005                                 | 3,820              | 37,185            | -              | -               | 37,185            |
| November 2018  | 40,417                                 | 4,697              | 35,720            | -              | -               | 35,720            |
| December 2018  | 37,405                                 | 3,370              | 34,035            | -              | -               | 34,035            |
| January 2019   | 41,748                                 | 4,125              | 37,623            | -              | -               | 37,623            |
| February 2019  | 35,510                                 | 3,709              | 31,801            | -              | -               | 31,801            |
| March 2019   | 37,396                                 | 3,846              | 33,550            | -              | -               | 33,550            |
| April 2019   | 38,470                                 | 3,535              | 34,935            | -              | 1,900           | 36,835            |
| May 2019   | 40,821                                 | 4,302              | 36,519            | -              | -               | 36,519            |
| June 2019  | 36,149                                 | 3,017              | 33,132            | -              | -               | 33,132            |
| Total:   | <u>\$ 469,313</u>                      | <u>\$ 44,628</u>   | <u>\$ 424,685</u> | <u>\$ -</u>    | <u>\$ 1,900</u> | <u>\$ 426,585</u> |
| Contract Specifications paragraph 8.3.3 For Base Cost and Base Subsidy | <u>\$ 479,753</u>                      | <u>\$ 71,963</u>   | <u>\$ 407,790</u> |                |                 |                   |
| Over (Under) Contract Requirements                                     | <u>\$ (10,440)</u>                     | <u>\$ (27,335)</u> | <u>\$ 16,895</u>  |                |                 |                   |
| Operating Costs (A+E)  |  | \$ 471,213         |                   |                |                 |                   |
| Farebox Ratio Actual   |  | 9.47%              |                   |                |                 |                   |
| Minimum Farebox Ratio Contract   |  | 15%                |                   |                |                 |                   |

**Exhibit B  
 Procedure #6.4- Daily Fare Collections  
 Fiscal Year Ending June 30, 2019  
 (Unaudited)**

| <b>Date</b>                       | <b>Daily Fare Collections-<br/>Per Monthly Invoice/Reporting</b> | <b>Daily Fare Collections-<br/>Per Daily Fare Collection Report</b> |
|-----------------------------------|--|---|
| <b>January 2019</b>               |  |   |
| <b>First Transit IVT MedTrans</b> |  |   |
| 8.00                              | 192.00   | 192.00  |
| 15.00                             | 164.00   | 164.00  |
| 22.00                             | 243.00   | 243.00  |
| <b>March 2019</b>                 |  |   |
| <b>First Transit IVT MedTrans</b> |  |   |
| 13.00                             | 234.00   | 234.00  |
| 20.00                             | 228.00   | 228.00  |
| 27.00                             | 167.00   | 167.00  |
| <b>May 2019</b>                   |  |   |
| <b>First Transit IVT MedTrans</b> |  |   |
| 15.00                             | 219.00   | 219.00  |
| 21.00                             | 332.00   | 332.00  |
| 29.00                             | 137.00   | 137.00  |

# **V. REPORTS**

- A. ICTC/LTA EXECUTIVE DIRECTOR REPORT
- B. SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REPORT
- C. CALTRANS REPORTS



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## Memorandum

**Date:** March 16, 2020  
**To:** ICTC Committee Members  
**From:** Mark Baza, Executive Director  
**Re:** Executive Director's Report

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The following is a summary of the Executive Director's Report for the ICTC Commission Meeting on March 25, 2020

- 1) **Update to the Unmet Transit Needs (UTN) Hearing:** The UTN Hearing was held on March 4<sup>th</sup>, 2020 at 3 p.m. at the County of Imperial Board Chambers, 940 W. Main St. in El Centro. The second meeting has been rescheduled to April 29, 2020 at 3 p.m., and the location has changed to the ICTC Offices, 1503 N. Imperial Ave., Suite 104 in El Centro. Staff will provide the findings to the comments that were received and determine if needs are reasonable to meet.

Several other outreach opportunities were also conducted, specifically in the North-end of Imperial County. This allowed more opportunity for transit users that are not able to attend the hearing in El Centro to submit their comments for the record. Other outreach opportunities were as follows:

- January 27, 2020 – Calipatria North-end Advisory Meeting, 6 p.m.
- February 3, 2020 – Westshores Council Meeting, 6 p.m.
- February 24, 2020 – Brawley Council Chambers, 3 p.m.
- February 24, 2020 – Bombay Beach North-end Advisory Meeting, 6 p.m.

- 2) **Funding for Phase II of the Calexico West Port of Entry:** As previously noted, Congress authorized \$98 million for Phase 1. The U.S. General Services Administration (GSA) began construction for Phase 1 in December 2015 with completion now scheduled for July 2018. Phase 2A was awarded in the amount of \$191million and will include six additional northbound privately-owned vehicle (POV) inspection lanes, permanent southbound POV inspection, expanded secondary inspection and adding a pre-primary canopy, new administration building, and employee parking structure. *Funding for phase 2B is in the President's Budget Proposal in the amount of \$99.7million. Work for phase 2B will include demolition of the old port building and construction of the new pedestrian building. The total estimated cost for phases 2A plus 2B are \$276million.*
- 3) **SR-78/Glamis Multiuse Grade Separated Crossing Feasibility Study:** The study will analyze and develop feasible design alternatives and locations for a Grade Separated Crossing (GSC) for Off-Highway Vehicle (OHV) use at or near SR-78 and the Union Pacific Railroad (UPRR) in Imperial County. The successful consultant will provide conceptual GSC design alternatives, analysis of site alternatives, public/stakeholder outreach and cost estimates for construction, operations and maintenance. The consultant selection process was completed on September 25<sup>th</sup>. The consultant selected was Kleinfelder. A kick-off meeting was held on Wednesday, October 9, 2019. The first technical working group meeting was held on October 24, 2019. The second technical working group meeting was held on December 10, 2019 at the ICTC office in El Centro. *A project page has been created on the ICTC website at <http://www.imperialctc.org/sr-78-glamis-crossing/>.* As part of the outreach plan, an online survey was open to the public from January 1<sup>st</sup> through January 31<sup>st</sup>, where over 4,000 people completed the survey. A public outreach event was held in Glamis on January 18, 2020 from 9am to 3pm. *The third technical*

working group meeting was held on February 13, 2020 in San Diego at Caltrans District 11 offices. Currently the consultant is conducting an analysis of the alternatives and the next technical working group meeting is scheduled for May 14, 2020.

- 4) **Calexico Intermodal Transportation Center (ITC):** A new Intermodal Transportation Center in the City of Calexico has been part of ICTC's long range transit planning. The new Calexico ITC will serve as a regional mobility hub that will accommodate bus bays for Imperial Valley Transit in addition to the City of Calexico's private transit operators, taxis and farm labor buses. ICTC received a Congestion Mitigation and Air Quality federal program fund to complete the environmental and design plans of the new Calexico ITC. ICTC staff is in the process of completing the contract award for a consultant firm that will complete the environmental and design phase. Currently, ICTC staff is completing the Caltrans award review process with multiple Caltrans' departments. The ICTC Board adopted the agreement with Psomas on September 26, 2018. *Environmental phase is in progress with consultant team and agency partners, including the City of Calexico, Caltrans and ICTC. The project is moving forward with the environmental process with Caltrans.*
- 5) **Imperial County Regional Climate Action Plan:** Imperial County Regional Climate Action Plan: After the kick-off meeting on June 28, 2019, ICTC established Project Management Procedures and Communication Protocols with the Consultant as well as reviewing the Scope of Work and Schedule. The consultant is conducting data collection from project stakeholders.
- 6) **I-8 / Imperial Avenue Interchange Reconstruction:** ICTC staff submitted the 2018 State Transportation Improvement Plan to the CTC on December 15, 2017. Caltrans is working to complete the right-of-way acquisition, utility relocation and final design. As presented to the CTC, the current schedule to begin construction is in FY 2019/2020. Mr. Baza presented the STIP recommendations to the CTC at the STIP Hearing on January 25, 2018. The 2018 STIP was adopted by CTC at the March 2018 meeting. ICTC staff coordinated a meeting with Caltrans and City of El Centro staff to discuss the project schedule of the interchange and the Imperial Avenue Extension South projects. The project schedules will be compatible and the closure of the I-8/Imperial Avenue Interchange Bridge is tentatively scheduled to begin February 2020 pending construction contract award. Caltrans and El Centro project management teams have initiated inter-agency meetings to discuss the public information campaign for both the Interchange Project and the Imperial Avenue Extension South Project. *The public outreach plan has initiated between the City of El Centro, Caltrans, and ICTC. A media outreach was held on January 13, 2020 at the Caltrans yard in El Centro at 1102 Montenegro Way at 11 a.m. An Open House was also held on January 15, 2020 at the El Centro Regional Medical Center – Medical Office Building, 1271 Ross Ave., Floor 2 in El Centro from 4-7 p.m. Construction is expected to begin April 2020.*
- 7) **Calexico East Port of Entry Bridge Expansion over the All-American Canal Project:** The Project proposes to widen the bridge over the All-American Canal at the U.S./Mexico border approximately 0.7 miles south of State Route (SR) 7. The project proposes to widen the existing structure by adding four-lanes: Two New Northbound Auto Lanes and Two New Northbound Commercial Vehicle Lanes. In May 2018, Caltrans and ICTC received \$3,000,000 from the California Transportation Commission and the Trade Corridor Enhancement Program (TCEP) to complete the Project Approval and Environmental Document (PA/ED) for the project. In June 2018, Caltrans completed a Project Initiation Document (PID). In Fall of 2018, the PA/ED phase was initiated by Caltrans, technical studies for the National Environment Policy Act (NEPA) document under Federal Highway Administration as the NEPA lead are in progress and is scheduled for completion in May 2020. In December, ICTC in partnership with Caltrans was awarded \$20 million under the U.S. Department of Transportation's BUILD discretionary grant program to complete the Design-Build construction phase. ICTC proposes to deliver the project under Design-Build process, with ICTC leading the Request for Qualifications in Fall 2019 and Request for Proposals in Summer 2020 for Design and Construction teams. The Design-Build phase is scheduled to begin in February 2021. *As described above, NEPA studies are in progress and scheduled for approval in May 2020. Upon NEPA approval, ICTC will request authorization for the \$20 million in federal funding and proceed with the Request for Proposals for Design-Build in Fall 2020. Right-of-way and design phases will immediately follow after environmental is completed.*
- 8) **Imperial Mexicali Binational Alliance Meeting:** The last IMBA meeting was held on January 9, 2020 at the historic Chinatown "La Chinesca" area in downtown Mexicali. The meeting included updates on the Calexico West/Mexicali I Port of Entry Expansion Project by ICTC and Secretaria de Infraestructura y Desarrollo Urbano (SIDUE). Economic Development Updates and presentations from City of Mexicali staff on their downtown



revitalization master plan. A short tour of the Historic Chinatown basement sites was provided by Ruben Chen who is a Chinese-Mexican businessman who is trying to protect the “underground Chinatown” in Mexicali. *The next IMBA meeting scheduled for March 18, 2020 was postponed due to COVID-19. Future meeting dates will be announced at a later time. The next meeting is intended to focus on the 2020 Border Master Plan and a presentation by the Imperial County Office of Education on binational education opportunities.*

- 9) **Assembly Bill 335 (Garcia):** In December 2018, staff met with Assemblymember Eduardo Garcia and his staff to discuss legislation that would amend ICTC’s authority to include non-transportation programs. The Bill was approved on Consent with the Assembly Transportation Committee on April 22, 2019, and on Consent with the Senate Transportation Committee on June 11, 2019. The Governor signed the Bill on June 26, 2019. AB 335 will become effective in January 2020. ICTC will have on-going meetings with the City of El Centro and County of Imperial Public Works Department to carry out the transition of the Imperial Valley Resource Management Authority (IVRMA) and the Service Authority for Freeway Emergencies (SAFE).

*On March 2, 2020, ICTC took over the the administration of the IVRMA. Staff will continue to work closely with IVRMA staff during the transition time and in the future. ICTC staff is continuing to have meetings with County Public Works staff and Counsel to finalize the documentation to transition the SAFE program to ICTC.*

- 10) **State Route 98 from Ollie to Rockwood:** *As part of the POE Expansion project, SR-98 and Cesar Chavez Boulevard are being widened and improved to serve the expansion to the west. Caltrans’ SR-98 work between VV Williams and Ollie Avenue was completed in March 2018. Caltrans is working on a second segment on SR-98 between Rockwood Avenue and Ollie Avenue is in the design and right-of-way phase and is anticipated to begin construction in spring 2020. ICTC and Caltrans submitted a grant application through SB 1 Trade Corridor Enhancement Program. The CTC approved \$3.4 million from the SB 1 Trade Corridor Enhancement Program to complete construction for SR 98. Cesar Chavez Blvd has been completed and open to the public. Additional funds were allocated for the expansion: \$2 million of 2016 Earmark repurposing, \$1.63 million from Demo funds and \$1 million from Traffic Congestion Relief funds, a total of \$4.63 million additional funds.*
- 11) **FY 2019 Public Transit Fare Analysis:** The Request for Proposal for a consultant for the ICTC FY 2019 Public Transit Fare Analysis was released on March 1, 2019. The project is for professional services to develop a Public Transit Fare Pricing Analysis. This planning document is expected to provide recommendations for the current fares/fee structure and media for the four public transit services under the Imperial Valley Transit brand for the next three to five years. *The award recommendation was approved at the May 22, 2019 Commission meeting. AECOM was selected to complete the Analysis. A project kick-off meeting was held on June 20, 2019 and the study is underway. The first round of public outreach efforts was held on October 23-24, 2019. Outreach was held in various areas throughout the County including IVC. The fare analysis is in progress, when it is finalized, further outreach will be scheduled.*
- 12) **Federal Triennial Review:** The Federal Transit Administration (FTA) is conducting a Triennial Review of the Imperial County Transportation Commission in early 2019. The review determines whether a grant recipient and its subrecipients are administering its FTA-funded programs in accordance with 49 U.S.C. Chapter 53, Federal transit law provisions. It assesses the recipient’s management practices and program implementation to ensure that the programs are administered in accordance with FTA requirements and are meeting program objectives. Grant subrecipients that may be included in this cycle include the Cities of Brawley, El Centro and Imperial for the transfer terminal projects. Site visits were scheduled for October 7-8, 2019. The FTA Audit team completed their review in two days where they reviewed accounting and procurement records. ICTC did receive a few deficiencies, specifically in policy updates and transit asset management plan. We will be working closely with the FTA to provide the updated documents in the required time. An information item describing in greater detail what the deficiencies are was presented to the Commission in December. *Documentation modifications were completed and forwarded to the FTA for review.*
- 13) **2018 ICTC Bus Stop Bench and Shelter Inventory:** 2018 ICTC Bus Stop Bench and Shelter Inventory: The Project Consultant team Kimley Horn and Associates, and Agency Stakeholders from ICTC, Brawley, Calexico, El Centro and Imperial met on January 31, 2018 to review and discuss the current status of the ICTC Bus Stop Inventory, Signage Replacement and Technology Assessment Project. The items reviewed included the consultant prepared Bus Stop Inventory, Asset Condition Report, ADA Assessment Report, Bus Stop Usage Priority List and Bus Stop Signage installation parameters and requirements. ICTC and member agency staff

have worked together to complete the priority list for implementation and pursuit of funding. Bus stop signage specifications with specific route information have been finalized. The consultant and staff are working towards finalizing the Technology Memorandum which will provide ICTC with possible technology solutions for the fixed route bus system. Staff is continuing to look for funding opportunities to complete bus stop improvements throughout the county.

- 14) **Westshores Transit Opportunities:** As part of the Short-Range Transit Plan, ICTC has explored connection opportunities with Sunline Transit who serves the Coachella Valley region. *ICTC and Sunline Transit have discussed pursuing grant opportunities for interregional transit services to/from Westshores and Coachella. ICTC and Sunline Transit continue to have regular dialogue about the potential opportunities most recently engaging in discussions in January 2019. ICTC will be implementing an adjustment to the IVT Ride Westshores service to provide service to Eisenhower Medical Center on Bob Hope Drive and facilities ¾ of a mile from Highway 111 between Eisenhower Medical Center and Avenue 52 in Coachella. The service will operate every other Tuesday and reservations will be required. Service began on April 16, 2019. On September 9, 2019, ICTC staff attended a meeting at the West Shores Senior Center to inform the attendees about IVT Ride West Shores and the updates to the service. On September 11, 2019 the Regional Mobility Coordinators distributed IVT Ride West Shores brochures in the West Shores High School, West Shores Elementary School and Senior Center. Staff will continue outreach efforts within the area.*
- 15) **Community of Niland Bus Stop Bench and Shelter Request:** The ICTC submitted a formal request to the California Department of Transportation (Caltrans) District 11 requesting their assistance in identifying a location for a bus stop bench and shelter in the Community of Niland along State Route 111 (SR-111). The shelter has been installed in an existing parking lot on the east side of SR-111. *Staff is reviewing the possibility of relocating the bus stop to the location of the newly constructed fire station.*
- 16) **State and Federal funding Obligations:** Beginning October 1, 2019, agencies can move forward with request for authorization (RFA) for Congestion Mitigation Air Quality (CMAQ), Surface Transportation Block Grant program (STBG) and Active Transportation Program (ATP) programmed in FY 2019/2020. *See complete project list attached.*
- 17) **State Route 86 (Northbound) Border Patrol Checkpoint:** In August 2017 following a year of coordination, Caltrans, the County of Imperial and ICTC met with CBP management and operations staff achieved consensus for a new conceptual alternative prepared by Caltrans. The LTA Board met on September 27, 2017, staff presented the Board with a fund request for \$1.3 million from the 5% Regional Highway Set-Aside from the Measure D allocations. A Consultant Agreement with AECOM for design and construction engineering was approved by the LTA on February 28, 2018. Currently design is underway. A draft of 35% plans were completed and submitted for review on October 12, 2018. Input from all stakeholders is still pending to proceed with 65% design. *A meeting was held on April 23<sup>rd</sup> at the ICTC offices to review the 65% design. A draft of 90% plans are pending technical comments by Caltrans and CBP.*
- 18) **2018 Trade Corridor Enhancement Program:** The Trade Corridor Enhancement Program (TCEP), created by Senate Bill (SB) 1 (Beall, Chapter 5, Statutes of 2017), provides approximately \$300 million annually for infrastructure improvements on federally designated Trade Corridors of National and Regional Significance, on the Primary Freight Network, and along other corridors that have a high volume of freight movement. ICTC in partnership with Caltrans and the San Diego Association of Governments (SANDAG) were successful in receiving TCEP funds for Advanced Technology Corridors at the California-Mexico Ports of Entry (POE). The goal project is to implement Intelligent Transportation System (ITS) strategies that will improve border travel delays. Some of the ITS strategies will include Bluetooth and Wi-Fi readers to help track vehicle delays, as well as implement changeable message signs on State Routes to inform border travelers of POE delays. Caltrans will serve as the implementing agency of this project and has an estimated completion date of early 2020. *Caltrans has initiated the environmental phase and preliminary design of the project. TCEP funds will be used in collaboration with the BUILD grant award for the design and construction phases.*
- 19) **State Legislation for Transportation Funding – SB 1 Road Maintenance and Rehabilitation Account (RMRA):** \$1.5 Billion annually will go to cities and counties for local road improvements. The following are projected annual revenues of RMRA for the Cities and the County of Imperial for FY 2018/2019. This list of

projects for all cities and the county can also be found on the ICTC website at: <http://www.imperialctc.org/senate-bill-1/>

The following is a list of projects funded by SB1 for FY 2018-2019.

| Agency          | Project  |
|-----------------|--|
| Brawley         | Rehabilitation of Legion Street from Highway 86 to Evelyn Street   |
| Brawley         | Street Rehabilitation – Phase 11   |
| Calexico        | Cesar Chavez Boulevard Improvement   |
| Calexico        | De Las Flores Street Improvement   |
| Calexico        | Second Street Bridge   |
| Calipatria      | Freeman Street Rehabilitation between Brown and Commercial Avenues   |
| El Centro       | 2018 Streets Overlay and Rehabilitation Project  |
| Holtville       | Citywide Pavement Rehabilitation Project   |
| Imperial        | Storm Drain Installation – Northwest Quadrant of City – Continuing   |
| Imperial County | Includes a total of 70 road improvement projects. List can be found on the <a href="#">ICTC website here</a> . |
| Westmorland     | North H Street Improvements  |
| Westmorland     | Street Rehabilitation Program – Phase 2  |
| Caltrans/ICTC   | Calexico East Port of Entry Truck Crossing Improvements  |
| Caltrans        | State Route 111 from State Route 98 to Ross Avenue near Calexico   |
| Caltrans        | State Route 98 from Rockwood Avenue to east of Cole Road near Calexico   |
| Caltrans        | Bridges on Interstate 8 and State Route 86, 98, 11 and 186   |
| Caltrans        | State Route 86 from I Street to Brandt Road near Brawley   |
| Caltrans        | State Route 86 south of B Street to Martin Road near Westmorland   |

Below are the projected annual revenues for FY 2019/2020. On May 1, 2019 a list was submitted to the CTC. All Imperial County cities and the county are required to submit their list of projects in order to be eligible for funding distribution.

| Agency             | RMRA Amount<br>FY 2019-2020 |
|--------------------|-----------------------------|
| Brawley            | \$453,796                   |
| Calexico           | \$681,911                   |
| Calipatria         | \$127,530                   |
| El Centro          | \$766,589                   |
| Holtville          | \$107,602                   |
| Imperial           | \$320,638                   |
| Westmorland        | \$38,483                    |
| County of Imperial | \$7,501,204                 |
| <b>TOTAL</b>       | <b>\$9,997,753*</b>         |

\*Estimate source is from the California League of Cities dated January 22, 2019 - <http://californiacityfinance.com/LSR1901.pdf>

- 20) **Rio Vista and Pioneers Memorial Hospital Bus Stops:** ICTC has engaged in several discussions with the City of Brawley Staff regarding the potential relocation of the existing bus stops along Rio Vista Avenue/SR78 and at Pioneers Memorial Hospital. Caltrans recently completed improvements to SR 78 and provided on street concrete bus pads with an approximate value of \$80,000. ICTC recently met with the City of Brawley Staff to discuss incorporating the relocation of the bus stop at Pioneers Memorial Hospital as part of an upcoming City of Brawley capital project. *Funding previously set aside for the Rio Vista Project was approved and reallocated towards the Pioneers Memorial Hospital Project at the July 2019 commission meeting. The bus stops at Pioneers Memorial Hospital have been constructed and in use.*
- 21) **Heber Bus Stop & Pedestrian Access Improvements on State Route 86:** The community of Heber has had a need to improve pedestrian and bus stop access along State Route 86. The ICTC Commission granted the use of

Regional Set-Aside Local Transportation Authority (LTA) funds for the project. Caltrans has served as the project lead; the first phase was recently completed in November 2017. Phase 1 included bench, bus shelter and ADA access improvements. Phase 2 was recently completed in mid-June 2018 and consisted of curb and sidewalks improvements from Parkyns Ave to Heber Ave. Phase 3 will also have curb and sidewalk improvements and is located between Heffernan to Parkyns Ave. ICTC participated in a Heber Community Outreach event together with County Public Works and led by Supervisor Plancarte. The County of Imperial discussed sidewalk pavement projects, and ICTC gave transit updates and a status of the SR-86 improvements. The Phase 3 construction improvements have been completed and project is nearing completion and closeout. A ribbon cutting will be scheduled soon.

- 22) **State Legislation for Transportation Funding – SB 1 2018 Local Partnership Program (LPP):** The 2018 Local Partnership Program is comprised of formulaic program and competitive programs. In FY2017/2018 total amount available statewide is \$200M and distribution is 50/50 for both formulaic and competitive programs. The formulaic program share distributions for the Local Partnership Program were presented at the CTC meeting in December 6-7, 2017. During the meeting the CTC Commission took action and approved the distribution of funds for the formulaic portion, the funding share for Imperial County in FY2017/2018 is \$538,000. For FY2017/2018, no projects were submitted for the formulaic program and funds will be rolled over to FY2018/2019.

*On the following page is the list of projects for Imperial County:*

| Local Partnership Program (LPP) Programing Date |  |                     |             |              |                                    |                               |
|---|--|---------------------|-------------|--------------|------------------------------------|-------------------------------|
| Agency  | Project Name   | LPP Formulaic Funds | Local Match | Total Cost   | Project Implementation Fiscal Year | Proposed CTC Programming Date |
| Brawley   | 2020 Legion Street Improvements                                | \$ 209,000          | \$ 209,000  | \$ 418,000   | 2019-2020                          | 1/30/2020                     |
| Calexico  | Scaroni Road Improvements                                      | \$ 305,000          | \$ 550,000  | \$ 855,000   | 2019-2020                          | 5/16/2019                     |
| Calipatria                                      | Calipatria Date Street Sidewalk Improvement Project            | \$ 41,000           | \$ 41,000   | \$ 82,000    | 2019-2020                          | 5/16/2019                     |
| County  | Overlay of Picacho Road from Winterhaven Road to Quechan Drive | \$ 523,000          | \$ 523,000  | \$ 1,046,000 | 2019-2020                          | 5/16/2019                     |
| Imperial  | Aten/Clark Road Improvements                                   | \$ 154,000          | \$ 327,000  | \$ 481,000   | 2019-2020                          | 5/16/2019                     |
| El Centro                                       | Dogwood Road from Villa Road to Commercial Avenue              | \$ 339,000          | \$ 339,000  | \$ 678,000   | 2020-2021                          | 5/14/2020                     |
| Holtville                                       | Orchard Road/Cedar Avenue                                      | \$ 60,000           | \$ 60,000   | \$ 120,000   | 2020-2021                          | 5/14/2020                     |

The following is the link to the 2019 Local Partnership Program guidelines:

[http://catc.ca.gov/programs/sb1/lpp/docs/062719+Amended\\_LPP%20Guidelines.pdf](http://catc.ca.gov/programs/sb1/lpp/docs/062719+Amended_LPP%20Guidelines.pdf)

23) **Partnerships with IVEDC:**

- a) Southern Border Broadband Consortium (SBBC): ICTC in partnership with IVEDC received a California Advanced Services Regional Consortia Grant award of \$450,000 from their Rural and Regional Consortia program. The grant covers a 3-year period. ICTC is fiscal agent and developed an MOU which defines roles and responsibilities (Audits, Administration and Project Management) for ICTC and IVEDC. Since the project’s approval, IVEDC staff Sean Wilcock designed a new logo for SBBC to assist the clarity in larger marketing materials. An update was presented to the Commission at the August 2018 meeting. Currently, the project is in year two of the contract. In year two/quarter two, Ms. Barrett began working with other consortiums on the Caltrans Strategic Corridors Plan. SBBC submitted corridors that would need better broadband sources in Imperial and San Diego Counties. A new staff was hired during this time; Mr. Rene

Pollard has been attending meetings with Ms. Barrett since September. An Area Agency on Aging (AAA) Board Meeting was attended in October, along with another AAA event in Bombay Beach; and SBBC is planning to attend more AAA events to assist seniors attain internet access in their homes. The SBBC staff designed a USB with both their logo and AAA's logo to hand out to seniors when they complete the "internet needs questionnaire" and has worked as a great incentive. *Glenna Barrett provided an update at the Commission meeting in September. The goals for the third year of the program are to continue to work with local stakeholders to identify, prioritize and advance digital access projects; facilitate and promote broadband education and conduct community and business surveys; work with the Boys and Girls Club of IV and the Workforce Development Board to create Digital Literacy Centers throughout Imperial County; form a preferred scenario for 98% deployment in Imperial County and present to the California Advanced Service Fund and the CPUC in January 2020, and; work with Spectrum to install five Wi-Fi towers in Imperial County.*

- b) The Brawley Transit Corridor Brownfield Assessment: ICTC in partnership with IVEDC received a U.S. Environmental Protection Agency (EPA) Brownfields Communitywide Assessment Grant award of \$300,000 from the Environmental Protection Agency's Brownfields Assessment Program. This assessment will be focused along the transit circulator route within the 13-mile Imperial Valley Transit's (IVTs) Brawley Gold Line Transit Route and the Brawley Transit Center that serves as the IVTs North Imperial County transfer terminal. The commercial corridors in the target assessment area include over 100 known commercial properties and suspected historical gas station sites with known or suspected underground tanks in the target area. ICTC will be the fiscal agent and has developed an MOU which will define roles and responsibilities (Audits, Administration and Project Management) or ICTC and IVEDC. SCS Engineers have initiated early Tasks that include the Quality Assurance Project Plan (QAPP) and project management plan as required by EPA. The Steering Committee consisting of agency partners and stakeholders met on August 22, 2018. The draft QAPP is nearing completion. The first community outreach meeting was held on October 11, 2018. The consultant and IVEDC presented an overview of the project and the opportunities available for property owners to consider participating and requesting Phase 1 or 2 Brownfield Assessments. Currently we are processing 4 Property Eligibility applications with the Dept. of Toxic Substance Control (DTSC) which will be later submitted to the Environment Protect Agency for final approval. All 4 of these properties are seeking to redevelop or sell properties for redevelopment within the project's subject area. These properties will be processed for Phase 1 and potentially Phase 2 Environmental Site Assessments to clear them of contamination concern or evaluate them for site cleanup planning if necessary.

Mr. Sean Wilcock provided an update at the October Commission meeting regarding the status of the properties.

- The Finnell Property has 3 parcels. It received DTSC approval on March 8, 2019. Phase 1 report completion occurred on October 15, 2019. Pending is Field Sampling Plan and Phase 2 report completion.
- The Chai Property has 2 parcels. It received DTSC approval on March 28, 2019. Phase 1 report completion occurred on October 15, 2019 and no further work is necessary.
- The Lesicka Property has 2 parcels. It received DTSC approval on August 29, 2019 and Phase 1 and Phase 2 report completion, and Field Sampling Plan are all still pending.

*A map of the transit corridor in Brawley as it pertains to this project was provided at the December Commission meeting and attached to this report in January.*

- 24) **California-Baja California Binational Region:** A Fresh Look at Impacts of Border Delays: Building upon previous Caltrans, SANDAG, and ICTC studies, this project will refine the economic models developed to assess economic impacts of delays at the land ports of entry (POEs) between the San Diego and Imperial Counties region and Baja California, Mexico, on the border region economies. It will also estimate greenhouse gas (GHG) emissions of passenger and commercial vehicles due to northbound and southbound border delays at the six California POEs and propose strategies to reduce GHG emissions at the border region. Lastly, extensive outreach to government agencies, local border communities, and private sector stakeholders was conducted. *A final report is scheduled to be completed in the spring of 2020.*

25) **Meetings attended on behalf of ICTC:**

- February 10-12, 2020 – 2020 Mobility 21 Sacramento Legislative Trip in Sacramento, CA
- February 12, 2020 – ICTC Management Committee Meeting in El Centro, CA

- February 12, 2020 – AB 617 Community Air Protection Program Steering Committee Meeting in Heber, CA
- February 13, 2020 – SR 78/Glamis Feasibility Study, Technical Working Group Meeting in San Diego, CA
- February 18-20, 2020 – Imperial Valley College 411 Event (attended by mobility staff)
- February 20, 2020 – SCAG Sustainability Award scoring and ranking by ICTC staff in Los Angeles, CA
- February 21, 2020 – CTC CEO’s / SCAG Meeting in Los Angeles, CA
- February 24, 2020 – Unmet Transit Needs (UTN) Public Workshop in the City of Brawley
- February 24, 2020 – Bombay Beach North-end Advisory Committee Meeting in Bombay Beach (attended by staff)
- February 25, 2020 – Caltrans Federal Aid Training at the ICTC Offices (attended by staff)
- February 26, 2020 – ICTC Commission Meeting in El Centro, CA
- February 27, 2020 – ICTC TAC Meeting at the ICTC Offices (attended by staff)
- February 27, 2020 – LTA Local Taxpayer Supervising Committee (LTSC) or “Oversight Committee” at the ICTC Offices
- February 28, 2020 – CHP Industry Day in Calexico, CA
- February 28, 2020 – SANDAG Borders Committee Meeting in San Diego, CA
- March 4, 2020 – ICTC SSTAC Meeting at the ICTC offices in El Centro, CA
- March 4, 2020 – UTN Hearing at the County Board Chambers in El Centro, CA
- March 5-6, 2020 – California Stewardship Network (CSN) Exchange in San Diego, CA

# FY2019/2020 Project List

Updated 3/6/20

| State and Federal funding Obligations: Beginning October 1, 2019, agencies are allowed to move forward with request for authorization (RFA) for Congestion Mitigation Air Quality (CMAQ), Surface Transportation Block Grant Program (STBG) and Active Transportation Program (ATP) programmed in FY 2019/2020 |   |              |  |                              |                                 |                    |                                    |
|--|---|--------------|--|------------------------------|---------------------------------|--------------------|------------------------------------|
| Agency   | Project Name  | Funding Type | Phase  | Federal Amount in FY 2019/20 | Local Match                     | Total Phase Cost   | Status                             |
| Brawley  | Pedestrian and street improvements (paving of dirt road) on Legion Street between State Route 86 and Western Avenue               | CMAQ         | Engineering/Plans, Specifications and Estimates (PS&E) | \$177,000                    | \$23,000                        | \$200,000          | RFA Submittal                      |
| Brawley  | Construct street improvements (paving of dirt road) along Western Avenue from Legion Street to Wildcat Drive                      | CMAQ         | Engineering/Plans, Specifications and Estimates (PS&E) | \$177,000                    | \$23,000                        | \$200,000          | RFA Submittal                      |
| Brawley  | Street improvements (repavement) along Legion Street from Eastt of Kelley Ave. to West St. deflection point near West City limits | STBG         | CON  | \$620,000                    | \$81,000                        | \$701,000          | RFA Submittal                      |
| Brawley  | Street improvement (repavement) along K Street from Highway 86 to to 8th St.  | STBG         | Engineering/Plans, Specifications and Estimates (PS&E) | \$52,000                     | \$8,000                         | \$60,000           | RFA Submittal                      |
| Calexico   | Weakley Street between Scaroni Blvd. and Portico Blvd. (unpaved street)   | CMAQ         | Engineering/Plans, Specifications and Estimates (PS&E) | \$173,000                    | \$20,000                        | \$193,000          | CRS Map has been updated           |
| Calipatria   | Date Street between HWY 111/Sorenson Ave. and Railroad Ave. pedestrian improvements   | CMAQ & STBG  | CON  | \$528,000                    | \$69,000                        | \$597,000          |                                    |
| El Centro  | Traffic Signal Synchronization Dogwood Avenue and 8th Street  | CMAQ         | Engineering/Plans, Specifications and Estimates (PS&E) | \$48,000                     | \$7,000                         | \$55,000           | FWHA                               |
| Holtville  | Cedar Avenue Sidewalk Improvements  | CMAQ         | Engineering/Plans, Specifications and Estimates (PS&E) | \$17,000                     | \$3,000                         | \$20,000           |                                    |
| Holtville  | 9th Street Sidewalk Improvements from Beale Avenue to Oak Avenue  | CMAQ         | CON  | \$331,000                    | \$43,000                        | \$374,000          |                                    |
| Holtville  | Orchard Road from Alamo River Bridge to 4th Street  | STBG         | CON  | \$396,000                    | \$52,000                        | \$448,000          |                                    |
| Imperial   | Class II Bike facility north side of Aten Road from Dogwood Road to Puerto Vallarta Ave.  | CMAQ         | CON  | \$432,000                    | \$56,000                        | \$488,000          | Working with Caltrans and ICTC     |
| Imperial   | La Brucherie Rd. Widening From Aten Road Blvd to Treshill Rd.   | STBG         | CON  | \$1,841,00                   | \$604,000                       | \$2,445,000        | Workingwith ICTC/City of El Centro |
| County   | Clark Road Improvements from Wahl Road to 0.5 miles north of SR-98  | STBG         | CON  | \$1,348,000                  | \$175,000                       | \$1,523,000        | PSE 3-4 weeks and then RFA         |
|  |   |              |  |                              | <b>Regional Total FY2019/20</b> | <b>\$7,304,000</b> |                                    |

## CONNECT SOCIAL PLAN UPDATE

Through a continuing, cooperative, and comprehensive planning process with its stakeholders, SCAG developed the Draft Connect SoCal plan – the 2020-2045 Regional Transportation Plan/Sustainable Communities Strategy, which meets state and federal requirements and lays out a collective vision for improving the region's mobility, economy, and sustainability. SCAG released the Draft Connect SoCal plan for over the required 60-day public comment period, which began on Nov. 14, 2019 and ended on Jan. 24. SCAG received 107 separate communications on the draft plan and 52 comment letters on the plan's Draft Program Environmental Impact Report.

All elements of the Draft Connect SoCal plan received supportive comments with the majority of comments seeking further clarification. This month's Regional Council agenda includes a staff report summarizing comments into 16 major categories: Active Transportation; Aviation and Airport Ground Access; Emerging Technology; Environmental Justice; Goods Movement; Natural & Farm Lands Conservation; Passenger Rail; Project List; Public Health; Public Participation & Consultation; Relationships Between Connect SoCal and the Regional Housing Needs Assessment (RHNA); Sustainable Communities Strategy; Transit; Transportation Conformity Analysis; Transportation Finance; and Other. Staff is still in the process of making revisions to the Draft Connect SoCal plan and will present a proposed Final Connect SoCal plan at the April 2 Joint Meeting of the SCAG Policy Committees. For updates on Connect SoCal, please visit [connectsocial.org](https://connectsocial.org).

## SCAG DELEGATION TAKES POLICY PRIORITIES TO SACRAMENTO

A delegation of SCAG Regional Council members and executive staff traveled to Sacramento Feb. 18 and 19 for the annual SCAG Sacramento Summit. The delegation was joined by leaders from the Southern California Leadership Council, California Association of Councils of Government, and National Community Renaissance.

The delegation, which included President Bill Jahn, First Vice President Rex Richardson, Second Vice President Clint Lorimore, and Regional Council members Margaret Clark, Margaret Finlay, Jan Harnik, Steve Hofbauer, Ray Marquez, Larry McCallon, Fred Minagar, Judy Mitchell, David Pollock, Carmen Ramirez, Jess Talamantes, and Cheryl Viegas-Walker, held a series of 35 sit-downs meetings with a bipartisan group of state lawmakers to provide updates on hot topics like Connect SoCal and the RHNA allocation plan. The trip also focused on highlighting three priority legislative issues: 1) Increase the capacity for local governments to develop affordable housing through economic development tools like tax increment financing; 2) Modernize the California Environmental Quality Act (CEQA) to limit abuses that stop responsible community improvement projects; and 3) Reinstate the practice that allows local governments that reach an agreement to "trade" or "transfer" portions or all of their RHNA allocation.

The Summit kicked off with a dinner program where Assemblymember Sharon Quirk-Silva (D-Fullerton) gave welcome remarks followed by a substantive policy discussion with Assemblymember Laura Friedman (D-Glendale) and Assemblymember Chad Mayes (NPP-Yucca Valley). The delegation was also present for Governor Gavin Newsom's State of the State Address, which focused exclusively on the housing affordability and homelessness crisis. Additional highlights of the Summit included a breakfast program with special guest speaker David S. Kim, who was appointed Secretary of the California State Transportation Agency (CalSTA) in July 2019.

## REGISTER FOR SCAG'S 55TH ANNUAL REGIONAL CONFERENCE AND GENERAL ASSEMBLY

Mark your calendars! SCAG's premier annual event is fast approaching. The 55th Regional Conference and General Assembly will convene May 6-8 at the JW Marriott Desert Springs Resort & Spa in Palm Desert, CA. Over 900 of Southern California's most influential leaders and innovators are expected to attend, including local elected officials, CEOs, business and civic leaders, transportation and environmental stakeholders, local government staff and others. In addition to providing unbeatable networking opportunities, the conference will send attendees home with fresh insights and new resources to help them better address future challenges in their own communities. The event is free for elected officials and city managers in the region, and a special early bird registration rate will be available until March 29. For additional information, please contact Linda Jones at [jonesl@scag.ca.gov](mailto:jonesl@scag.ca.gov) or (213) 236-1912 or visit [www.scag.ca.gov/GA2020](https://www.scag.ca.gov/GA2020) to register. For information about sponsorship opportunities, please contact Houston Laney at [laney@scag.ca.gov](mailto:laney@scag.ca.gov) or (213) 236-1906.



## SAVE THE DATE: 31ST ANNUAL DEMOGRAPHIC WORKSHOP

SCAG and the University of Southern California (USC) Sol Price School of Public Policy will jointly host the 31st Annual Demographic Workshop at USC's Trojan Grand Ballroom on Thursday, June 11, from 8:30 a.m. – 3:30 p.m. The workshop will provide an update on the latest in demographic trends including migration, fertility, and aging and their implications on our regional planning as we begin a new decade. In addition, as the decennial Census 2020 is currently in the field, we will also hear updates on progress and challenges. Online registration will be available soon. For more information, please contact John Cho at [choj@scag.ca.gov](mailto:choj@scag.ca.gov).

## VOLCKER ALLIANCE EXPANDS GOVERNMENT-TO-UNIVERSITY INITIATIVE TO SOUTHERN CALIFORNIA

On Feb. 18, SCAG hosted the launch of the Steering Committee for a Los Angeles County Pilot for the [Volcker Alliances' Government to University \(G2U\) Initiative](#). G2U is an innovative approach to address critical governance challenges by building structured regional networks of governments and universities. The initiative aims to catalyze a robust local marketplace that can sustainably connect governments' hiring and research needs with local university capacity.

The steering committee will focus on connecting local, state, and federal government leaders in a region with key faculty and administrators from surrounding colleges and universities. They will identify and pursue opportunities to better strengthen the pipeline of talent from local universities into government and explore approaches to systematizing research exchanges focused on solving pressing government problems. With support from the Volcker Alliance, the effort will provide a regional platform to build new relationships and strengthen existing ones among government practitioners and university leaders.

The first site was launched successfully in Kansas City led by the Mid-America Regional Council, which will celebrate its one-year anniversary with its first regionwide Coalition Convening on April 21. The Los Angeles effort will be followed shortly by Pittsburgh, which will be led by Carnegie Mellon University's Heinz College of Information Systems and Public Policy and the Metro21: Smart Cities Institute. If you are interested in learning more about the Los Angeles G2U, please contact Debbie Dillon at [dillon@scag.ca.gov](mailto:dillon@scag.ca.gov).

## APPLICATIONS AVAILABLE FOR THE 2020 SCAG SCHOLARSHIP PROGRAM

SCAG is now accepting applications for its scholarship program through April 3. The scholarship program offers financial support and professional development to the region's high school and community college students. Scholarships of \$4,000 will be awarded to at least seven eligible students across the six-county SCAG region. Winners will also complete a two-week internship with a local planning agency or council of governments, getting the opportunity to meet with elected officials and practicing planners to learn more about careers in public service. Community college students or high school juniors and seniors who live in the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino or Ventura are eligible to apply. Application materials and additional details are available at: [www.scag.ca.gov/scholarship](http://www.scag.ca.gov/scholarship). If you have questions, please contact Scholarship Program Coordinator Jonathan Hughes at [hughesj@scag.ca.gov](mailto:hughesj@scag.ca.gov).

## SCAG TO HOST SERIES OF ATP CYCLE 5 GRANT WRITING WORKSHOPS

The California Transportation Commission is scheduled to release the 5th Cycle of the Active Transportation Program (ATP) at the end of March. SCAG staff in partnership with the County Transportation Commissions will be hosting grant writing workshops and one-on-one meetings with local jurisdiction's staff to assist in the ATP process. Topics covered will include ATP grant writing best practices, ATP planning, project location selection, and project scope selection. Currently scheduled workshops:

- March 16 – Coachella Valley
- March 18 – Orange County
- March 26 – Imperial County

Additional workshops will be hosted in Los Angeles County, Ventura County, and the Inland Empire in April. For additional information please contact Cory Wilkerson at [wilkerson@scag.ca.gov](mailto:wilkerson@scag.ca.gov).

## SCAG'S SAFETY PLEDGE PROVIDES OPPORTUNITIES TO JURISDICTIONS WITH NEW RESOURCES

The *Go Human* Campaign will re-launch strategic opportunities to advance safety and active transportation for jurisdictions across the region in March and April 2020. Opportunities include a Local Community Engagement and Safety Mini-Grant Call for Proposals for community-based organizations to implement safety activities; co-branded *Go Human* safety materials for cities, including printing and shipment; and an Open Streets Technical Assistance program to support jurisdictions with aligning safety demonstration efforts with Open Streets events. To access these resources, SCAG invites jurisdictions to commit to safety by signing the [Safety Pledge](#). Cities can participate in a variety of safety efforts, through the activities above, or through other strategies, including Plan development. For more information, please contact Dorothy Le Suchkova at [suchkova@scag.ca.gov](mailto:suchkova@scag.ca.gov).

## GO HUMAN SUCCESS STORIES IN RIVERSIDE AND CULVER CITY

In 2018, SCAG's *Go Human* campaign worked with the City of Riverside to host a temporary demonstration project. *Illuminate Riverside* envisioned improved lighting for pedestrians between the Downtown Metrolink Station and the Downtown Core. Recently, the City deployed the first-of-its-kind (in Caltrans District 8) colorful pedestrian underpass lighting along Mission Inn Avenue, to improve safety, access and walkability.

Also in 2018, *Go Human* worked with the City of Culver City to demonstrate a protected bike lane and safety improvements as part of the [La Ballona Elementary Safe Routes to School \(SRTS\) Project](#). The City recently approved the project for construction to make it safer and more inviting to walk and bike to school. The demonstration project allowed community members to test innovative infrastructure designs, experience what improved infrastructure feels like and was instrumental in gaining public support. The SCAG demonstration projects continue to successfully contribute to the implementation of projects on the ground. For more information, please contact Hannah Brunelle at [brunelle@scag.ca.gov](mailto:brunelle@scag.ca.gov).

## SCAG PRESENTS AT GEODESIGN SUMMIT

In February 2020, SCAG staff attended ESRI's GeoDesign Summit and presented a study, along with the University of Southern California partners on 3D Procedural Modeling in Sustainable and Active Transportation for City Sustainable Development. The study applies SCAG modeling trips data by mode to explore ridership predictions of public transit in various urban allocation scenarios (such as land use, demographic change, and urban density). Utilizing the new CityEngine and ArcGIS Urban technologies, staff were able to visualize 3D urban allocation scenarios and generate reports showing ridership predictions on the fly. ESRI's GeoDesign Summit is an annual event, which convenes thoughtful leaders, innovators, and other visionaries to see first-hand how they are leveraging advanced GIS technology to plan for our future.

## OZONE AIR PLANS FOR IMPERIAL COUNTY AND VENTURA COUNTY RECEIVED FINAL APPROVAL BY U.S. ENVIRONMENTAL PROTECTION AGENCY

On Feb. 27, 2020, the U.S. Environmental Protection Agency issued two final rules to approve the latest ozone state implementation plans for Imperial County and Ventura County, respectively, to address the federal 2008 8-hour ozone ambient air quality standards. As reported previously, SCAG staff had worked with the staff of the two air districts and the California Air Resources Board in developing these ozone plans. With these final approvals, both counties have fulfilled all air quality planning requirements with the exception of one element in Ventura County under the 2008 8-hour ozone standards. Failure to meet the required federal air quality planning requirement could lead to serious consequences that impact regional transportation plan, program, and projects in our region. In addition, effective March 30, 2020, the new ozone transportation conformity budgets in these ozone plans will apply to SCAG's Regional Transportation Plan, Federal Transportation Improvement Program, and their amendments. For additional information about the final rules, see the respective Federal Register Notices at: <https://www.govinfo.gov/content/pkg/FR-2020-02-27/pdf/2020-03251.pdf> (Imperial County) and <https://www.govinfo.gov/content/pkg/FR-2020-02-27/pdf/2020-03246.pdf> (Ventura County).



**Date:** March 20, 2020  
**To:** ICTC Commission  
**From:** Gustavo Dallarda, Caltrans District 11, Acting District Director  
**Re:** **District Director's Report**

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The following is the California Department of Transportation, District 11 report for the Imperial County Transportation Commission (ICTC) Commissioner's meeting of March 25, 2020:

1. Project Updates:

Please see maps at end of report for project level detail.

2. Construction:

I-8/Imperial Avenue Interchange

Caltrans will be reconstructing the interchange at Imperial Avenue and I-8 with work anticipated to begin in *Spring 2020*. The project will include installing two ramps that will provide direct access to southbound Imperial Avenue which will provide connectivity to the south portion of El Centro. These improvements will complement the City of El Centro's plans for future development.

The bid has been awarded and the contractor is expected to begin construction *in May 2020*. Closures are likely to begin in *Summer 2020*; with construction scheduled to last until 2022. Additional outreach to businesses in and near the construction zone will be held on an as-needed basis to continue to inform and educate of the project details and impacts.

### 3. Traffic Operations:

#### SR-86/Customs & Border Protection Checkpoint Expansion

Caltrans continues to work on design reviews with the goal being to have a design approved project ready for when funding becomes available. Structural design review is still pending. Recent discussions with CBP have indicated that federal funding may be available in this federal Fiscal Year; more information will be provided as it becomes available.

### 4. Planning:

#### SR-78/Glamis Grade Separated Crossing Feasibility Study

Caltrans was successful in obtaining State Planning and Research funds for a feasibility study to develop alternatives for a grade separated crossing at the Union Pacific rail line in Glamis. ICTC is the project manager for this study with Caltrans providing contract oversight and participation on the Technical Working Group.

The Technical Working Group meetings have begun, and initial outreach to the Off Highway Vehicle (OHV) community was held at the Glamis Dunes on Saturday, January 18, 2020. There was significant attendance by OHV users, with maps and displays, surveys and one-on-one feedback and input provided. *A TWG meeting was held on February 13, 2020 in San Diego and an initial set of alternatives was selected to move forward for evaluation. The next meeting is scheduled for May 2020.*

#### El Centro Land Use, Mobility Element and Environmental Justice Update:

The City of El Centro was successful in obtaining a Sustainable Communities Planning Grant from Caltrans which will address such topics as reducing suburban sprawl and vehicle dependency, and encouraging multimodal activity. The updated Plan will embrace key planning principles and goals such as GHG emission reduction targets, provide consistency with the Southern California Association of Governments (SCAG) Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), provide improvements to public health, reduce vehicle miles traveled (VMT), and seek improvements to transportation technology as well as to incorporate Active Transportation Planning goals.

This contract was awarded to Chen Ryan and City Place Planning. The kick-off meeting was held on August 20, 2019 and the contract is expected to be complete in early 2021.

The City of El Centro and consultant staff set up an informational booth at the Aquatic Center Grand Opening. A Technical Advisory Committee has been formed, with meetings being held monthly.

The General Plan has an introductory video featuring Mayor Efrain Silva. It can be viewed at the following link: [https://youtu.be/WxiP7S\\_HPJc](https://youtu.be/WxiP7S_HPJc)

### Planning (continued):

Traffic counts at numerous intersections throughout the City have been completed, and the consultant will begin the intersection and roadway analysis. The Existing Conditions Mobility Element and the Environmental Justice Element have been provided to the TAC for an internal review.

Outreach efforts and marketing continue with Community Advisory Committee (CAC) meetings, pop-up events, and continued exposure to the website and survey link. *The next Public Outreach event has been postponed due to the COVID-19 situation.*

### District II Active Transportation Plan:

Caltrans District II is developing an Active Transportation Plan for San Diego and Imperial Counties. This plan will include an existing conditions analysis and a prioritized list of identified bicycle and pedestrian needs on and around the State Highway System.

Input from regional and local partner agencies and local advocates is essential to the development of this plan. Caltrans encourages our partner agencies to participate in the Active Transportation Plan Working Group (ATPWG). Your agency's involvement will ensure Caltrans has an accurate inventory of existing conditions as well as planned and necessary active transportation improvements.

Caltrans will conduct public outreach activities in Imperial County. Caltrans introduced the plan overview to the Imperial County Transportation Commission Management Committee on February 12, 2020 and conducted an ATPWG meeting at the Imperial County Transportation Commission Technical Advisory Committee meeting on February 27, 2020.

*Further outreach will occur at future TAC meetings, and other events in Fall 2020.*

### Border Master Plan:

*Caltrans District II and the Secretariat of Infrastructure, Urban Development, and Territorial Reorganization for the State of Baja (SIDURT) will be leading the California-Baja California 2021 Border Master Plan (BMP) update.*

*The BMP is a comprehensive, binational approach to coordinate the planning and delivery of international land ports of entry (POEs) and their transportation infrastructure projects.*

*The first BMP, completed in 2008, formalized the binational dialogue between the United States and Mexico and established a structure for the BMP process. The 2014 BMP refreshed previous efforts, reprioritizing projects and developing a framework for transportation project sensitivity analysis. Building upon the efforts of the previous two BMPs, the 2021 BMP will broaden outreach activities to gain new insights on border issues, assess current border conditions, determine the status of border transportation projects, and identify new border improvement strategies.*

## Planning (continued):

*A critical component to the success of the BMP is the active participation of local, regional, state, and federal agencies from the United States and Mexico. More than 30 agencies from both sides of the border participate in this process.*

*The California-Baja California BMP process was so successful that it was later customized and adopted by other border states (Arizona, New Mexico and Texas).*

*A State Planning and Research grant (\$400,000) is funding the update. The kickoff meeting was held on January 21, 2020, with the first Technical Working Group (TWG) meeting held on February 27, 2020, and the update is expected to be completed by early 2021.*

*The next TWG meeting is scheduled for May 26, 2020, and the next Policy Advisory Committee (PAC) meeting will be held on June 30, 2020. Both meetings will be held at the Caltrans offices in San Diego from 11:00 a.m. to 2:00 p.m. Webcast and teleconference services will be provided.*

## **5. Senate Bill 1 Projects:**

The remaining project which received SBI funding is the widening of the bridge over the All American Canal at the Calexico East POE. Caltrans is providing design and environmental services.

Caltrans began internal District circulation of the Draft Project Report on October 31, 2019, with an anticipated completion date by spring 2020. The Project Report will then be circulated to outside agencies for comments. It is estimated that the PA&ED phase will be complete by May 2020.

The Design-Build phase could potentially begin in September 2020. Construction is expected to last two years with completion expected in September or October 2022.

## **6. Upcoming Projects:**

For 2020, there are several projects that have been confirmed in the Caltrans Project Delivery Plan in Imperial County. They are:

- Widening on SR-98/SR-111, from Ollie to Rockwood.
- Upgrade curve warning signs along various routes.

7. Local Assistance:

Quality Assurance Program (QAP) – Documentation Expiring in 2020

As a reminder, Calexico, El Centro, and Westmorland must renew Quality Assurance Program (QAP) approval if federal funds are anticipated for future projects.

| QUALITY ASSURANCE PROGRAM (QAP)<br>LAST UPDATED 1/17/2020 |                  |                  |                           |
|---|------------------|------------------|---------------------------|
| Local Agency  | QAP Current      | QAP Expiration   | Date Agency Submitted QAP |
| BRAWLEY   | 10/21/2014       | 10/21/2019       | 11/4/2019                 |
| <b>CALEXICO</b>   | <b>4/13/2015</b> | <b>4/13/2020</b> |                           |
| CALIPATRIA  | 7/14/2019        | 7/14/2024        |                           |
| <b>EL CENTRO</b>  | <b>4/27/2015</b> | <b>4/27/2020</b> |                           |
| HOLTVILLE   | 7/14/2014        | 9/29/2019        | 1/13/2020                 |
| IMPERIAL (CITY)   | 1/9/2017         | 1/9/2022         |                           |
| IMPERIAL COUNTY   | 9/14/2016        | 9/14/2021        |                           |
| ICTC  |                  |                  | 1/10/2020                 |
| <b>WESTMORLAND</b>  | <b>4/21/2015</b> | <b>4/21/2020</b> |                           |

Updated QAP packages must be submitted as soon as possible to the Local Area Engineer, Ben Guerrero; otherwise, Construction phase funding requests will not be processed.

Active Transportation Program (ATP) Cycle 5 Call for Projects:

*The California Transportation Commission anticipates issuing a call for Active Transportation Program (ATP) project applications on March 25, 2020, with an anticipated closing date of June 15, 2020.*

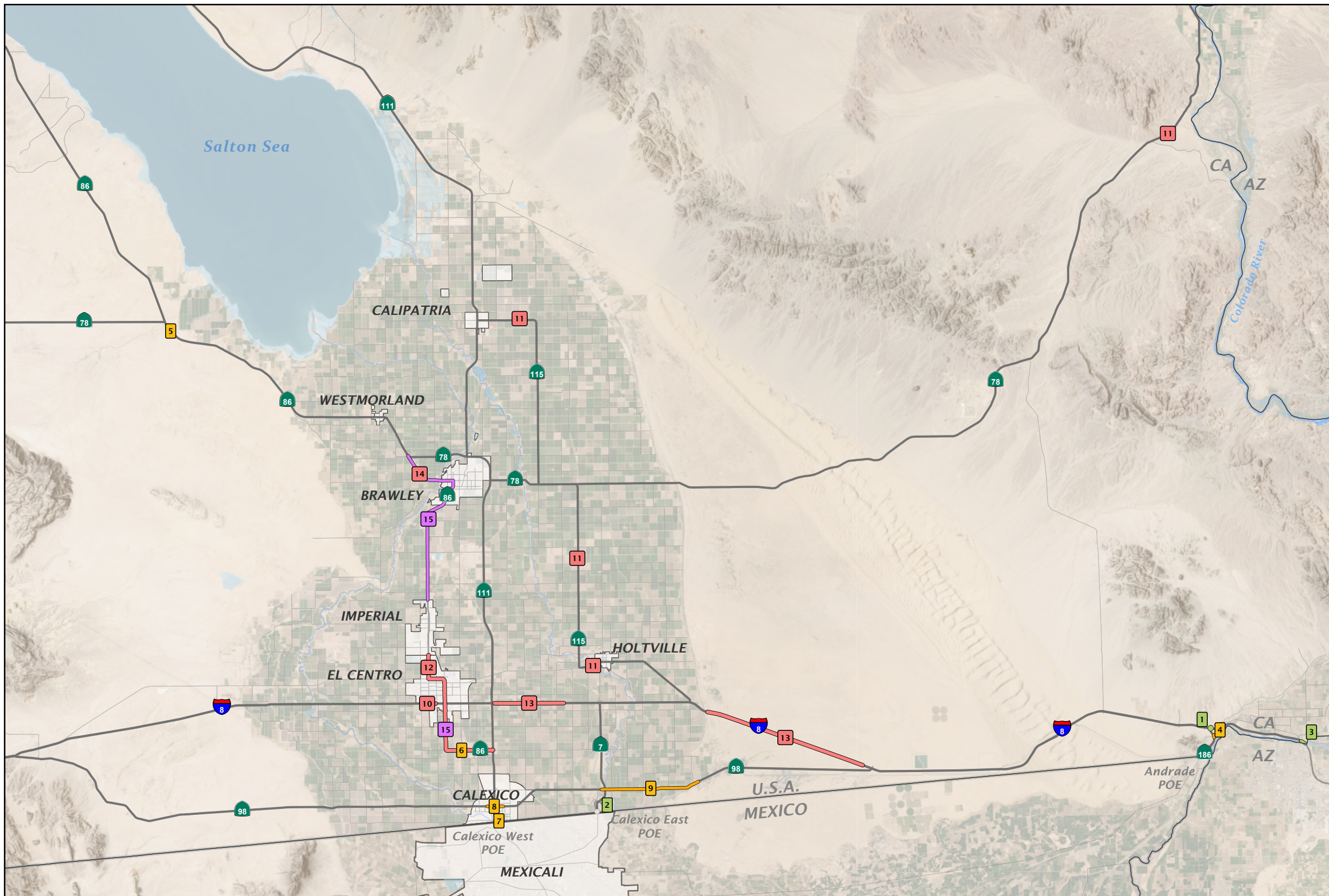
*Check this Active Transportation Resource Center (ATRC) link for all available details.*

<http://caatpresources.org>





March 31, 2020: FY 2018-19 Single Audit Reporting (SAR) Packages Due:

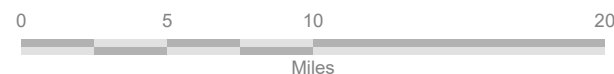
*On February 7, 2020, Caltrans sent instructions for submitting the required Single Audit Reporting (SAR) packages from agencies with federal expenditures totaling \$750,000 or more in State fiscal year 2018-19. Agencies exempt from this requirement must respond as well. Please remind executive and financial officers at agencies you represent. Details regarding SAR are available through the following State Controller's Office link:*

[https://sco.ca.gov/aud\\_single\\_audits.html](https://sco.ca.gov/aud_single_audits.html)



- ENVIRONMENTAL**
  - 1. SR-186/I-8 Quechan Interchange Improvements
  - 2. SR-7 All American Canal Bridge Widening East POE Truck Crossing 
  - 3. I-8 Colorado River Viaduct
- DESIGN**
  - 4. SR-186 All-American Canal Bridge Replacement Feasibility Study Complete
  - 5. SR-86 USBP Checkpoint Canopy
  - 6. SR-86/Dogwood Road Intersection Improvements County Permit\* Design Complete Fall 2019
  - 7. SR-111 Pavement Rehabilitation, Border to SR-98 Design Complete Spring 2020
  - 8. SR-98 Widening Phase 1C Ollie Ave to Rockwood Ave Design Complete Summer 2019 
  - 9. SR-98 Pavement Rehabilitation Design Complete Spring 2020
- CONSTRUCTION**
  - 10. I-8/Imperial Ave Interchange Improvements Construction Start Spring 2020
  - 11. SR-78/115 Culvert Repairs Construction Start Summer 2019 
  - 12. SR-86 Pavement Rehabilitation Construction Start Summer 2019
  - 13. I-8 Pavement Rehabilitation at Various Locations Construction Complete Fall 2019
  - 14. SR-86 Tamarack Bridge Erosion Damage Repair
- RELINQUISHMENT**
  - 15. SR-86 Relinquishment From SR-78 to SR-111 Senate Bill 788 Approved Fall 2013

-  Environmental
-  Design
-  Construction
-  Relinquishment



 :Project funded by Senate Bill 1

Abbreviations:

GSA: General Services Administration

**80**: Port of Entry

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Questions can be directed to (619) 688-6699  
ct.public.information.d11@dot.ca.gov

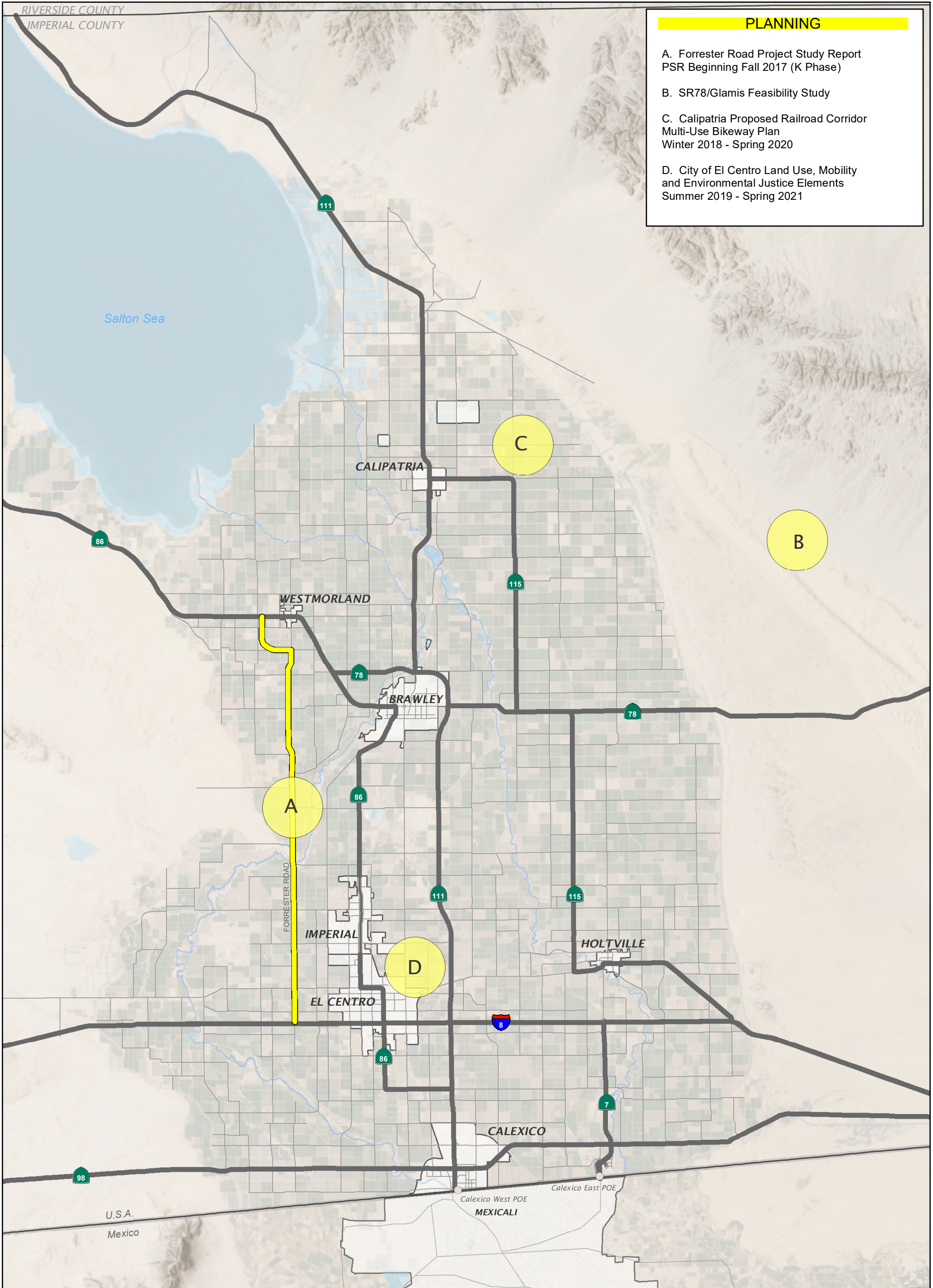
Date: 02/21/2020

\* The California Department of Transportation (Caltrans) is a partner in this study/projects, although not the lead agency.

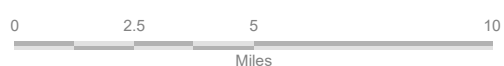
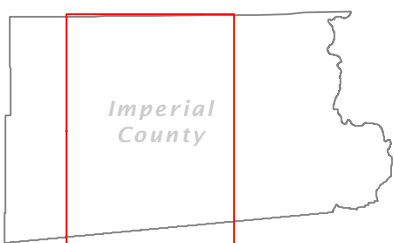




# IMPERIAL COUNTY STATUS OF TRANSPORTATION STUDIES AND REPORTS



- PLANNING**
- A. Forrester Road Project Study Report  
PSR Beginning Fall 2017 (K Phase)
  - B. SR78/Glamis Feasibility Study
  - C. Calipatria Proposed Railroad Corridor  
Multi-Use Bikeway Plan  
Winter 2018 - Spring 2020
  - D. City of El Centro Land Use, Mobility  
and Environmental Justice Elements  
Summer 2019 - Spring 2021



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Date: 09/09/2019

# VI. ACTION CALENDAR

## VI. ACTION CALENDAR

### A. TDA AND PROGRAM FISCAL AUDITS FOR FY 2018-19



1503 N. IMPERIAL AVE., SUITE 104  
EL CENTRO, CA 92243-2875  
PHONE: (760) 592-4494  
FAX: (760) 592-4410

March 20, 2020

George Nava, Chairman  
Imperial County Transportation Commission  
1503 N. Imperial Avenue, Suite 104  
El Centro, CA 92243

**SUBJECT:** Transportation Development Act (TDA) and Program Fiscal Audits for FY 2018-19

Dear Commission Members:

As required by the State of California, the Commission must conduct independent fiscal audits of its own financial activities on an annual basis. Attached, please find the following program financial audits and reports for FY 2018-19, performed by the CPA firm, Eide Bailly formerly known as Vavrinek, Trine and Day (VTD):

- Transportation Development Act – receipt and allocation by ICTC of ¼ cent retail sales tax under Articles 8c, 8e and Article 3 under the State TDA, for transit programs and services (#7076001)
- State Transit Assistance – receipt and allocation of funding under the State Transit Assistance (STA) Program, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA), State of Good Repair (SGR), the California Transit Security Grant Program (CTGSP) and the Low Carbon Transit Operations Program (#7079001,7481001,7482001, 7553001)
- Regional Transit Planning and Programs – receipt and allocation of funding by ICTC for programs and services including transit service contracts, grants, project consultants and program staffing (#7416001)
- Regional Planning and Programming – receipt and allocation of funding by ICTC for planning programs and services including long- and short-range highway, motorized and non-motorized projects, call for projects, project consultants and program staffing (#7417001)
- Regional Collaboration – receipt and allocation of funding by ICTC for various regional projects whereby ICTC is the fiscal agent, including the Brownfield assessments and Broadband deployment grants with the Imperial Valley Economic Development Corp (IVEDC) (#7577001)
- SB325 report for the State Controller’s Office

ICTC is developing the documentation for FY 2019-20 in preparation for the first Comprehensive Annual Financial Report or CAFR, with the audit team from Eide Bailly. It is anticipated that FY 2018-19 will be the last cycle of program style audits to be completed.

**CITIES OF BRAWLEY, CALEXICO, CALIPATRIA, EL CENTRO, HOLTVILLE, IMPERIAL, WESTMORLAND,  
IMPERIAL IRRIGATION DISTRICT AND COUNTY OF IMPERIAL**

The audit team and staff will be presenting this item.

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

1. Receive and file the Transportation Development Act and other program fiscal audits for the Imperial County Transportation Commission, for FY 2018-19.
2. Direct staff to transmit the fiscal audits to the State Controller's Office.

Sincerely,



MARK BAZA  
Executive Director

MB/da/mb

Attachments

Financial Statements  
June 30, 2019

# Imperial County Transportation Commission

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## **Independent Auditor's Report**

To the Commission Board Members  
Imperial County Transportation Commission  
County of Imperial, California

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Imperial County Transportation Commission (ICTC) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise ICTC'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. 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, the business-type activities, and each major fund of ICTC, as of June 30, 2019, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Note 8 to the financial statements, ICTC modified its accounting policy during the year. Accordingly, the beginning net position was updated to reflect these changes. Our opinions are not modified with respect to this manner.

**Other Matters***Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such mission 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 operation, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 30 through 33, supplemental pension plan trend data on pages 34 through 35, related notes on page 36 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 ICTC's basic financial statements. The combining fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare 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, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 25, 2020, on our consideration of ICTC's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, 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 ICTC'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 ICTC's internal control over financial reporting and compliance.

San Diego, California  
March 25, 2020

# Imperial County Transportation Commission

## Statement of Net Position

June 30, 2019

|                                       | Governmental<br>Activities | Business-type<br>Activities | Total         |
|---------------------------------------|----------------------------|-----------------------------|---------------|
| <b>Assets</b>                         |                            |                             |               |
| <b>Current Assets</b>                 |                            |                             |               |
| Cash and investments                  | \$ 15,409,091              | \$ 11,417,285               | \$ 26,826,376 |
| Receivables                           |                            |                             |               |
| Accounts receivable                   | 4,690                      | -                           | 4,690         |
| Interest receivable                   | 69,561                     | 53,853                      | 123,414       |
| Due from other funds                  | -                          | 393,853                     | 393,853       |
| Due from other governments            | 1,781,558                  | 815,391                     | 2,596,949     |
| Total current assets                  | 17,264,900                 | 12,680,382                  | 29,945,282    |
| <b>Non-Current Assets</b>             |                            |                             |               |
| Capital assets being depreciated, net | -                          | 6,785,750                   | 6,785,750     |
| Total assets                          | 17,264,900                 | 19,466,132                  | 36,731,032    |
| <b>Deferred Outflows of Resources</b> |                            |                             |               |
| Deferred amounts related to pensions  | 111,276                    | 223,620                     | 334,896       |
| <b>Liabilities</b>                    |                            |                             |               |
| <b>Current Liabilities</b>            |                            |                             |               |
| Accounts payable                      | 88,079                     | 1,282,812                   | 1,370,891     |
| Due to other funds                    | 393,853                    | -                           | 393,853       |
| Unearned revenue                      | 900,183                    | -                           | 900,183       |
| Total current liabilities             | 1,382,115                  | 1,282,812                   | 2,664,927     |
| <b>Non-Current Liabilities</b>        |                            |                             |               |
| Compensated absences                  | 24,261                     | 48,755                      | 73,016        |
| Net pension liability                 | 195,601                    | 393,080                     | 588,681       |
| Total non-current liabilities         | 219,862                    | 441,835                     | 661,697       |
| Total liabilities                     | 1,601,977                  | 1,724,647                   | 3,326,624     |
| <b>Deferred Inflows of Resources</b>  |                            |                             |               |
| Deferred amounts related to pensions  | 38,634                     | 77,638                      | 116,272       |
| <b>Net Position</b>                   |                            |                             |               |
| Net investment in capital assets      | -                          | 6,785,750                   | 6,785,750     |
| Restricted                            | 15,735,565                 | 11,101,717                  | 26,837,282    |
| Total net position                    | \$ 15,735,565              | \$ 17,887,467               | \$ 33,623,032 |

See accompanying notes to the basic financial statements.

Imperial County Transportation Commission  
Statement of Activities  
Year Ended June 30, 2019

| Functions/Programs                           | Program Revenues     |                      |                                    | Net (Expenses) Revenue and Changes in Net Position |                         |                          |                      |
|--|----------------------|----------------------|------------------------------------|--|-------------------------|--------------------------|----------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions                   | Primary Government      |                          | Total                |
|  |                      |                      |                                    |  | Governmental Activities | Business-type Activities |                      |
| <b>Primary Government</b>                    |                      |                      |                                    |  |                         |                          |                      |
| Governmental activities                      |                      |                      |                                    |  |                         |                          |                      |
| General Government                           | \$ 196,066           | \$ -                 | \$ -                               | \$ -   | \$ (196,066)            | \$ -                     | \$ (196,066)         |
| Professional Services                        | 127,203              | -                    | -                                  | -  | (127,203)               | -                        | (127,203)            |
| Transit and Transportation                   | 6,254,600            | 88,018               | -                                  | 3,582,771  | (2,583,811)             | -                        | (2,583,811)          |
| Total governmental activities                | <u>6,577,869</u>     | <u>88,018</u>        | <u>-</u>                           | <u>3,582,771</u>                                   | <u>(2,907,080)</u>      | <u>-</u>                 | <u>(2,907,080)</u>   |
| Business-type activities                     |                      |                      |                                    |  |                         |                          |                      |
| Transportation Services                      | 15,563,901           | 4,222,766            | 9,182,367                          | -  |                         | (2,158,768)              | (2,158,768)          |
| Total primary government                     | <u>\$ 22,141,770</u> | <u>\$ 4,310,784</u>  | <u>\$ 9,182,367</u>                | <u>\$ 3,582,771</u>                                | <u>(2,907,080)</u>      | <u>(2,158,768)</u>       | <u>(5,065,848)</u>   |
| <b>General and Other Revenues</b>            |                      |                      |                                    |  |                         |                          |                      |
| Transportation development act sales taxes   |                      |                      |                                    |  | 7,976,935               | -                        | 7,976,935            |
| Investment income                            |                      |                      |                                    |  | 176,703                 | 173,900                  | 350,603              |
| Other miscellaneous revenue                  |                      |                      |                                    |  | 24,947                  | -                        | 24,947               |
| Total general and other revenues             |                      |                      |                                    |  | <u>8,178,585</u>        | <u>173,900</u>           | <u>8,352,485</u>     |
| Transfers                                    |                      |                      |                                    |  | <u>(1,551,602)</u>      | <u>1,551,602</u>         | <u>-</u>             |
| Change in Net Position                       |                      |                      |                                    |  | <u>3,719,903</u>        | <u>(433,266)</u>         | <u>3,286,637</u>     |
| Net Position, Beginning of Year, as restated |                      |                      |                                    |  | <u>12,015,662</u>       | <u>18,320,733</u>        | <u>30,336,395</u>    |
| Net Position, End of Year                    |                      |                      |                                    |  | <u>\$ 15,735,565</u>    | <u>\$ 17,887,467</u>     | <u>\$ 33,623,032</u> |

See accompanying notes to the basic financial statements.

Imperial County Transportation Commission

Governmental Funds

Balance Sheet

June 30, 2019

|  | Special Revenue Funds                     |                                     |   |                                    | Total                |
|--|---|-------------------------------------|---|------------------------------------|----------------------|
|  | Transportation<br>Development Act<br>Fund | State Transit<br>Assistance<br>Fund | Regional<br>Planning and<br>Programs Fund | Regional<br>Collaborations<br>Fund |                      |
| <b>Assets</b>                              |   |                                     |   |                                    |                      |
| Cash and investments                       | \$ 12,583,960                             | \$ 2,521,162                        | \$ 301,514                                | \$ 2,455                           | \$ 15,409,091        |
| Receivables                                |   |                                     |   |                                    |                      |
| Accounts receivable                        | -   | -                                   | 4,690                                     | -                                  | 4,690                |
| Interest receivable                        | 57,097                                    | 11,029                              | 1,425                                     | 10                                 | 69,561               |
| Due from other governments                 | 1,190,472                                 | 516,266                             | -   | 74,820                             | 1,781,558            |
| <b>Total assets</b>                        | <b>\$ 13,831,529</b>                      | <b>\$ 3,048,457</b>                 | <b>\$ 307,629</b>                         | <b>\$ 77,285</b>                   | <b>\$ 17,264,900</b> |
| <b>Liabilities and Fund Balances</b>       |   |                                     |   |                                    |                      |
| <b>Liabilities</b>                         |   |                                     |   |                                    |                      |
| Accounts payable                           | \$ -                                      | \$ -                                | \$ 21,546                                 | \$ 66,533                          | \$ 88,079            |
| Due to other funds                         | 393,853                                   | -                                   | -   | -                                  | 393,853              |
| Unearned revenue                           | -   | 900,183                             | -   | -                                  | 900,183              |
| <b>Total liabilities</b>                   | <b>393,853</b>                            | <b>900,183</b>                      | <b>21,546</b>                             | <b>66,533</b>                      | <b>1,382,115</b>     |
| <b>Fund Balances</b>                       |   |                                     |   |                                    |                      |
| Nonspendable                               |   |                                     |   |                                    |                      |
| Restricted                                 | 13,437,676                                | 2,148,274                           | 286,083                                   | 10,752                             | 15,882,785           |
| <b>Total fund balances</b>                 | <b>13,437,676</b>                         | <b>2,148,274</b>                    | <b>286,083</b>                            | <b>10,752</b>                      | <b>15,882,785</b>    |
| <b>Total liabilities and fund balances</b> | <b>\$ 13,831,529</b>                      | <b>\$ 3,048,457</b>                 | <b>\$ 307,629</b>                         | <b>\$ 77,285</b>                   | <b>\$ 17,264,900</b> |

Imperial County Transportation Commission  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2019

---

|  |                             |
|--|-----------------------------|
| Fund balances of governmental funds  | \$ 15,882,785               |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                   |                             |
| Adjustments due to deferred outflows of pensions   | 111,276                     |
| Adjustments due to deferred inflows of pensions  | (38,634)                    |
| Long-term liabilities are not due and payable in the current period and therefore, are not included in the governmental fund activity: |                             |
| Net pension liability  | (195,601)                   |
| Compensated absences   | (24,261)                    |
|  | <hr/>                       |
| Net position of governmental activities  | <u><u>\$ 15,735,565</u></u> |

Imperial County Transportation Commission  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Year Ended June 30, 2019

|  | Special Revenue Funds                     |                                     |   |                                    | Total                |
|--|---|-------------------------------------|---|------------------------------------|----------------------|
|  | Transportation<br>Development Act<br>Fund | State Transit<br>Assistance<br>Fund | Regional<br>Planning and<br>Programs Fund | Regional<br>Collaborations<br>Fund |                      |
| Revenues:  |   |                                     |   |                                    |                      |
| State allocations  | \$ 7,976,935                              | \$ 3,362,088                        | \$ 91,286                                 | \$ 89,985                          | \$ 11,520,294        |
| Federal allocations  | -   | -                                   | -   | 39,412                             | 39,412               |
| Investment income  | 154,254                                   | 16,994                              | 5,409                                     | 46                                 | 176,703              |
| Membership revenues  | -   | -                                   | 88,018                                    | -                                  | 88,018               |
| Other revenues   | -   | -                                   | 24,947                                    | -                                  | 24,947               |
| <b>Total revenues</b>  | <b>8,131,189</b>                          | <b>3,379,082</b>                    | <b>209,660</b>                            | <b>129,443</b>                     | <b>11,849,374</b>    |
| Expenditures   |   |                                     |   |                                    |                      |
| TDA disbursements  | 5,030,779                                 | -                                   | -   | -                                  | 5,030,779            |
| STIP-PPM (Category A, B, and C)                              | -   | -                                   | 307,138                                   | -                                  | 307,138              |
| STA projects   | -   | 916,683                             | -   | -                                  | 916,683              |
| General and administrative expenditures                      | -   | -                                   | 171,260                                   | 52                                 | 171,312              |
| Professional services  | -   | -                                   | 4,624                                     | 122,579                            | 127,203              |
| <b>Total expenditures</b>                                    | <b>5,030,779</b>                          | <b>916,683</b>                      | <b>483,022</b>                            | <b>122,631</b>                     | <b>6,553,115</b>     |
| Excess (deficiency) of revenues<br>over (under) expenditures | 3,100,410                                 | 2,462,399                           | (273,362)                                 | 6,812                              | 5,296,259            |
| Other Financing Sources (Uses)                               |   |                                     |   |                                    |                      |
| Transfers out  | -   | (1,551,602)                         | -   | -                                  | (1,551,602)          |
| <b>Total other financing sources (uses)</b>                  | <b>-</b>                                  | <b>(1,551,602)</b>                  | <b>-</b>                                  | <b>-</b>                           | <b>(1,551,602)</b>   |
| Net Change in Fund Balances                                  | 3,100,410                                 | 910,797                             | (273,362)                                 | 6,812                              | 3,744,657            |
| Fund Balances, Beginning of Year, as restated                | 10,337,266                                | 1,237,477                           | 559,445                                   | 3,940                              | 12,138,128           |
| Fund Balances, End of Year                                   | <u>\$ 13,437,676</u>                      | <u>\$ 2,148,274</u>                 | <u>\$ 286,083</u>                         | <u>\$ 10,752</u>                   | <u>\$ 15,882,785</u> |

See accompanying notes to the basic financial statements.

Imperial County Transportation Commission  
Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds  
to the Statement of Activities  
June 30, 2019

---

|   |                            |
|---|----------------------------|
| Net changes in fund balances - total governmental funds   | \$ 3,744,657               |
| Changes in net pension liability and related deferrals reported in the Statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. | (17,837)                   |
| Compensated absences reported on the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.                              | <u>(6,917)</u>             |
| Change in net position of governmental activities   | <u><u>\$ 3,719,903</u></u> |

Imperial County Transportation Commission

Proprietary Funds  
Statement of Net Position  
June 30, 2019

|                                       | Business-Type Activities - Enterprise Funds         |                                |                      |
|---------------------------------------|---|--------------------------------|----------------------|
|                                       | Transit Planning<br>and Programs<br>Management Fund | SB 325 Funds for<br>Article 8c | Totals               |
| <b>Assets</b>                         |   |                                |                      |
| <b>Current Assets</b>                 |   |                                |                      |
| Cash and investments                  | \$ 11,417,285                                       | \$ -                           | \$ 11,417,285        |
| Receivables                           |   |                                |                      |
| Interest receivable                   | 53,853  | -                              | 53,853               |
| Due from other funds                  | 393,853   | -                              | 393,853              |
| Due from other governments            | 815,391   | -                              | 815,391              |
| Total current assets                  | <u>12,680,382</u>                                   | <u>-</u>                       | <u>12,680,382</u>    |
| <b>Non-Current Assets</b>             |   |                                |                      |
| Capital assets being depreciated, net | <u>6,785,750</u>                                    | <u>-</u>                       | <u>6,785,750</u>     |
| Total assets                          | <u>19,466,132</u>                                   | <u>-</u>                       | <u>19,466,132</u>    |
| <b>Deferred Outflows of Resources</b> |   |                                |                      |
| Deferred amounts related to pensions  | <u>223,620</u>                                      | <u>-</u>                       | <u>223,620</u>       |
| <b>Liabilities</b>                    |   |                                |                      |
| <b>Current Liabilities</b>            |   |                                |                      |
| Accounts payable                      | <u>1,282,812</u>                                    | <u>-</u>                       | <u>1,282,812</u>     |
| <b>Non-Current Liabilities</b>        |   |                                |                      |
| Compensated absences                  | 48,755  | -                              | 48,755               |
| Net pension liability                 | 393,080   | -                              | 393,080              |
| Total non-current liabilities         | <u>441,835</u>                                      | <u>-</u>                       | <u>441,835</u>       |
| Total liabilities                     | <u>1,724,647</u>                                    | <u>-</u>                       | <u>1,724,647</u>     |
| <b>Deferred Inflows of Resources</b>  |   |                                |                      |
| Deferred amounts related to pensions  | <u>77,638</u>                                       | <u>-</u>                       | <u>77,638</u>        |
| <b>Net Position</b>                   |   |                                |                      |
| Net investment in capital assets      | 6,785,750   | -                              | 6,785,750            |
| Restricted                            | 11,101,717  | -                              | 11,101,717           |
| Total net position                    | <u>\$ 17,887,467</u>                                | <u>\$ -</u>                    | <u>\$ 17,887,467</u> |



Imperial County Transportation Commission  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
June 30, 2019

|   | <u>Business-Type Activities - Enterprise Funds</u>           |  |                      |
|---|--|--|----------------------|
|   | <u>Transit Planning<br/>and Programs<br/>Management Fund</u> | <u>SB 325 Funds for<br/>Article 8c</u> | <u>Totals</u>        |
| Operating Revenues                          |  |  |                      |
| Passenger fares                             | \$ 816,650   | \$ -                                   | \$ 816,650           |
| SB 325 Article 8c                           | -  | 3,406,116                              | 3,406,116            |
|   | <u>816,650</u>   | <u>3,406,116</u>                       | <u>4,222,766</u>     |
| Total operating revenues                    |  |  |                      |
| Operating Expenses                          |  |  |                      |
| Purchased transportation services           | 8,247,737  | 3,406,116                              | 11,653,853           |
| Professional services                       | 576,842  | -                                      | 576,842              |
| General administration                      | 961,716  | -                                      | 961,716              |
| Depreciation                                | 987,969  | -                                      | 987,969              |
| Capital contributions                       | 1,127,787  | -                                      | 1,127,787            |
| Maintenance                                 | 255,734  | -                                      | 255,734              |
|   | <u>12,157,785</u>  | <u>3,406,116</u>                       | <u>15,563,901</u>    |
| Total operating expenses                    |  |  |                      |
| Operating Income (loss)                     | <u>(11,341,135)</u>  | <u>-</u>                               | <u>(11,341,135)</u>  |
| Nonoperating Revenues                       |  |  |                      |
| State transit revenues                      | 3,800,553  | -                                      | 3,800,553            |
| Federal grant revenues                      | 3,910,478  | -                                      | 3,910,478            |
| ICTC reimbursements                         | 1,471,336  | -                                      | 1,471,336            |
| Interest Income                             | 173,900  | -                                      | 173,900              |
|   | <u>9,356,267</u>   | <u>-</u>                               | <u>9,356,267</u>     |
| Total nonoperating revenues                 |  |  |                      |
| Income(loss) before transfers               | <u>(1,984,868)</u>   | <u>-</u>                               | <u>(1,984,868)</u>   |
| Transfers in                                | <u>1,551,602</u>   | <u>-</u>                               | <u>1,551,602</u>     |
| Change in Net Position                      | (433,266)  | -                                      | (433,266)            |
| Net Position Beginning, July 1, as restated | <u>18,320,733</u>  | <u>-</u>                               | <u>18,320,733</u>    |
| Net Position Ending, June 30                | <u>\$ 17,887,467</u>   | <u>\$ -</u>                            | <u>\$ 17,887,467</u> |

# Imperial County Transportation Commission

## Proprietary Funds Statement of Cash Flows June 30, 2019

|  | Transit Planning<br>and Program<br>Management Fund | SB 352 Funds for<br>Article 8c | Total                 |
|--|--|--------------------------------|-----------------------|
| Operating Activities   |  |                                |                       |
| Passenger fares  | \$ 816,650   | \$ -                           | 816,650               |
| Receipts from transit services                               | -  | 3,406,116                      | 3,406,116             |
| Payment to vendors   | (9,558,875)  | (3,406,116)                    | (12,964,991)          |
| Payments to employees  | (911,968)  |                                | (911,968)             |
| Net Cash Provided (used) by Operating Activities             | <u>(9,654,193)</u>                                 | <u>-</u>                       | <u>(9,654,193)</u>    |
| Noncapital Financing Activities                              |  |                                |                       |
| Operating grants received                                    | <u>12,722,652</u>                                  | <u>-</u>                       | <u>12,722,652</u>     |
| Capital Activities   |  |                                |                       |
| Acquisition of capital assets                                | <u>(242,298)</u>                                   | <u>-</u>                       | <u>(242,298)</u>      |
| Cash Flows from Investing Activities                         |  |                                |                       |
| Interest received  | <u>143,064</u>                                     | <u>-</u>                       | <u>143,064</u>        |
| Net Increase (Decrease) in Cash and Cash Equivalents         | 2,969,225  |                                |                       |
| Cash and Cash Equivalents July 1                             | <u>8,448,060</u>                                   | <u>-</u>                       | <u>8,448,060</u>      |
| Cash and Cash Equivalents June 30                            | <u>\$ 11,417,285</u>                               | <u>\$ -</u>                    | <u>\$ 11,417,285</u>  |
| Reconciliation of Operating Income to Net Cash               |  |                                |                       |
| Operating income   | \$ (11,341,135)                                    | \$ -                           | \$ (11,341,135)       |
| Adjustments to reconcile operating income to net cash        |  |                                |                       |
| Depreciation expense   | 987,969  | -                              | 987,969               |
| (Decrease) increase in                                       |  |                                |                       |
| Accounts payable   | 649,225  | -                              | 649,225               |
| Compensated absences   | 13,902   | -                              | 13,902                |
| Net pension liability  | 27,914   | -                              | 27,914                |
| Change in deferred outflows of resources related to pensions | 10,038   | -                              | 10,038                |
| Change in deferred inflows of resources related to pensions  | (2,106)  | -                              | (2,106)               |
| Total adjustments  | <u>1,686,942</u>                                   | <u>-</u>                       | <u>1,686,942</u>      |
| Net Cash Provided (used) by Operating Activities             | <u>\$ (9,654,193)</u>                              | <u>\$ -</u>                    | <u>\$ (9,654,193)</u> |

See accompanying notes to the basic financial statements.

**Note 1 - Summary of Significant Accounting Policies****A. Financial Reporting Entity**

The Imperial County Transportation Commission (ICTC) was established under Senate Bill 607 (SB 607 - Ducheny) which was approved by the California Legislature and Governor Arnold Schwarzenegger in 2009. As a county transportation commission, ICTC member agencies are enabled to exercise basic initiative and leadership in the transportation planning and programming process. The ICTC will act in accordance with all applicable laws and statutes for county transportation commissions. ICTC body will guide the development of the Regional Transportation Plan for the Imperial region and its Regional, State and Federal transportation improvement programs (TIPs) and their updates, including, but not limited to: the distribution and oversight of Local Transportation Fund monies; the preparation and submittal of applications for transportation related funds; approve the allocation of and claims for Transportation Development Act funds; the planning, programming and administration of regional transit services; and, encourage active citizen participation in the development and implementation of various transportation-related plans and programs.

As established under SB 607, the ICTC Board is currently composed of ten voting members and one non-voting member consisting of two members of the Imperial County Board of Supervisors; one member from each incorporated city (seven) within Imperial County who shall be the mayor of the city or a member of its city council; one member of the Board of Directors of the Imperial Irrigation District; and, one non-voting member appointed by the Governor representing the California Department of Transportation (Caltrans). In the future the governing Board of the commission may also include the following ex-officio or non-voting members: one member representing the State of Baja California, Mexico, who may be appointed by the governor of the state; one member representing the municipality of Mexicali, Mexico, who may be the mayor or his or her designee; one member representing the Consul of Mexico in Calexico, California, who may be the consul or his or her designee; and, one member representing any federally recognized Native American tribe in Imperial County.

In addition to the responsibilities described above, the Commission provides direct management, administration and oversight for the following local and regional transportation programs:

- Imperial Valley Transit (IVT) System and its Inner City Circulator Service (Blue, Green, and Gold Lines)
- MedTrans (Non-Emergency Medical Demand Response Service to San Diego)
- IVT ACCESS (Americans with Disabilities Act - ADA Paratransit Service)
- IVT RIDE (curb to curb transit service for seniors; persons age 55 years and over, and persons with disabilities in the Cities of Brawley, Calexico, El Centro, Imperial and West Shores)
- Local Transportation Authority (Measure D Sales Tax Program)

Other regional responsibilities include the administration and oversight of other local demand response or “Dial-A-Ride” services managed and operated by the City of El Centro.

**B. Government-Wide and Fund Financial Statements**

**Government-wide Statements:** The Commission's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on the activities of the Commission. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements:** The fund financial statements provide information about ICTC's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

ICTC reports the following major governmental funds:

- **Transportation Development Act (TDA) Fund** – This fund was established by ICTC in order to administer funds derived from  $\frac{1}{4}$  cent of the local general sales tax collected statewide. The state Board of Equalization returns the  $\frac{1}{4}$  cent to each county according to the amount of tax collected. Disbursements from the TDA fund are made to the County of Imperial and the cities located within the County.
- **State Transit Assistance Fund (STAF)** – This fund was established pursuant to SB 620 to supplement existing funding sources for public transit services. The revenues of the fund are derived from a portion of the sales tax on gasoline and are subject to appropriation by the legislature. Disbursements from the fund are made by the Imperial County Auditor-Controller based upon allocation instruction received from ICTC.
- **Regional Planning and Programs Fund** – This fund was established by ICTC in order to administer regional transportation programs and services.
- **Regional Collaboration Fund** – This fund was established for the purpose of tracking activities of joint projects with other agencies in the region.

ICTC reports the following enterprise funds:

**Transit Planning and Programs Management Fund** – This fund was established in order to administer the various transit programs, grants and services provided either in house or under contract with various providers. The program receives various state and federal grants including the Federal Transportation Administration (FTA) Section 5307, 5310, and 5311. The specific federal funds received are programmed to be utilized for operation costs of Imperial Valley Transit (IVT), the IVT Blue, Green and Gold Lines, MedTrans and IVT ACCESS, the ADA paratransit system and the mobility coordination program.

**SB 325 Fund for Article 8c** – This fund was established through five contracts with outside vendors. They are held with First Transit, Inc. to provide the Imperial Valley Transit fixed route service, the IVT ACCESS which provides paratransit service exclusively for disabled persons under the Americans with Disabilities Act (ADA), IVT-RIDE an intra city dial-a-ride service for senior and persons with disabilities within Brawley, Calexico, Imperial and the West Shores, IVT-RIDE El Centro an intra city dial-a-ride for seniors and persons with disabilities within El Centro, and IVT MedTrans which provide nonemergency transportation to medical facilities in San Diego in order to administer regional transportation programs and services.

### **C. Measurement Focus and Basis of Accounting**

The government-wide and the proprietary and fiduciary fund 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, ICTC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, however, compensated absences of governmental funds are recorded only when payment is due.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of ICTC's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Cash and Investments**

The County of Imperial’s Auditor Controller’s office acts as a trustee for the funds received and disbursed. Cash and investments are held in the County investment pool to facilitate cash management and maximize investment opportunities and yields. Investment income resulting from this pooling is allocated to the respective funds. The investment policies and the risks related to cash and investments, are those of the County investment pool and are disclosed in the County’s basic financial statements. The County’s basic financial statements can be obtained at the County Administrative Office.

Cash and investments are reported at fair value. The fair value measurements are based on 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 market for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Deposits and withdrawals in the County Investment Pool are made on the basis of \$1 and not fair value. Accordingly, investments in the County Investment Pool are based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

**E. Capital Assets**

Capital assets, which include equipment and vehicles, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by ICTC as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized.

Property, plant, and equipment of ICTC are depreciated using the straight-line method over the following estimated useful lives:

| Assets  | Years                      |
|---|----------------------------|
| Automobiles                                     | 80,000 to 95,000 miles     |
| Buildings                                       | 40 years                   |
| Improvements                                    | over remaining useful life |
| Radios, Communication Equipment                 | 3 years                    |
| Small Furniture, Fixtures, and Office Equipment | 5 years                    |
| Large Furniture and Durable Goods               | 10 years                   |
| Computer Hardware                               | 3 years                    |
| Computer Software                               | 3 years                    |
| Transit Vehicles                                | 5 to 12 years              |

**F. Net Position**

In the government-wide financial statements, net position represents the difference between assets plus deferred outflow of resources and liabilities plus deferred inflow of resources and is classified into three categories.

- **Net investment in capital assets** – This balance reflects the net position of ICTC that is invested in capital assets, net of related debt. This net position is not accessible for other purposes.
- **Restricted Net Position** – This balance represents net position that is not accessible for general use because their use is subject to restrictions enforceable by third parties.
- **Unrestricted Net Position** – This balance represents net position that is available for general use.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, ICTC considers unrestricted funds to have been spent first.

**G. Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which ICTC is bound to honor constraints on the specific purposes for which amounts can be spent.

The classifications used in the governmental fund financial statements are as follows:

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

**Restricted** – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

**Committed** – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board, as the highest level of decision making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Board removes or modifies the use through the adoption of a subsequent resolution.

**Assigned** – amounts that are constrained by ICTC's intent to be used for specific purposes and that do not meet the criteria to be classified as restricted or committed. This classification also includes residual amounts in governmental funds.

**H. Compensated Absences**

GASB Statement No. 16, *Accounting for Compensated Absences*, provides specific guidance on how leave liability should be calculated. Personal time off (PTO) hours accumulated and note taken are accrued at fiscal year-end and a liability is reported in the government-wide financial statements. The liability will be liquidated with resources from the governmental and proprietary funds. Upon termination an employee with a minimum of twelve months of continuous services will receive 100% of the unused PTO balance.

**I. Interfund Transactions**

During the course of operations, numerous transfers of revenues were made from funds authorized to receive the revenue to funds authorized to expend it.

**J. Deferred Outflows and Inflows of Resources**

ICTC reports deferred outflows and inflows of resources. A deferred outflow of resources is a consumption of net position or fund balance by the government that is applicable to a future reporting period. A deferred inflow of resources represents an acquisition of net position or fund balance by the government that is applicable to a future period.

ICTC reports deferred outflows and inflows of resources related to pension on the government-wide statement of net position, under full accrual basis of accounting. Pension related deferred outflows of resources relate to contributions made subsequent to the measurement date, which will be reflected as a reduction of net pension liability in a future reporting period. Pension related deferred inflows of resources include the net differences between projected and actual earnings on plan investments, and differences between expected and actual experiences, and will be recognized as part of pension expense in future reporting periods. Refer to Note 7 for items identified as deferred inflows and outflows related to pensions as of June 30, 2019.

**K. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of ICTC's Imperial County Employees' Retirement System (ICERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by ICERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**L. 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 assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.



**M. New GASB Pronouncements****Adopted in the Current Year**

**GASB Statement No. 68** – In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The statement is effective for periods beginning after June 15, 2014. The ICTC implemented this Statement as of July 1, 2018.

**GASB Statement No. 83** – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. ICTC has determined that the requirements of this Statement had no material impact to the financial statements.

**GASB Statement No. 88** – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This Statement is effective for reporting periods beginning after June 15, 2018. ICTC has determined that the requirements of this Statement had no material impact to the financial statements.

**Effective in Future Years**

ICTC is currently evaluating the potential impact of the following issued, but not yet effective, accounting standards.

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019.

**GASB Statement No. 89** – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for certain interest costs. This Statement is effective for reporting periods beginning after December 15, 2019.

**GASB Statement No. 90** – In September 2018, the GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for reporting periods beginning after December 15, 2018.

**GASB Statement No. 91** – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosure. The Statement is effective for reporting periods beginning after December 15, 2020.

**GASB Statement No. 92** – In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The Statement is effective for reporting periods beginning after June 15, 2020.

**Note 2 - Cash and Investments**

Cash and investments are classified in the financial statements as follows:

|                      | Governmental<br>Activities | Business-<br>Type<br>Activities | Total                |
|----------------------|----------------------------|---------------------------------|----------------------|
| Cash and investments | <u>\$ 15,409,091</u>       | <u>\$ 11,417,285</u>            | <u>\$ 26,826,376</u> |

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

|                                      |                      |
|--------------------------------------|----------------------|
| Imperial county investment pool      | \$ 26,567,154        |
| Deposits with financial institutions | <u>259,222</u>       |
|                                      | <u>\$ 26,826,376</u> |

ICTC is a participant in the County Investment Pool. Cash on deposit in the County Investment Pool at June 30, 2019, is stated at fair value. The County Investment Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the County Investment Pool, refer to the County of Imperial Comprehensive Annual Financial Report.

**Fair Value Measurements**

ICTC 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. As of June 30, 2019, ICTC held no individual investments. All funds are invested in the County Investment Pool.

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. ICTC’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the County Investment Pool are made based on \$1 and not fair value. Accordingly, ICTC’s proportionate share of investments in the County Investment Pool at June 30, 2019 is measured based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

**Note 3 - Federal, State, and Local Grants**

**Federal Assistance** – ICTC receives Federal operating assistance funds through the U.S. Department of Transit Grant (Urbanized Area Formula Program – Federal Grant 5307, Rural Area Formula Program – Federal Grant 5311, Enhanced Mobility of Seniors and Individuals with Disabilities – Federal Grant 5310 and Congestion Mitigation and Air Quality Improvement Program – CMAQ). Total Federal assistance provided during the fiscal year ended June 30, 2019 was \$3,910,478.

**Transportation Development Act** – ICTC is subject to provisions pursuant to Section 6634 and 6637 of the California Administrative Code (CAC) and section 99268.3, 99268.4, and 99268.5 of the Public Utilities Code.

**Section 6634** – Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant’s capital and operating costs less the required fare, local support, and the amount received during the year from a city or county to which the operator has provided service beyond its boundaries.

**Section 6637** – Pursuant to Section 6637, the claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records adopted by the State Controller.

**Section 9926.3, 99268.4 and 99268.5** – The ICTC has several fare box recovery ratios for the various services provided.

|            | <u>Required</u> | <u>Actual</u> |
|------------|-----------------|---------------|
| IVT        | 17%             | 17.38%        |
| IVT Access | 10%             | 4.37%         |
| IVT RIDE   | 10%             | 4.10%         |
| MedTrans   | 15%             | 9.47%         |

**Proposition 1B** - The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Fund and California Transit Security Grant Program (CTSGP) are part of the State of California's Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Bond Act), approved by California voters as Proposition 1B on November 7, 2006. A total of \$19.9 billion was deposited into the State Prop 1B fund, \$3.6 billion of which was made available to project sponsors in California for allocation to eligible public transportation projects over a 10-year period. Proposition 1B funds can be used for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or for rolling stock procurement, rehabilitation or replacement. The unearned balances for PTMISEA and CTSGP as of June 30, 2019 are \$86,898 and \$35,396 respectively.

**Low Carbon Transit Operations Program (LCTOP)** – LCTOP is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. The unearned balance for LCTOP funds as of June 30, 2019 was \$543,969.

**State of Good Repair** – The Federal Transit Administration's State of Good Repair formula program grants are distributed to State and local governments in urbanized areas for repairs and upgrading of bus rapid transit systems that are at least seven years old. The total unearned balance for State of Good Repair funds as of June 30, 2019 was \$233,920.

**STIP - Planning, Programming & Monitoring Program** - The California State Budget Act of 2010 appropriates State Highway funds under local assistance for the State Transportation Improvement Program (STIP) Planning, Programming and Monitoring Program (PPM). PPM is defined as the project planning, programming and monitoring activities related to development of the Regional Transportation Improvement Program and the STIP required by Government Code Section 14527 and for the monitoring of project implementation for approved projects, referred as PPM projects. The California Transportation Commission is tasked to allocate these funds in accordance with the amounts approved in the STIP in accordance with section 14527 (h) of the California Government code.

These funds are to be used for the following expenditure categories:

**Category A:** Regional transportation planning activities including development of the Regional Transportation Plan Update.

**Category B:** Program development and monitoring including the preparation of the ICTC Improvement Program and the State Transportation Improvement Program, monitoring the implementation of projects including project delivery and compliance with federal and state law, and California Transportation Commission Guidelines.

**Category C:** Regional transit planning activities, including program development and monitoring.

During the fiscal year ended June 30, 2019, ICTC incurred expenditures in the amount of \$307,138 applied to the State of California STIP-PPM Program.

Qualifying expenditures must be encumbered within three years from the date of the allocations and expended within three years from the date

**Note 4 - Capital Assets**

**Business-type Activities:** The following is a summary of capital assets for business-type activities for the fiscal year ending June 30, 2019:

|  | Balance at<br>July 1, 2019 | Additions           | Deletions   | Balance at<br>June 30, 2019 |
|--|----------------------------|---------------------|-------------|-----------------------------|
| Capital assets being depreciated       |                            |                     |             |                             |
| Furniture                              | \$ 14,045                  | \$ -                | \$ -        | \$ 14,045                   |
| Transit equipment                      | 10,842,395                 | 224,025             | -           | 11,066,420                  |
| Total capital assets being depreciated | <u>10,856,440</u>          | <u>224,025</u>      | <u>-</u>    | <u>11,080,465</u>           |
| Less accumulated depreciation          |                            |                     |             |                             |
| Furniture                              | (14,045)                   | -                   | -           | (14,045)                    |
| Transit equipment                      | (3,292,701)                | (987,969)           | -           | (4,280,670)                 |
| Total accumulated depreciation         | <u>(3,306,746)</u>         | <u>(987,969)</u>    | <u>-</u>    | <u>(4,294,715)</u>          |
| Capital asset, net                     | <u>\$ 7,549,694</u>        | <u>\$ (763,944)</u> | <u>\$ -</u> | <u>\$ 6,785,750</u>         |

Depreciation expense for fiscal year ended June 30, 2019 was charged to functions/programs of the governmental activities as follows:

|                          |                   |
|--------------------------|-------------------|
| Business-type activities |                   |
| Transportation services  | <u>\$ 987,969</u> |

**Note 5 - Long Term Liabilities**

Changes in long-term obligations for the year ended June 30, 2019, are as follow:

|                                     | Balance at<br>July 1, 2018 | Additions        | Deletions        | Balance at<br>June 30, 2019 | Amount<br>Due in<br>One Year | Amount Due<br>Beyond One<br>Year |
|-------------------------------------|----------------------------|------------------|------------------|-----------------------------|------------------------------|----------------------------------|
| Governmental activities             |                            |                  |                  |                             |                              |                                  |
| Compensated absences                | \$ 17,344                  | \$ 29,055        | \$ 22,138        | \$ 24,261                   | \$ -                         | \$ 24,261                        |
| Business-type activities            |                            |                  |                  |                             |                              |                                  |
| Compensated absences                | 34,853                     | 58,389           | 44,487           | 48,755                      | -                            | 48,755                           |
| Total primary government activities | <u>\$ 52,197</u>           | <u>\$ 87,444</u> | <u>\$ 66,625</u> | <u>\$ 73,016</u>            | <u>\$ -</u>                  | <u>\$ 73,016</u>                 |

The Commissions policy relating to employees leave benefits is described in Note 1, Compensated Absences. The long-term portion of compensated absences is expected to be paid in future years from future resources from the Regional Planning and Programs, Regional Collaboration, and Transit Planning and Programs Management funds.

**Note 6 - Interfund Transactions**

Interfund transfers consisted of the following for the year ended June 30, 2019:

|   | <u>Transfers out</u>   |
|---|------------------------|
|   | <u>State Transit</u>   |
|   | <u>Assistance Fund</u> |
| Transfers in                                  |                        |
| Transit Planning and Programs Management Fund | <u>\$ 1,551,602</u>    |

Interfund transfers are generally used to move revenues from the fund that statute or budget require to collect them to fund that statute or budget requires to expend them.

**Note 7 - Pension Plan**

**Plan Description** - The Imperial County Employees Retirement System (ICERS) was established by the County of Imperial in 1951. ICERS is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. Seq.). ICERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to members employed by the ICTC.

The management of ICERS is vested with the Imperial County Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law. Four member are appointed by the Board of Supervisors, one of whom may by a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, one member and one alternate are elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with her term as County treasurer.

ICERS issues an audited stand-alone financial report which may be obtained by contacting the Board of Retirement at 1221 W. State Street, El Centro, CA 92243.

**Plan Membership** - At June 30, 2018, pension plan membership consisted of the following:

|                |          |
|----------------|----------|
| Active members | <u>9</u> |
|----------------|----------|

**Benefits Provided** - ICERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Imperial or contracting districts who work a minimum of 30 hours per week become members of ICERS effective on the first day of the first full pay period after employment. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013 is designated as PEPRSA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA) and California Government Code 7522 et seq. All other employees are classified as General members. New General Members employed after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et seq.

General members hired prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 with 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 52, with five years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits are calculated pursuant to the provisions of Sections 31676.11 and 31676.14 for Regular and Regular plus Supplemental Benefits, respectively. The monthly allowance is equal to 1/60th of final compensation for Regular and Regular plus Supplemental Benefits, times years of accrued retirement service credit times age factor from either Section 31676.11 (Regular Benefit) or Section 31676.14 (Regular plus Supplemental Benefit). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision of California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. However, for members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2018 is equal to \$145,666 (reference Section 7522.10). This limit is adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for a General or Safety member and the highest 36 consecutive months for a PEPRA General or PEPRA Safety member.

The County of Imperial and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ICERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 18.60% of compensation.

All members are required to make contributions to ICERS regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2018 for 2017-2018 (based on the June 30, 2016 valuation) was 11.86% of compensation.

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

**Actuarial assumptions** - The TPL is measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. In particular, the following actuarial assumption were applied in the June 30, 2018 measurement.

|                           |  |
|---------------------------|--|
| Inflation                 | 3.00%  |
| Salary increases          | 4.75% to 8.25%   |
| Investment rate of return | 7.25%  |
| Administrative expenses   | 1.80% of payroll allocated to both the employer and member based on the components of the total contribution rate (before expenses) for the employer and member. |

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses are summarized in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption used for the June 30, 2017 actuarial valuation. This information is subject to change every three years based on the actuarial experience study.

| Asset Class                    | Target Allocation | Long-term Expected Arithmetic Real Rate of Return |
|--------------------------------|-------------------|---|
| Large Cap U.S. Equity          | 23%               | 5.61%   |
| Small Cap U.S. Equity          | 6%                | 6.37%   |
| Developed International Equity | 17%               | 6.96%   |
| Emerging Market Equity         | 7%                | 9.28%   |
| U.S. Core Fixed Income         | 22%               | 1.06%   |
| TIPS                           | 5%                | 0.94%   |
| Real Estate                    | 5%                | 4.37%   |
| Value Added Real Estate        | 5%                | 6.00%   |
| Private Credit                 | 5%                | 5.10%   |
| Private Equity                 | 5%                | 8.70%   |
| Total                          | 100%              |   |



**Discount Rate** - The discount rate used to measure the Total Pension Liability was 7.25% as of June 30, 2018. For plan member contributions, the projection of cash flows used to determine the discount rate assumed employee contributions will be made at the current contribution rates and that the contributions will be made at rates equal to the actuarially determined contribution rates. For employer contributions, the projection of cash flow used to determine the discount rate assumed employer contributions will be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employee and employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the TPL as part of the June 30, 2018 measurement.

**Sensitivity of the ICTC's proportionate Share of the Net Pension Liability to Changes in the Discount Rate-** The following presents ICTC's share of the net pension liability calculated using the discount rate of 7.25%, as well as what ICTC's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

| Measurement date | 1% Decrease         | Current Discount  | 1% Increase      |
|------------------|---------------------|-------------------|------------------|
| June 30, 2018    | <u>\$ 1,184,412</u> | <u>\$ 588,681</u> | <u>\$ 97,987</u> |

At June 30, 2019, ICTC reported a liability of \$588,681 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation. ICTC's proportion of the net pension liability was based on the projection of the long-term share of contributions to the pension plan related to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2018, ICTC's proportionate share of net pension liability was 0.422%. This is a .014% increase from the previous year.

For the year ended June 30, 2019, ICTC recognized pension expense of \$159,441. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

# Imperial County Transportation Commission

Notes to the Financial Statements

June 30, 2019

At June 30, 2019, ICTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience   | \$ -                                 | \$ (115,178)                        |
| Net excess of projected over actual earnings on pension plan investments                                     | 18,325                               | -                                   |
| Changes of assumptions   | 186,526                              | -                                   |
| Changes in proportion and differences between employer contribution and proportionate share of contributions | 59,387                               | (1,094)                             |
| Contributions made after the measurement date  | 70,658                               | -                                   |
|  | \$ 334,896                           | \$ (116,272)                        |

\$70,658 reported as deferred outflows of resources related to pensions resulting from ICTC contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized over the estimated average remaining service life of plan members.

## Note 8 - Prior Period Adjustments

ICTC modified its accounting policy in the current year. As a result, ICTC restated its beginning net position for the fiscal year 2019 as follow:

|  | Governmental<br>Activities | Business-Type<br>Activities |
|--|----------------------------|-----------------------------|
| Beginning of year, as previously reported          |                            |                             |
| Net Position                                       | \$ 13,104,027              | \$ 18,585,080               |
| Claim on cash                                      | -                          | (18,242)                    |
| Deferred outflows of resources related to pensions | 98,219                     | 197,380                     |
| Deferred outflows in prior year contributions      | 18,052                     | 36,278                      |
| Deferred inflows of resources related to pensions  | (39,682)                   | (79,744)                    |
| Total net pension liability                        | (181,711)                  | (365,166)                   |
| Unearned revenue                                   | (965,899)                  | -                           |
| Compensated absences                               | (17,344)                   | (34,853)                    |
| Beginning of year, as restated                     |                            |                             |
| Net position                                       | \$ 12,015,662              | \$ 18,320,733               |

## Required Supplementary Information

### Special Revenue Funds

- **Transportation Development Act (TDA) Fund** – This fund was established by ICTC in order to administer fund derived from  $\frac{1}{4}$  cent of the local general sales tax collected statewide. The state Board of Equalization returns the  $\frac{1}{4}$  cent to each county according to the amount of tax collected. Disbursements from the TDA fund are made to the County of Imperial and the cities located within the County
- **State Transit Assistance Fund (STAF)** – This fund was established pursuant to SB 620 to supplement existing funding sources for public transit services. The revenues of the fund are derived from a portion of the sales tax on gasoline and are subject to appropriation by the legislature. Disbursements from the fund are made by the Imperial County Auditor-Controller based upon allocation instruction received from ICTC.
- **Regional Planning and Programs Fund** – This fund was established by ICTC in order to administer regional transportation programs and services.
- **Regional Collaboration Fund** – This fund was established for the purpose of tracking activities of joint projects with other agencies in the region.

Imperial County Transportation Commission

Special Revenue Fund

Transportation Development Act Fund

Budgetary Comparison Schedule

Year Ended June 30, 2019

|                                  | Budgeted amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------|---------------|-------------------|---|
|                                  | Original         | Final         |                   |   |
| Revenues                         |                  |               |                   |   |
| State allocations                | \$ 6,300,000     | \$ 6,300,000  | \$ 7,976,935      | \$ 1,676,935  |
| Investment income                | -                | -             | 154,254           | 154,254   |
| Total revenues                   | 6,300,000        | 6,300,000     | 8,131,189         | 1,831,189   |
| Expenditures                     |                  |               |                   |   |
| Current                          |                  |               |                   |   |
| TDA disbursements                | 5,303,613        | 5,303,613     | 5,030,779         | 272,834   |
| Total expenditures               | 5,303,613        | 5,303,613     | 5,030,779         | 272,834   |
| Net Change in Fund Balances      | 996,387          | 996,387       | 3,100,410         | 1,558,355   |
| Fund Balances, Beginning of Year | 10,337,266       | 10,337,266    | 10,337,266        | -   |
| Fund Balances, End of Year       | \$ 11,333,653    | \$ 11,333,653 | \$ 13,437,676     | \$ 1,558,355  |

Imperial County Transportation Commission

Special Revenue Fund

State Transit Assistance Fund

Budgetary Comparison Schedule

Year Ended June 30, 2019

|                                  | Budgeted amounts |              | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------|--------------|-------------------|---|
|                                  | Original         | Final        |                   |   |
| Revenues                         |                  |              |                   |   |
| State allocations                | \$ 1,861,054     | \$ 1,861,054 | \$ 3,362,088      | \$ 1,501,034  |
| Investment income                | -                | -            | 16,994            | 16,994  |
| Total revenues                   | 1,861,054        | 1,861,054    | 3,379,082         | 1,518,028   |
| Expenditures                     |                  |              |                   |   |
| Current                          |                  |              |                   |   |
| STA projects                     | 916,863          | 916,863      | 916,683           | 180   |
| Total expenditures               | 916,863          | 916,863      | 916,683           | 180   |
| Other Financing sources (uses)   |                  |              |                   |   |
| Transfers out                    | (655,845)        | (655,845)    | (1,551,602)       | (895,757)   |
| Net change in fund balances      | 944,191          | 944,191      | 910,797           | 622,091   |
| Fund balances, beginning of year | 1,237,477        | 1,237,477    | 1,237,477         | -   |
| Fund balances, end of year       | \$ 2,181,668     | \$ 2,181,668 | \$ 2,148,274      | \$ 622,091  |

Imperial County Transportation Commission

Special Revenue Fund

Regional Collaboration Fund

Budgetary Comparison Schedule

Year Ended June 30, 2019

|                                  | Budgeted amounts |            | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|----------------------------------|------------------|------------|-------------------|---|
|                                  | Original         | Final      |                   |   |
| Revenues                         |                  |            |                   |   |
| State allocations                | \$ 120,000       | \$ 120,000 | \$ 89,985         | \$ (30,015)   |
| Federal allocations              | 288,000          | 288,000    | 39,412            | (248,588)   |
| Investment income                | -                | -          | 46                | 46  |
| Total revenues                   | 408,000          | 408,000    | 129,443           | (278,557)   |
| Expenditures                     |                  |            |                   |   |
| Current                          |                  |            |                   |   |
| General and administrative       | -                | -          | 52                | (52)  |
| Professional services            | -                | -          | 122,579           | (122,579)   |
| Total expenditures               | -                | -          | 122,631           | (122,631)   |
| Net Change in Fund Balances      | 408,000          | 408,000    | 6,812             | (401,188)   |
| Fund Balances, Beginning of Year | 3,940            | 3,940      | 3,940             | -   |
| Fund Balances, End of Year       | \$ 411,940       | 411,940    | 10,752            | (401,188)   |

Imperial County Transportation Commission

Special Revenue Fund  
 Regional Planning and Programs Fund  
 Budgetary Comparison Schedule  
 Year Ended June 30, 2019

|  | Budgeted amounts    |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|-------------------|---|
|  | Original            | Final               |                   |   |
| <b>Revenues</b>                            |                     |                     |                   |   |
| State allocations                          | \$ 591,286          | \$ 591,286          | \$ 91,286         | \$ (500,000)  |
| Investment income                          | 2,900               | 2,900               | 5,409             | 2,509   |
| Membership revenues                        | 100,000             | 100,000             | 88,018            | (11,982)  |
| Other revenues                             | 20,000              | 20,000              | 24,947            | 4,947   |
| <b>Total revenues</b>                      | <b>594,186</b>      | <b>594,186</b>      | <b>209,660</b>    | <b>(504,526)</b>  |
| <b>Expenditures</b>                        |                     |                     |                   |   |
| <b>Current</b>                             |                     |                     |                   |   |
| STIP-PPM (Category A, B, and C)            | 307,139             | 307,139             | 307,138           | 1   |
| General and administrative<br>expenditures | -                   | -                   | 171,260           | (171,260)   |
| Professional services                      | -                   | -                   | 4,624             | (4,624)   |
| <b>Total expenditures</b>                  | <b>-</b>            | <b>-</b>            | <b>483,022</b>    | <b>(175,883)</b>  |
| <b>Net Change in Fund Balances</b>         | <b>594,186</b>      | <b>594,186</b>      | <b>(273,362)</b>  | <b>(328,643)</b>  |
| <b>Fund Balances, Beginning of Year</b>    | <b>559,445</b>      | <b>559,445</b>      | <b>559,445</b>    | <b>-</b>  |
| <b>Fund balances, end of year</b>          | <b>\$ 1,153,631</b> | <b>\$ 1,153,631</b> | <b>\$ 286,083</b> | <b>\$ (328,643)</b>                                     |



Imperial County Transportation Commission  
 Schedule of Proportionate Share of the Net Pension Liability  
 Year Ended June 30, 2019

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|   | 2019          |
|---|---------------|
| Proportion of the collective net pension liability                                  | 0.422%        |
| Proportionate share of the collective net pension liability                         | \$ 588,681    |
| Covered payroll   | \$ 848,957    |
| Proportionate share of the net pension liability as a percentage of covered payroll | 69.34%        |
| Plan fiduciary net pension position as a percentage of the total pension liability  | 86.20%        |
| Measurement date  | June 30, 2018 |

Imperial County Transportation Commission  
Schedule of Pension Contributions  
Year Ended June 30, 2019

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|  | <u>2019</u>   |
|--|---------------|
| Actuarially determined contributions                             | 70,658        |
| Contributions related to the actuarially determined contribution | <u>70,658</u> |
| Contribution deficiency (excess)                                 | <u>\$ -</u>   |
| Covered payroll  | 848,957       |
| Contributions as a percentage of covered payroll                 | 8.32%         |

**Note 1 - Budgetary Data**

ICTC establishes accounting control through formal adoption of an annual budget for all of its funds. The Overall Work Plan and Budget is developed by ICTC staff and Executive Director and demonstrates a comprehensive agency-wide budget that conveys the work to be performed by the Commission. Staff has the on-going responsibility to monitor actual revenues and expenditures. When it becomes necessary to modify the adopted budget, the amendment procedure will depend on the type of change that is needed. It is proposed that administrative changes that do not result in an increase in the overall program budget, but require line item transfers of costs and revenues within a work program budget, will only require approval of the Executive Director. Amendments that result in an increase to the total expenditures for a program would require Commission approval and will be presented to the Commission in a formal agenda item.