

**IMPERIAL COUNTY
LOCAL TRANSPORTATION AUTHORITY**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED

June 30, 2012

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INDEPENDENT AUDITORS' REPORT

Honorable Board Members
Imperial County Local Transportation Authority
El Centro, California

We have audited the accompanying financial statements of the Imperial County Local Transportation Authority, as of and for the year ended June 30, 2012. These financial statements are the responsibility of the Imperial County Local Transportation Authority's management. Our responsibility is to express an opinion 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Imperial County Local Transportation Authority, as of June 30, 2012 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental schedules and the schedule of Five-Year Program of Projects have not been subjected to the audit procedures applied in the audit of the general purpose financial statements and accordingly, we express no opinion on them.

In connection with our examination, we also performed, to the extent applicable, tests of compliance with the "By-laws of the Imperial County Local Transportation Authority" and the "Imperial County Local Transportation Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan".

In our opinion, the Imperial County Local Transportation Authority is in compliance with the applicable laws, rules, and regulations with the exceptions noted in the Findings and Recommendations for the fiscal year ended June 30, 2012.

This report is intended solely for the information and use of the management, Member Board, Imperial County Local Transportation Authority and the California State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

April 5, 2013

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

The following section of the annual financial report of the Imperial County Local Transportation Authority (the Authority) includes an overview and analysis of the Authority's financial position and activities for the years ended June 30, 2012 and 2011. This discussion and analysis, as well as the basic financial statements which it accompanies, is the responsibility of the management of the Authority.

Introduction to the Basic Financial Statements

This annual report consists of a series of financial statements, prepared in accordance with generally accepted accounting principles; such report has been designed to improve the usefulness of the report to the primary users of these basic financial statements.

The Authority presents its basic financial statements using the economic resources measurement to focus and accrual basis of accounting. As a Fiduciary Activity, the Authority's basic financial statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The notes to the basic financial statements and this section support these statements. All sections must be considered together to obtain a complete understanding of the financial position and results of operations of the Authority.

Statement of Net Assets - The Statement of Net Assets include all assets and liabilities of the Authority, with the difference between the two reported as net assets. Assets and liabilities are reported at their book value, on an accrual basis, as of June 30, 2012 and 2011.

Statements of Changes in Net Assets - The Statements of Changes in Net Assets present the revenues earned and expenses incurred by the Authority during the years ended June 30, 2012 and 2011, on the accrual basis of accounting.

Long-Term Debt - On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 bond is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$1,745,000 to \$3,855,000 with a final maturity on June 1, 2032.

At the end of the fiscal year the ICLTA had a total long-term debt outstanding of \$53,975,000. This amount is comprised entirely of the 2012 Series bond payable.

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

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>53,975,000</u>	\$ <u> --</u>	\$ <u>53,975,000</u>

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Condensed Financial Position Information

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2012 and 2011.

	2012	2011
ASSETS		
Assets		
Cash and cash equivalents	\$ 4,764,254	\$ 5,159,093
Cash with fiscal agent	54,890,256	--
Interest receivable	8,056	11,726
Due from other funds	12,822	147,306
Due from other governments	54,434,200	--
Due from other governments -other	8,796	--
Issuance costs, net of amortization	<u>1,025,958</u>	<u>--</u>
Total assets	<u>\$ 115,144,342</u>	<u>\$ 5,318,125</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Account payable	\$ --	\$ 59
Interest payable	610,611	--
Allocations due to members	47,178	1,302,097
Due to other funds	12,871	148,352
Noncurrent liabilities:		
Bond payable	53,975,000	--
Premium on bond payable, net of amortization	<u>895,450</u>	<u>--</u>
Total liabilities	<u>55,541,110</u>	<u>1,450,508</u>
Net Assets		
Restricted for:		
Debt service	54,869,353	--
Unrestricted	<u>4,733,879</u>	<u>3,867,617</u>
Total net assets	<u>59,603,232</u>	<u>3,867,617</u>
Total liabilities and net assets	<u>\$ 115,144,342</u>	<u>\$ 5,318,125</u>

(a) *Net Assets*

The assets of the Authority exceeded its liabilities at the close of fiscal year 2011-2012 by \$59,603,232 (Net Assets).

(b) *Liabilities*

Liabilities net increase for fiscal year 2011-2012 was \$54,090,602. The majority of this increase is due to the set up of the ICLTA sales tax revenue bond Series 2012 bond payable. The allocations due to member had a decrease of \$1,254,919 from the prior year. The due to other funds had a decrease of \$135,481 from the prior year.

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Summary of Operations and Changes in Net Assets

The Authority's Net assets increase for fiscal year 2012 was of \$866,262 and the increase for 2011 of \$772,050. The tables below summarize the Authority's fiscal years ended June 30, 2012 and 2011 activity:

	2012	2011
Additions:		
Retail sales tax	\$ 12,565,747	\$ 11,519,827
Interest income	<u>40,486</u>	<u>46,162</u>
Total additions	<u>12,606,233</u>	<u>11,565,989</u>
Deductions:		
Allocations to local members	10,513,627	10,621,425
Administration	29,483	71,894
Transit services	150,000	100,000
State Highway	--	620
Principal payments	436,250	--
Interest	<u>610,611</u>	<u>--</u>
Total deductions	<u>11,739,971</u>	<u>10,793,939</u>
Transfers:		
Transfers in	1,005,259	923,331
Transfers out	<u>1,005,259</u>	<u>923,331</u>
Total transfers	<u>--</u>	<u>--</u>
Change in net assets	866,262	772,050
Net assets - Unrestricted, beginning	<u>3,867,617</u>	<u>3,095,567</u>
Net assets - Unrestricted, ending	<u>\$ 4,733,879</u>	<u>\$ 3,867,617</u>

(a) Additions

In fiscal year 2012 revenues increased approximately 8.99%.

(b) Deductions

Deductions consists of, allocations to members, administration, transit, state highway and bond related expenses. During the year, deductions increased by \$946,032.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, you may reach Mark Baza, Executive Director, Imperial County Transportation Commission, at (760) 592-4494.

FINANCIAL STATEMENTS

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	LTA Funds	State Highway	Transit Services	Admin Services	Total
ASSETS					
Assets					
Cash and cash equivalents	\$ 1,243,198	\$ 3,108,482	\$ 272,789	\$ 139,785	\$ 4,764,254
Cash with fiscal agent	54,890,256	--	--	--	54,890,256
Interest receivable	2,230	5,043	576	207	8,056
Due from other funds	--	8,730	3,492	600	12,822
Due from other governments	54,434,200	--	--	--	54,434,200
Due from other governments- other	--	6,283	2,513	--	8,796
Issuance costs, net of amortization	<u>1,025,958</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,025,958</u>
Total assets	<u>\$ 111,595,842</u>	<u>\$ 3,128,538</u>	<u>\$ 279,370</u>	<u>\$ 140,592</u>	<u>\$ 115,144,342</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Interest payable	\$ 610,611	\$ --	\$ --	\$ --	\$ 610,611
Allocations due to members	47,178	--	--	--	47,178
Due to other funds	12,822	--	--	49	12,871
Noncurrent liabilities:					
Bond payable	53,975,000	--	--	--	53,975,000
Premium on bond payable, net of amortization	<u>895,450</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>895,450</u>
Total liabilities	<u>55,541,061</u>	<u>--</u>	<u>--</u>	<u>49</u>	<u>55,541,110</u>
Net assets					
Restricted for:					
Debt service	54,869,353	--	--	--	54,869,353
Unrestricted	<u>1,185,428</u>	<u>3,128,538</u>	<u>279,370</u>	<u>140,543</u>	<u>4,733,879</u>
Total net assets	<u>56,054,781</u>	<u>3,128,538</u>	<u>279,370</u>	<u>140,543</u>	<u>59,603,232</u>
Total liabilities and net assets	<u>\$ 111,595,842</u>	<u>\$ 3,128,538</u>	<u>\$ 279,370</u>	<u>\$ 140,592</u>	<u>\$ 115,144,342</u>

See accompanying notes and independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended June 30, 2012

	LTA Funds	State Highway	Transit Services	Admin Services	Total
Additions					
Retail sales tax	\$ 12,565,747	\$ --	\$ --	\$ --	\$ 12,565,747
Interest income	<u>17,417</u>	<u>20,642</u>	<u>1,838</u>	<u>589</u>	<u>40,486</u>
Total additions	<u>12,583,164</u>	<u>20,642</u>	<u>1,838</u>	<u>589</u>	<u>12,606,233</u>
Deductions					
Allocations to local members	10,513,627	--	--	--	10,513,627
Transit services	--	--	150,000	--	150,000
LTA Administration	--	--	--	29,483	29,483
Interest	610,611	--	--	--	610,611
Principal repayment	<u>436,250</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>436,250</u>
Total deductions	<u>11,560,488</u>	<u>--</u>	<u>150,000</u>	<u>29,483</u>	<u>11,739,971</u>
Transfers					
Transfers in	--	628,287	251,315	125,657	1,005,259
Transfers (out)- State highway	(628,287)	--	--	--	(628,287)
Transfers (out)- Transit services	(251,315)	--	--	--	(251,315)
Transfers (out)- Administration	<u>(125,657)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(125,657)</u>
Total transfers in (out)	<u>(1,005,259)</u>	<u>628,287</u>	<u>251,315</u>	<u>125,657</u>	<u>--</u>
Change in net assets	17,417	648,929	103,153	96,763	866,262
Net assets- Unrestricted, beginning	<u>1,168,011</u>	<u>2,479,609</u>	<u>176,217</u>	<u>43,780</u>	<u>3,867,617</u>
Net assets - Unrestricted, ending	<u>\$ 1,185,428</u>	<u>\$ 3,128,538</u>	<u>\$ 279,370</u>	<u>\$ 140,543</u>	<u>\$ 4,733,879</u>

See accompanying notes and independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration, transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The funds are accounted for in a fiduciary fund using the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

Cash and cash equivalents

Cash is pooled with cash of the County of Imperial to maximize investment opportunities and yields. It is the policy of the Authority to classify only those investments having an original maturity date within three months of the date acquired as cash equivalents.

Net Assets

The net assets represents undesignated net assets, restricted for LTA use for which these funds have been authorized.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to reflect only the financial position, results of operations and compliance of the Imperial County Local Transportation Authority.

Note 3. DEPOSITS AND INVESTMENTS

Deposits and investments are displayed on the balance sheet as cash and cash equivalents or as deposits with fiscal agents. Cash of all funds is pooled with cash of the County of Imperial, which includes amounts in demand deposits as well as short-term investments, and is displayed on the balance sheet as "cash and cash equivalents". Amounts required to be invested separately, such as under the provisions of bond indentures are displayed as "deposits with fiscal agents." The investments that are equity securities are valued at cost, the investments that are debt securities are valued at amortized cost and the investments held in pools are valued at market. The detail of such amounts as of June 30, 2012 is as follows:

Cash and cash equivalents	\$ 4,764,254
Deposits with fiscal agents	<u>54,890,256</u>
Total deposits and investments	<u>\$ 59,654,510</u>

Deposits with fiscal agents

The Authority has monies held by a fiscal agent pledged for the payment or as security of the sales tax revenue bond for all five participating member agencies (See Schedule I). The California Government Code provides that these monies, in the absence of specific statutory provisions governing the issuance of bonds, may be invested in accordance with the ordinance, resolutions or indentures specifying the types of investments the fiscal agent may make.

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012**

Note 3. DEPOSITS AND INVESTMENTS (Continued)

Investments

Under provisions of the California Government Code, authorized investments for the Authority include securities of the state or local agencies of the state, securities of the U.S. Treasury and other federal agencies, certificates of deposit, bankers' acceptances, repurchase agreements and reverse repurchase agreements.

The Authority's investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

Category 1

Insured or registered, or securities held by the Authority or its agent in the Authority's name.

Category 2

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name.

Category 3

Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name.

	Category			Carrying Amount	Fair Value
	1	2	3		
BNY Mellon Trust Company	\$ 54,890,256	\$ --	\$ --	\$54,890,256	\$ 54,890,256
County of Imperial Investment Fund	--	--	--	4,764,254	4,764,254
	<u>\$ 54,890,256</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$59,654,510</u>	<u>\$ 59,654,510</u>

At fiscal year end, the cash held in the investment pool managed by the County of Imperial has a carrying amount and market value of \$4,764,254. This type of investment is not subject to categorization.

Note 4. DUE FROM OTHER GOVERNMENTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 Bond is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$1,745,000 to \$3,855,000 with a final maturity on June 1, 2032. The Authority is responsible for the administration associated with retention of the participating member agencies' principal and interest portions of payments from each agencies' share of sales tax revenues allocated.

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 4. DUE FROM OTHER GOVERNMENTS (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments (See Schedule III).

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>53,975,000</u>	\$ <u>459,200</u>	\$ <u>54,434,200</u>

The reductions represent the yearly principal portion of the bond payment that was retained by the Authority.

Note 5. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a combined monthly rate of \$4,311.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was a combined amount of \$1,025,958 (See Schedule II).

Note 6. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$1,745,000 to \$3,855,000 with a final maturity on June 1, 2032.

During the fiscal year ended June 30, 2012 the following changes occurred in bond payable (See Schedule V).

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>53,975,000</u>	\$ <u> --</u>	\$ <u>53,975,000</u>

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 6. BOND PAYABLE (Continued)

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 1,745,000
2014	1,965,000
2015	2,020,000
2016	2,085,000
2017	2,160,000
2018 to 2022	11,925,000
2023 to 2027	14,345,000
2028 to 2032	<u>17,730,000</u>
Total	<u>\$ 53,975,000</u>

Note 7. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. This premium will be amortized throughout the twenty year term of the bond at a combined monthly rate of \$3,762.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was a combined amount \$895,450 (See Schedule VI).

Note 8. NET ASSETS - RESTRICTED FOR DEBT SERVICE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the restricted net assets amount was \$54,869,353 which represents the funding for each participating agency's road projects, bond reserves, issuance costs to be amortized and issuance costs reserve (See Schedule IV).

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 9. ALLOCATIONS DUE TO MEMBERS

During the fiscal year ended June 30, 2012 there was an amount of \$47,178 to recognize allocations due to members from the prior fiscal year that were paid in the following fiscal year.

Note 10. DUE TO OTHER FUNDS

During the fiscal year ended June 30, 2012 there was an amount of \$12,871 to recognize amounts due to other funds that were paid in the following fiscal year.

Note 11. COMPLIANCE WITH THE REQUIREMENT OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND TRANSPORTATION AUTHORITY EXPENDITURE PLAN

Distribution of LTA funds

The Imperial County Transportation Commission (ICTC) is required to act in the capacity of receiving, receipting, depositing and disbursing the Local Transportation Authority funds as received from the State Board of Equalization.

Expenditures of the LTA funds for local streets and roads

The member agencies, as set forth in Note 1, are required to expend LTA funds with the following priorities:

- 1) To repair and rehabilitate the existing roadways
- 2) To reduce congestion and improve safety
- 3) To provide for the construction of needed facilities

Project programming and monitoring

The members of the Authority are required to develop a five-year program of projects to be funded with revenues made available by the LTA funds.

See pages 24 through 51 for the Authority's various "Five-Year Program of Projects".

Maintenance of effort

It is the intent of the Authority that revenue provided from this measure is used to supplement existing local revenues being used for the purposes set forth above. Each local agency receiving revenues shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes as was reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads - Fiscal Year 2005-06. If any local discretionary funds had extraordinary local discretionary fund expenditures during fiscal year 2005-06, it may use, as a base for determining the minimum level of local discretionary funds, the average amount of such funds reported to the State Controller for the three-year period of fiscal year 2003-04 through fiscal year 2005-06. The use of a three-year average for the base period shall be subject to Authority approval.

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 11. COMPLIANCE WITH THE REQUIREMENT OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND TRANSPORTATION AUTHORITY EXPENDITURE PLAN (Continued)

Maintenance of effort (Continued)

Bond Participating Member Agencies:

For fiscal year ended June 30, 2012 the City of Calexico has certified to the Authority that their maintenance of effort requirement of \$1,049,905 was met.

For fiscal year ended June 30, 2012 the City of Imperial has certified to the Authority that their maintenance of effort requirement of \$31,455 was met.

There were no maintenance of effort requirements for the Cities of Brawley and Calipatria and the County of Imperial for fiscal year ended June 30, 2012.

Non-participating Member Agencies:

For fiscal year ended June 30, 2012 the City of El Centro has certified to the Authority that their maintenance of effort requirement of \$1,712 was met.

There were no maintenance of effort requirements for the Cities of Holtville and Westmorland for fiscal year ended June 30, 2012.

Amendments

There have been no amendments to the Expenditure Plan during the fiscal year ended June 30, 2012.

Administrative expenses

The Authority allocates 1% of the total funds received on a monthly basis for salaries, wages, benefits, overhead, auditing and those services including contractual services necessary to administer the LTA ordinance. These funds remain in the LTA fund until necessary to expend for administrative purposes. During the fiscal year ended June 30, 2012, the Authority allocated \$125,657 for administrative purposes.

State highway reserve

The Authority allocates up to 5% of the tax revenues for state highway purposes within Imperial County. The Authority must certify that Imperial County is receiving at a minimum its fair share of highway funds from the State before any revenues may be allocated for any state highway projects. During the fiscal year ended June 30, 2012 the Authority did allocate funds to the state highway reserve fund in the amount of \$628,287.

Transit service projects reserve

The Authority allocates 2% of the tax revenues for transit service project purposes within Imperial County. During the fiscal year ended June 30, 2012 the Authority did allocate funds to the transit service projects reserve fund in the amount of \$251,315.

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

Note 11. COMPLIANCE WITH THE REQUIREMENT OF IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY RETAIL TRANSACTIONS AND USE TAX ORDINANCE AND TRANSPORTATION AUTHORITY EXPENDITURE PLAN (Continued)

Establishment of separate accounts

The Authority is required to record the LTA activity in a separate Local Transportation Authority fund. Interest earned on funds allocated pursuant to the LTA ordinance is to be allocated to all members of the Authority. See member agencies compliance reports.

Program of projects

The members of the Authority are required to develop or update a "Five-Year Program of Projects" by April 30th of each year to be performed with the use of the LTA funds. All member agencies are in compliance.

Private sector funding

Revenues provided for this measure shall not be used to replace private developer funding which has been or will be committed for any project. All member agencies are in compliance.

Note 12. COMPLIANCE WITH THE BY-LAWS OF THE IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

The members of the Authority are required to comply with the By-Laws of the Imperial County Local Transportation Authority. The By-Laws address the following issues:

- A) Functions; members; management; and administration
- B) Officers
- C) Reports and funds
- D) Amendments to By-Laws

Note 13. CONTINGENCY

The California Supreme Court, in a decision dated September 28, 1995, overturned City of Woodlake v. Logan and several other cases which had determined that Proposition 62, passed in a statewide election in November 1986, was unconstitutional. Proposition 62 requires two-thirds voter approval for new or increased taxes levied by local governments. After Proposition 62 was declared unconstitutional, the Imperial County Local Transportation Authority was created to implement the retail and use tax ordinance as adopted by 65.5% of the electorate on November 7, 1989. The court decision in its present form does not discuss any retroactivity; and therefore, the effect on the Authority cannot be determined at this time.

Note 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 5, 2013, the report date, and has determined that there are no reportable events.

See independent auditors' report

SUPPLEMENTARY INFORMATION

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULES OF SUPPLEMENTARY INFORMATION
June 30, 2012

	2012
Schedule I - Cash with Fiscal Agent	
2012 Bond proceeds - City of Brawley	
Road projects funding	\$ 7,723,672
20-year bond reserves	631,250
Principal bond repayment	66,250
Interest bond repayment	98,281
Cost of issuance reserve	<u>2,569</u>
City of Brawley - Total	<u>\$ 8,522,022</u>
2012 Bond proceeds - City of Calexico	
Road projects funding	\$ 14,071,627
20-year bond reserves	1,131,300
Principal bond repayment	123,750
Interest bond repayment	170,422
Cost of issuance reserve	<u>4,854</u>
City of Calexico - Total	<u>\$ 15,501,953</u>
2012 Bond proceeds - City of Calipatria	
Road projects funding	\$ 2,160,540
20-year bond reserves	179,575
Principal bond repayment	18,750
Interest bond repayment	27,468
Cost of issuance reserve	<u>726</u>
City of Calipatria - Total	<u>\$ 2,387,059</u>
2012 Bond proceeds - City of Imperial	
Road projects funding	\$ 5,838,253
20-year bond reserves	478,000
Principal bond repayment	50,000
Interest bond repayment	74,351
Cost of issuance reserve	<u>1,943</u>
City of Imperial - Total	<u>\$ 6,442,547</u>
2012 Bond proceeds - County of Imperial	
Road projects funding	\$ 20,000,000
20-year bond reserves	1,607,700
Principal bond repayment	177,500
Interest bond repayment	240,089
Cost of issuance reserve	<u>11,386</u>
County of Imperial - Total	<u>\$ 22,036,675</u>
Cash with fiscal agent - Grand Total	<u>\$ 54,890,256</u>

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULES OF SUPPLEMENTARY INFORMATION
June 30, 2012

	2012
Schedule II - Bond issuance costs	
2012 Bond - City of Brawley	\$ 156,052
2012 Bond - City of Calexico	285,345
2012 Bond - City of Calipatria	58,288
2012 Bond - City of Imperial	122,919
2012 Bond - County of Imperial	<u>403,354</u>
Bond issuance costs - Total	<u>\$ 1,025,958</u>
 Schedule III - Due From Other Governments	
Due from other governments - City of Brawley	
2012 Bond principal	\$ 8,088,750
2012 Bond premium	<u>356,856</u>
City of Brawley - Total	<u>\$ 8,445,606</u>
 Due from other governments - City of Calexico	
2012 Bond principal	\$ 15,286,250
2012 Bond premium	<u>84,811</u>
City of Calexico - Total	<u>\$ 15,371,061</u>
 Due from other governments - City of Calipatria	
2012 Bond principal	\$ 2,286,250
2012 Bond premium	<u>93,830</u>
City of Calipatria - Total	<u>\$ 2,380,080</u>
 Due from other governments - City of Imperial	
2012 Bond principal	\$ 6,120,000
2012 Bond premium	<u>269,880</u>
City of Imperial - Total	<u>\$ 6,389,880</u>
 Due from other governments - County of Imperial	
2012 Bond principal	\$ 21,757,500
2012 Bond premium	<u>90,073</u>
County of Imperial - Total	<u>\$ 21,847,573</u>
 Due from other governments - Grand Total	 <u>\$ 54,434,200</u>

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULES OF SUPPLEMENTARY INFORMATION
June 30, 2012**

	2012
Schedule IV - Net Assets- Restricted for Debt Service	
2012 Bond proceeds - City of Brawley	
Road projects funding	\$ 7,723,672
20-year Bond reserves	631,250
Bond issuance costs	156,052
Cost of issuance - reserve	<u>2,569</u>
City of Brawley - Total	<u>\$ 8,513,543</u>
2012 Bond proceeds - City of Calexico	
Road projects funding	\$ 14,071,627
20-year Bond reserves	1,131,300
Bond issuance costs	285,345
Cost of issuance - reserve	<u>4,854</u>
City of Brawley - Total	<u>\$ 15,493,126</u>
2012 Bond proceeds - City of Calipatria	
Road projects funding	\$ 2,160,540
20-year Bond reserves	179,575
Bond issuance costs	58,288
Cost of issuance - reserve	<u>726</u>
City of Brawley - Total	<u>\$ 2,399,129</u>
2012 Bond proceeds - City of Imperial	
Road projects funding	\$ 5,838,253
20-year Bond reserves	478,000
Bond issuance costs	122,919
Cost of issuance - reserve	<u>1,943</u>
City of Brawley - Total	<u>\$ 6,441,115</u>
2012 Bond proceeds - County of Imperial	
Road projects funding	\$ 20,000,000
20-year Bond reserves	1,607,700
Bond issuance costs	403,354
Cost of issuance - reserve	<u>11,386</u>
City of Brawley - Total	<u>\$ 22,022,440</u>
Restricted Net Assets- Debt Service - Grand Total	<u>\$ 54,869,353</u>

See independent auditors' report

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULES OF SUPPLEMENTARY INFORMATION
June 30, 2012

	2012
Schedule V - Bond Payable	
2012 Bond - City of Brawley	\$ 8,155,000
2012 Bond - City of Calexico	15,410,000
2012 Bond - City of Calipatria	2,305,000
2012 Bond - City of Imperial	6,170,000
2012 Bond - County of Imperial	<u>21,935,000</u>
Bond payable - Total	<u>\$ 53,975,000</u>

Schedule VI - Premium on Bond Payable	
2012 Bond - City of Brawley	\$ 356,856
2012 Bond - City of Calexico	84,811
2012 Bond - City of Calipatria	93,830
2012 Bond - City of Imperial	269,880
2012 Bond - County of Imperial	<u>90,073</u>
Premium on bond payable - Total	<u>\$ 895,450</u>

Schedule VII - Interest Payable	
2012 Bond - City of Brawley	\$ 98,281
2012 Bond - City of Calexico	170,422
2012 Bond - City of Calipatria	27,468
2012 Bond - City of Imperial	74,351
2012 Bond - County of Imperial	<u>240,089</u>
Interest payable - Total	<u>\$ 610,611</u>

Schedule VIII - LTA Administration Expenses	
Professional and special services	\$ 22,068
Memberships	6,100
Office expense	<u>1,315</u>
Administration expenses - Total	<u>\$ 29,483</u>

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULES OF SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2012**

2012

Schedule IX - Transit Service Project Expenses

City of Brawley - Dial-a-Ride transit services	\$ 30,000
City of Calexico - Dial-a-Ride transit services	30,000
City of El Centro - Dial-a-Ride transit services	30,000
City of Imperial - Dial-a-Ride transit services	30,000
ICTC - Dial-a-Ride transit services	<u>30,000</u>
 Transit service project expenses - Total	 <u>\$ 150,000</u>

Schedule X - Annual Allocations to Local Members

City of Brawley	\$ 1,299,710
City of Calexico	1,850,599
City of Calipatria	322,256
City of El Centro	2,329,229
City of Holtville	491,740
City of Imperial	827,479
City of Westmorland	297,486
County of Imperial	<u>3,095,128</u>
 Annual Allocations to local members - Total	 <u>\$ 10,513,627</u>

Schedule XI - Bond principal payments

2012 Bond -City of Brawley	\$ 66,250
2012 Bond -City of Calexico	123,750
2012 Bond -City of Calipatria	18,750
2012 Bond -City of Imperial	50,000
2012 Bond -County of Imperial	<u>177,500</u>
 Bond principal payments - Total	 <u>\$ 436,250</u>

Schedule XII - Bond interest expense

2012 Bond -City of Brawley	\$ 98,281
2012 Bond -City of Calexico	170,422
2012 Bond -City of Calipatria	27,468
2012 Bond -City of Imperial	74,351
2012 Bond -County of Imperial	<u>240,089</u>
 Bond interest expense - Total	 <u>\$ 610,611</u>

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
10th Street	B Street	River Drive	Resurface
11th Street	Malan Street	Leonard	Resurface
13th Street	C Street	D Street	Resurface
14th Street	Malan Street	K Street	Resurface
14th Street	C Street	D Street	Resurface
1st Street	A Street	N. End	Resurface
2nd Street	Malan Street	G Street	Resurface
3rd Street	A Street	End	Resurface
3rd Street	Malan Street	End	Resurface
3rd Street	K Street	G Street	Resurface
5th Street	A Street	End	Resurface
5th Street	South Plaza	Malan Street	Resurface
5th Street	North Plaza	C Street	Resurface
8th Street	Main Street	K Street	Resurface
9th Street	Malan Street	B Street	Resurface
A Street	Magnolia	Western Ave.	Resurface
A Street	Eastern Ave.	Best Road	Resurface
Adams	Malan Street	Leonard	Resurface
Adler Street	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler Street	7th Street	8th Street	Resurface
Adler Street	5th Street	West End	Resurface
Allen Street	Marilyn Ave.	Rio Vista Ave.	Resurface
B Street	First Street	Imperial Ave.	Resurface
B Street	8th Street	Palm Ave.	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Best Road	Highway 111	Northern City Limits	Resurface
C Street	First Street	10th Street	Resurface
C Street	13th Street	Best Road	Resurface
D Street	Imperial Ave.	8th Street	Resurface
D Street	Pinner Drive	Rio Vista Ave.	Resurface
De Anza Place	Cattle Call Dr.	Allen St.	Resurface
Dogwood Road	Malan Street	S. City Limits	Resurface
Driftwood Place	Rio Vista Ave.	B Street	Resurface
E Street	Palm Ave.	Eastern Ave.	Resurface
E Street	5th Street	8th Street	Resurface
E Street	Pinner Drive	Las Flores Drive	Resurface
Eastern Ave.	Jones Street	End	Resurface
El Cerrito Drive	B Street	River Drive	Resurface
El Cerrito Drive	Cattle Call Drive	Main Street	Resurface
Ell Street	Dogwood Road	3rd Street	Resurface
G Street	5th Street	Palm Ave.	Resurface
G Street	1st Street	Plaza	Resurface
G Street	Rio Vista Ave.	West End	Resurface
Garrett Street	K Street	South End	Resurface
Gilmour Street	K Street	Malan Street	Resurface
H Street	9th Street	Eastern Ave.	Resurface
H Street	El Cerrito Drive	West End	Resurface
I Street	1st Street	Palm Ave.	Resurface
I Street	Eastern Ave.	Best Road	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Imperial Ave.	Malan Street	A Street	Resurface
Ivy Street	9th Street	End	Resurface
J Street	9th Street	Palm Ave.	Resurface
J Street	Terrace Circle	Imperial Ave.	Resurface
K Street	Marilyn Ave.	East End	Resurface
K Street	Highway 86	9th Street	Resurface
Las Flores Drive	H Street	D Street	Resurface
Legion Road	Highway 86	Evelyn	Resurface
Magnolia Street	Rio Vista Ave.	El Cerrito Drive	Resurface
Magnolia Street	Eastern Ave.	13th Street	Resurface
Magnolia Street	10th Street	Palm Ave.	Resurface
Magnolia Street	7th Street	8th Street	Resurface
Magnolia Street	5th Street	West End	Resurface
Marjorie Ave.	H Street	Main Street	Resurface
Martin Place	9th Street	East End	Resurface
Marilyn Ave.	Cattle Call Drive	K Street	Resurface
Pinner Drive	Las Flores Drive	D Street	Resurface
Plaza Ave.	North Imperial Ave.	South Imperial Ave.	Resurface
Rio Vista Ave.	Main Street	C Street	Resurface
Rio Vista Ave.	Magnolia Street	River Drive	Resurface
River Drive	10th Street	Eastern Ave.	Resurface
Russell Road	K Street	South End	Resurface
Shank Road	Highway 111	Best Road	Resurface
Stanley Place	Malan Street	K Street	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Sycamore Drive	J Street	H Street	Resurface
Sycamore Drive	Cattle Call Drive	Allen Street	Resurface
Terrace Circle	J Street	H Street	Resurface
Vine Street	Malan Street	K Street	Resurface
Willard Ave.	Cattle Call Drive	H Street	Resurface
Wilson Road	I Street	End	Resurface
Malan Street	Highway 86	Best Road	Resurface
Cattle Call Drive	Highway 86	Area Cattle Call Park	Resurface
Julia Drive	Highway 86	Rodeo Drive	Resurface
Terrace Drive	Terrace Circle	West H Street	Resurface
Driftwood Place	N. Western Ave.	Boswell Court	Resurface
Boswell Court	Driftwood Place	West C Street	Resurface
Sunset Drive	A Street	River Drive	Resurface
First Street	A Street	River Drive	Resurface
Second Street	A Street	Magnolia Street	Resurface
N. Adams Street	Magnolia Street	River Drive	Resurface
Cortez Court	Magnolia Street	End of Court	Resurface
11th Street	C Street	B Street	Resurface
Welcome Street	11th Street	Palm Ave.	Resurface
Peach Street	11th Street	Palm Ave.	Resurface
N. Ulloa Ave.	D Street	B Street	Resurface
Welcome Street	N. Eastern Ave.	End	Resurface
Palm Drive	H Street	I Street	Resurface
Norman Road	Highway 78	End	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Ivy Street	S. Palm Ave.	13th Street	Resurface
Martin Street	S. Palm Ave.	13th Street	Resurface
Leonard Street	11th Street	S. Palm Ave.	Resurface
S. 13th Street	Malan Street	K Street	Resurface
17th Street	Malan Street	K Street	Resurface
18th Street	Malan Street	K Street	Resurface
Magnolia Street	16th Street	East End	Resurface
16th Street	Magnolia Street	River Drive	Resurface
Jones Street	N. Eastern Ave.	East End	Resurface
A Street	8th Street	Railroad Tracks	Resurface
D Street	10th Street	Palm Ave.	Resurface
B Street	Palm Ave.	Eastern Ave.	Resurface
D Street	Palm Ave.	Eastern Ave.	Resurface
K Street	Highway 86	Rio Vista Ave.	Resurface
Cattle Call Drive	Highway 86	Willard Ave.	Resurface
Various Locations			Sidewalks, curbs, gutters and maintenance
Various Intersections			Sight Distance improvements
West Plaza/Main Street			Signalization
East Plaza/Main Street			Signalization
B Street/Highway 111			Signalization
Western Avenue/Main Street			Signalization
H Street	S. Imperial Ave.	8th Street	Resurface
I Street	S. Palm Ave.	S. Eastern Ave .	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF BRAWLEY**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Palm Ave.	Highway 78	River Drive	Resurface
River Drive	N. Eastern Ave.	Best Road	Resurface
3rd Street	K Street	Malan Street	Resurface
6th Street	H Street	D Street	Resurface
7th Street	E Street	End	Resurface
11th Street	Magnolia Street	River Drive	Resurface
Adams Street	B Street	Magnolia Street	Resurface
Bina Street	Magnolia Street	River Drive	Resurface
E Street	1st Street	Plaza Drive	Resurface
E Street	Rio Vista Avenue	1st Street	Resurface
Eastern Avenue	Main Street	Malan Street	Resurface
H Street	1st Street	3rd Street	Resurface
H Street	Rio Vista Avenue	End	Resurface
I Street	1st Street	El Cerrito Drive	Resurface
K Street	Marilyn Avenue	Rio Vista Avenue	Resurface
River Drive	Rio Vista Avenue	El Cerrito Drive	Resurface
13th Street	Malan Street	K Street	Resurface
Willard Avenue	Cattle Call Drive	Julia Drive	Resurface

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kloke Avenue Bridge	All American Canal	All American Canal	Bridge
Highway 111	International Border	Cole Road	Corridor Traffic Study
Emerson Ave Phase II	Second Street	Highway 98	Reconstruction
Cole Road	Kloke Avenue	½ E/O Meadows Rd	Reconstruction
Highway 111			Various Improvements
Second Street	Calexico Int'l Airport	Cesar Chavez Blvd	Bridge & Reconstruction
Highway 98	West City Limits	East City Limits	Widening
California Court	Camacho Road	North/End	New Construction
Weakly Road	Estrada Blvd	Scaroni Road	New Construction
Various Locations			Surface Treatment
Various Locations			Payment Repair
Various Locations			Safety Improvements & Traffic Studies
Various Locations			Curb/Gutter, Sidewalks, Wheelchair ramps
Sunset	Robinson	Central Main Canal	New Construction
Cole Road	Fiesta Ave		Signalization
Cole Road	Highway 98		Signalization
Cole Road	Bowker Road		Bridges
Meadows Road	Cole Road	Jasper Road	Bridge/New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Const.
Imperial Ave East	Central Main Canal	Jasper Road	Reconstruction
Imperial Ave West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	New Construction

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
VV Williams Ave	Sam Ellis St	Cole Road	Reconstruction
De las Flores St	Eady Ave	Kloke Ave	New Construction
Sixth St	Emerson Ave	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction/Widening
Fourth St	Blair Avenue	Encinas Avenue	Reconstruction/Widening
Sixth St	Imperial Avenue	Heber Avenue	Reconstruction/Widening
Seventh St	Imperial Avenue	Blair Avenue	Reconstruction
Sherman St	Rockwood Ave	Blair Avenue	Reconstruction
Eighth Street	Imperial Avenue	Rockwood Ave	Reconstruction/Widening
Temple Court	Imperial Avenue	Rockwood Ave	Reconstruction/Widening
Rosemont St	Rockwood Ave	Blair Avenue	Reconstruction
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction/Widening
Ethel St	Heber Avenue	Blair Avenue	Reconstruction
Maiden Lane	Imperial Ave	Paulin Ave	Reconstruction/Widening
Tenth St	Imperial Ave	Rockwood Ave	Reconstruction/Widening
Pauline Avenue	Fifth Street	Highway 98	Reconstruction
Second Street	Calexico Int'l Airport	West City Limits & All American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Reconstruction Phase 1
Beach Street	Fifth St	Second Street	Reconstruction Phase II
Encanto Drive	Elmer Belcher St	Eight Street	Reconstruction
Encanto Drive	Eight Street	Eight Street	Reconstruction
Encanto Terrace	Elmer Belcher St	Eight Street	Reconstruction

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Dool Avenue	Elmer Belcher St	Fifth Street	Reconstruction Phase 1
Dool Avenue	Fifth Street	Second Street	Reconstruction Phase II
Fifth Street	Heber Avenue	Andrade Ave	Reconstruction Phase 1
Fifth Street	Heber Avenue	Imperial Ave.	Reconstruction Phase II
Sixth Street	Encinas Avenue	Andrade Avenue	Reconstruction
Seventh Street	Blair Avenue	Andrade Avenue	Reconstruction
Eight Street	Dool Avenue	Andrade Avenue	Reconstruction
Zapata Street	Granero Avenue	Meadows Road	Reconstruction
Meadows Road	Highway 98	All American Canal	Reconstruction
Rosas Street	East Cul-d-sac	Meadows Road	Reconstruction
Iris Avenue	Camila Street	Rosas Street	Reconstruction
Iris Avenue	Holdridge St	Saphire Street	Reconstruction
Holdridge Street	Meadows Road	E Hashem Ave	Reconstruction
Holdridge Street	E. Hashem Ave	Cul-d-sac East	Reconstruction
Holdridge Street	De Leon Avenue	Meadows Road	Reconstruction
Camilia Street	Meadows Road	Cul-d-sac East	Reconstruction
E. Hashem Avenue	100' North of Holdridge	Cul-d-sac South	Reconstruction
Margarita Street	E. Hashem Avenue	Cul-d-sac West	Reconstruction
Margarita Street	E. Hashem Avenue	Cul-d-sac East	Reconstruction
Jasmine Street	E. Hashem Avenue	Cul-d-sac West	Reconstruction
Jasmine Street	E. Hashem Avenue	Cul-d-sac East	Reconstruction
Obeliscos Street	Iris Avenue	Cul-d-sac West	Reconstruction
Obeliscos Street	Iris Avenue	Cul-d-sac- East	Reconstruction

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kloke Road	Grant Street	Highway 98	Reconstruction
Paulin Avenue	Second Street	Fifth Avenue	Reconstruction
Emerson Avenue	Third Street	Highway 98	Reconstruction
Encinas Avenue	Second Street	Highway 98	Reconstruction
Belcher Street	Encinas Avenue	Andrade Ave	Reconstruction
Seventh St	Andrade Avenue	Paseo de su Alteza	Reconstruction
Paseo de su Alteza	Los Reyes	Seventh Street	Reconstruction
Paseo de su Alteza	Seventh Street	Fifth Street	Reconstruction
Paseo de su Alteza	Fifth Street	Camino del Rio	Reconstruction
Rancho Elegante	Paseo de su Alteza	Andrade Avenue	Reconstruction
Arroyo	Rancho Elegante	Second Street	Reconstruction
Camino Del Rio	Andrade Avenue	Paseo de su Alteza	Reconstruction
Milpitas	Paseo de su Alteza	Cul-d-sac West	Reconstruction
Rio Hondo	Milpitas	Camino del Rio	Reconstruction
Fifth Street	Paseo de su Alteza	Andrade Avenue	Reconstruction
Paseo Emperador	Seventh Street	Paseo de su Alteza	Reconstruction
Santiago Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Colorado Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Plata Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Brave Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
De Leon Avenue	Harrington Street	Cul-d-sac South	Reconstruction
Fiesta Avenue	Harrington Street	Holdridge Street	Reconstruction
Holdridge Street	Rancho Frontera	De Leon Avenue	Reconstruction
Rancho Frontera	Harrington Street	Highway 98	Reconstruction

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALIPATRIA**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Alamo	International	East	Maintenance
Alexandria	International	Brown	Maintenance
Barbara	International	Commercial	Maintenance
Bonita	International	East	Maintenance
Bonita P1	Brown	East	Maintenance
Brown	California	Freeman	Maintenance
Brown	SR115	Bowles	Maintenance
California	International	Railroad	Maintenance
California	Industrial	Commercial	Maintenance
Centro	SR115	Alamo	Rehabilitate
Centro	SR115	Alexandria	Rehabilitate
Church	International	Railroad	Maintenance
Church	Brown	East	Rehabilitate
Commercial	California	Freeman	Rehabilitate
Commercial	SR115	Church	Maintenance
Date	West terminus	Railroad	Maintenance
Delta	International	Lake	Rehabilitate
Delta	Lake	Railroad	Maintenance
Delta	Industrial	Commercial	Rehabilitate
East	Bonita PI	Bowles	Rehabilitate
East	SR115	Bonita PI	Maintenance
East	SR115	Young	Maintenance
Fern	International	SR115	Rehabilitate
Freeman	Brown	East	Rehabilitate

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALIPATRIA**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Imperial	SR115	Delta	Rehabilitate
Imperial	SR115	Date	Rehabilitate
Industrial	Alexandria	Young	Rehabilitate
Industrial	SR115	Church	Maintenance
International	Main	Delta	Rehabilitate
International	Main	Bowles	Maintenance
Lake	C Lateral	Fern	Rehabilitate
Lake	Fern	Delta	Maintenance
Mesa Verde	Ironwood	Terminus	Rehabilitate
Park	Fern	Delta	Maintenance
Railroad	SR115	Young	Maintenance
Railroad	SR115	Date	Rehabilitate
Laurel Lane	Fan Palm		Rehabilitate

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF EL CENTRO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Various Streets/Overlay			Street repair, overlay and striping
Street Slurry Seal			Street slurry seal and striping
North Date Canal Under-grounding			Under-grounding of the canal along Villa Ave, between 17th and 8th St. City will pay 25% IID will pay 75%.
La Brucherie Widening			Right-of-way acquisition, widening and Shoulder improvements from Adams to Orange
Bike Path			80 ADA Ramps, striping and signage for bike routes.
Dogwood Road Widening			Widen Dogwood RD (I-8 to southern City limits) and rehabilitation of Danenberg from Dogwood to 4th St.
Dogwood Phase 1- Local Match- RSTP			Removal and reconstruction of two Lane Dogwood Ave between I-8 and State street (1.2 miles)
Dogwood Phase 2- Local Match- RSTP			Removal and reconstruction of existing Four-lane Dogwood Rd (0.2 miles) Between Commercial and State street.
Imperial Avenue Phase 3 – Local			Rehabilitation and overlay of Imperial Avenue from Orange to Adams (.5mi)
Orange Avenue Reconstruction- Local Match- RSTP			Overlay Orange Ave. two lanes, between Waterman and Labrucherie and install curb and gutter on south side of Orange, parking and drainage.
8th & I-8 Bridge Widening			Widen 8th Street to four lanes between Aurora and Wake. This will require the Bridge to be widened by approximately 33', Because this bridge adjoins another bridge built in 1996 that strictly serves pedestrian traffic on the west side, the widening of the vehicular bridge and approach roadway is limited to the east side.

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF EL CENTRO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Interim Dogwood Bridge Improvements			Widen west bound and east bound off-ramps at Dogwood Ave. on I-8 and all approaches of Dogwood Av. This also includes the design and installation of new traffic signals at the same on and off-ramp locations
Imperial Avenue Extension (I-8 South to Mc Cabe)			Median and south bound lane along west side for future extension of Imperial Ave. (south)
Bradshaw			Connect Bradshaw through to 8th St. two lanes.
Cruickshank			Connect Cruickshank through to 8th St. two lanes.
Wake Ave. SR86 NW Corner Radius West bound signal light Modification			Relocate NW signal light and install new curb return to allow trucks to adequately turn.

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF HOLTVILLE**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eight Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S. of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF HOLTVILLE**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S. of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue Of Fifth Street	Maintenance & Restorative Seal
Tenth Street	Orange Avenue	Figueroa Avenue	Maintenance & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue – East of Chestnut Avenue			Maintenance & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF HOLTVILLE**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	200' S. of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Various Streets	Various Limits		Const/Rehab/Maintenance
Neckel	Hwy 86	Railroad	Rehab/Repair/ Maint.
Ralph	Hwy 86	Railroad	Rehab/Repair/Maint
Neckel/Hwy 86	Intersection		Improve & Signalize
Ralph/Hwy 86	Intersection		Improve & Signalize
Treshill/Hwy 86	Intersection		Construct & Signalize
1st St	N St.	P St.	Construct
1st St	D St	Imperial Ave	Repair/Maintenance
2nd St	K St	P St	Const/Repair/Maint
3rd St	C St	F St	Repair/Maintenance
3rd St	G St	K St	Repair/Maintenance
3rd St	N St	P St	Construct
4th St	C St	F St	Repair/Maintenance
4th St	N St	P St	Construct
5th St	E St	Imperial Ave	Repair/Maintenance
5th St	Hwy 86	K St	Repair/Maintenance
5th St	N St	P St	Construct
6th St	Hwy 86	K St	Repair/Maintenance
6th St	D St	H St	Rehab/Repair/Maint
7th St	D St	F St	Repair/Maintenance
7th St	H St	Imperial Ave	Repair/Maintenance
Barioni Blvd	B St	P St	Repair/Maintenance
9th St	F St	G St	Repair/Maintenance
9th St	J St	K St	Repair/Maintenance

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
9th St	N St	P St	Construct
10th St	F St	Imperial Ave	Repair/Maintenance
10th St	N St	P St	Construct
11th St	D St	Imperial Ave	Construct/Repair/Maint
11th St	N St	P St	Construct
12th St	J St	K St	Const/Repair/Maint
12th St	N St	P St	Construct
14th St	B St	D St	Repair/Const/Maint
14th St	F St	Hwy 86	Rehab/Repair/Maint
15th St	Hwy 86	M St	Repair/Maintenance
15th St	La Brucherie	D St	Construct
C St	3rd St	4th St	Repair/Maintenance
C St	12 St	14th St	Repair/Maintenance
D St	1st St	3rd St	Repair/Maintenance
D St	4th St	5th St	Repair/Maintenance
D St	11th St	12th St	Repair/Maintenance
E St	1st St	3rd St	Repair/Maintenance
E St	10th St	12th St	Repair/Maintenance
F St	1st St	14th St	Repair/Maintenance
F St	6th St	13th St	Repair/Maintenance
G St	2nd St	10th St	Rehab/Repair/Maint
G St	13th St	14th St	Rehab/Repair/Maint
H St	1st St	Barioni Blvd	Rehab/Repair/Maint
H St	10th St	11th St	Rehab/Repair/Maint

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Imperial Ave	Hwy 86	2nd St	Repair/Maintenance
Imperial Ave	12th St	15th St	Repair/Maintenance
J St	Barioni Blvd	12th St	Repair/Maintenance
K St	2nd St	10th St	Repair/Maintenance
L St	2nd St	Barioni Blvd	Rehab/Repair/Maint
M St	Barioni Blvd	15th St	Construct
N St	1st St	Barioni Blvd	Rehab/Repair/Maint
O St	Barioni Blvd	13th St	Const/Repair/Maint
P St	Barioni Blvd	Neckel Rd	Construct
Aten Blvd	Dogwood Rd	Austin Rd	Rehab/Repair/Maint
La Brucherie	Aten Blvd	Intersection	Const/Rehab/Maint/Sign
Preble Ave	Aten Rd	Treshill Rd	Rehab/Repair/ Maint
Treshill Blvd	Hwy 86	La Brucherie	Construct
Clark & Aten Rd	Intersection		Const/Rehab/Signal
Wall St	Hwy 86	La Brucherie	Const/Rehab
Myrtle Ave	Aten Blvd	Treshill St	Rehab/Repair/Maint
Bougainvillea Tr	Aten Blvd	Joshua Tree	Repair/Maintenance
Brushwood	Desert Willow	Joshua Tree	Repair/Maintenance
Morning Glory	Aten Blvd	Joshua Tree	Repair/Maintenance
Smokewood	Desert Willow	Joshua Tree	Repair/Maintenance
Joshua Tree	Desert Willow	Bougainvillea	Repair/Maintenance
Desert Willow	Brushwood	Smokewood	Repair/Maintenance
Baywood	Brushwood	Smokewood	Repair/Maintenance
Sequoia	Brushwood	Smokewood	Repair/Maintenance

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Juniper	Brushwood	Smokewood	Repair/Maintenance
Cañon	Rodeo Dr	Neckel Ave	Repair/Maintenance
Lariat Ln	Rodeo Dr	Sage Ct	Repair/Maintenance
Winchester Ln	Rodeo Dr	Sage Ct	Repair/Maintenance
Sage Court	Lariat Ln	Winchester	Repair/Maintenance
Mustang Ln	Cañon Dr	End of Lane	Repair/Maintenance
Conestoga Ln	Cañon Dr	End of Lane	Repair/Maintenance
Roadrunner	Cañon Dr.	End of Lane	Repair/Maintenance

See independent auditors' report

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF WESTMORLAND**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Center Street	Highway 86	Baughman Road	Reconstruct
Center Street	Highway 86	Eighth Street	Reconstruct
First Street	Center Street	F Street	Repair/Maintenance
First Street	Center Street	C Street	Repair/ Construct
First Street	H Street	G Street	Repair/Maintenance
Second Street	G Street	Center Street	Repair/Reconstruct
Third Street	F Street	Center Street	Repair/Maintenance
Fifth Street	G Street	C Street	Repair/Construct
Fifth Street	H Street	West end of Street	Repair/Maintenance
Sixth Street	F Street	Center Street	Reconstruct
Sixth Street	H Street	West end of Street	Repair/Maintenance
Seventh Street	J Street	Center Street	Reconstruct
Seventh Street	D Street	B Street	Reconstruct
Eighth Street	J Street	H Street	Construct
Eighth Street	Center Street	150' E. of D Street	Repair/Maintenance
B Street	Highway 86	Seventh Street	Reconstruct
C Street	Highway 86	Seventh Street	Repair/Maintenance
D Street	Seventh Street	Eighth Street	Repair/Maintenance
F Street	Third Street	7th Street	Reconstruct
G Street	Highway 86	Third Street	Repair
G Street	Sixth Street	Seventh Street	Repair/Construct
H Street	First Street	Highway 86	Repair/Construct
H Street	Seventh Street	Eighth Street	Construct
J Street	Seventh Street	Eighth Street	Repair/Maintenance

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF WESTMORLAND**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Jauregui Street	G Street	End of Cul-de-sac	Repair/Maintenance
Sundance	J Street	End of Cul-de-sac	Repair/Maintenance
Various Streets	Various Locations		Reconstruction/Repair

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Various Roads in Bombay Beach			Overlay
Various Roads in Desert Shores			Overlay
Various Roads in Heber			Overlay
Various Roads in Niland			Overlay
Various Roads in Ocotillo			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea Beach			Overlay
Various Roads in Seeley			Overlay
Various Roads in Winterhaven			Overlay
Diehl Road (13)	Drew Road (WR)	West 2 miles	Overlay
Wixom Road (12)	Drew Road (WR)	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Reconstruct
Araz (A2N07)	I-8	Winterhaven Dr. (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Austin Road (WG)	Evans Road (53)	Aten Road (24)	Overlay
Barbara Worth Road (EL)	Anza Road (2)	Jasper Road (8)	Overlay
Barbara Worth Road (EL)	I-8	McCabe Road (14)	Overlay
Baughman Road	Forrester Rd	Highway 86	Reconstruct
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Rd. (EE)	McDonald Rd. (76)	Pon Rd. (78)	Overlay
Boarts Road (53)	Highway 86	Kalin Road (WE)	Overlay
Bonds Corner Rd (EW)	Hwy 98	I-8	Overlay

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Bowker Road (EH)	Cole Road (6)	Jasper Road	Overlay
Bowker Road (EH)	Highway 98	Anza Road (2)	Overlay
Boyd Rd (34)	Poore Rd (EY)	Highline Rd. (EZ)	Overlay/Widen
Brockman Road (WL)	Abatti Road (12)	McCabe Road (14)	Reconstruct
Brockman Road (WH)	Hwy 98	McCabe Road (14)	Overlay/Widen
Casey Rd. (EM)	Boyd Rd. (34)	Keystone Rd. (36)	Overlay
Chick Road (16)	Highway 111	1 ½ miles West	Overlay/Widen
Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
Clark Road (WC)	El Centro City Limits	Aten Road (24)	Maintenance
Cole Road	Railroad Tracks	Kloke Road	Reconstruct
Correll/Dogwood			Signals
Cross Road	El Centro City Limits	Imperial City Limits	Maintenance
Drew Rd. (WR)	I-8	Evan Hewes Rd. (2A23)	Overlay
Drew Rd. (WR)	I-8	Lions Rd. (9)	Overlay
Drew Rd. (WR)	Lions Rd. (9)	Kubler Rd. (6)	Overlay
Drew Rd. (WR)	Kubler Rd. (9)	Hwy 98	Overlay
Dogwood Road (00)	State Highway 86		Signals/ Rechannalization
Dogwood Road (00)	Heber (SR86)	½ Mile South of Chick Rd	Overlay/ Widen/Signals
Eddins Road (65)	English Road (WA)	Brandt Road (EC)	Reconstruct
Eddins Road (65)	English Road (WA)	Calipatria City Limits	Overlay
Eddins Road (65)	Lyerly Road (EA)	English Road (WA)	Overlay
English Road (WA)	Montgomery Road (GE)	Sinclair Road (72)	Overlay
Evan Hewes (2A23)	Hwy 115	Hwy 111	Overlay

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Evan Hewes (2A23)	Austin Rd. (WG)	Forrester Rd. (WJ)	Overlay
Evan Hewes (2A23)	Drew Rd. (WR)	Westmoreland Rd. (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes (2A23)	Westmorland Rd (WX)	Bennett Rd. (WP)	Overlay
Evan Hewes (2A23)	Hwy 115	Gordons Well Rd.	Overlay
Forrester Road (WJ)	I-8	Evan Hewes (2A23)	Overlay
Forrester Rd. (WJ)	Bannister Rd. (55)	Walker Rd. (58)	Overlay
Forrester Rd.	Evan Hewes Hwy		Traffic Signals
Gentry Rd. (WI)	Walker Rd. (58)	New River	Overlay
Harris Road (32)	Hwy 111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Rd. (32)	Holt Rd. (ER)	Hwy 115	Overlay/Widen
Hartshorn Rd. (29)	Webb Rd. (EX)	Highline Rd. (EZ)	Overlay
Hoskins Road (WO)	Andre Rd.	Westside Main Canal	Overlay/reconstruct
Hovley Rd. (WA)	Baughman Rd. (52)	Rutherford Rd. (54)	
Johnson Lane (WI)	Evan Hewes (2A23)	End	Construction
Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road (WE)	Baughman Road (52)	2.8 miles North	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Rd. (WC)	Webster Rd.	Baughman Rd. (52)	Overlay/reconstruct
Kershaw Rd. (EC)	Titsworth Rd. (58)	Rutherford Rd. (54)	Overlay
Keystone Road (36)	Highway 86	Dogwood Road (00)	Overlay
Keystone Road (36)	Highway 86	Austin Rd. (WG)	Overlay
Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kubler Rd. (6)	Brockman Rd. (WL)	Rockwood Rd. (WJ)	Reconstruct
McCabe Road (14)	Pitzer	Dogwood Road	Overlay/ Reconstruct/Widen
McConnell Road (EF)	Keystone Road (36)	Schartz Road (40)	Overlay
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Rd. (16)	Humberg Rd. (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	La Brucherie Road (WE) West End		Overlay
Neighbors Blvd.	County Line	Bridge	Overlay
Nina Rd. (HE)	Hwy 86	.02 mile North	Rehabilitate
Ogilby Road (3M01)	Railroad	Highway 78	Overlay
Pitzer Rd. (EB)	McCabe Road (14)	Correll Road (12)	Reconstruct
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Ruegger Road (61)	Reeves Road (WA)	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Mile East	Overlay
Rutherford Road (54)	Highway 115	Hastain Road (EO)	Overlay
Rutherford Road (54)	Highway 111	Best Road (EC)	Overlay
Schartz Road (40)	Dogwood Road	Highway 111	Overlay/ Reconstruct
Seybert Rd (EI)	Hwy 78	Sillman Rd. (45)	Overlay
Silsbee Rd. (WM)	Aten Rd. (24)	Hackelman Rd. (22)	Reconstruct
Silsbee Rd. (WM)	Hackelman Rd. (22)	Evan Hewes Rd (2A23)	Overlay
Slaton Road (ES)	9th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	Highway 115	Norris Road (25)	Overlay

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**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Spa Road (9D08)	Hot Mineral Spa (9G02)	Coachella Canal (7G03)	Overlay
Underwood Road (7g01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Road/Bridges			Maint. &/Or Misc
Various Road Locations			Misc. Sfty Project
Verde School Road (10)	Miller Road (EAA)	1.0Mile East	Overlay
Walker Road (58)	Brandt Road (WC)	Kalin Road (WG)	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby/Dogwood Roads			Signals
Willoughby Road (8)	Ware Road (EA)	Kloke Road (EB)	Reconstruct
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
Worthington Road (27)	New River	Forrester Road (WJ)	Overlay
Worthington Road (27)	Highway 111	McConnell Road (EF)	Overlay
Yocum Road (63)	Highway 111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	Highway 111	Overlay

See independent auditors' report

FINDINGS AND RECOMMENDATIONS

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority.

**CITY OF BRAWLEY
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Brawley, California

We have evaluated the City of Brawley's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Brawley was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Brawley has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$	1,432,788
Due from ICLTA		6,285
Interest receivable		1,227
Due from other governments - Bond		8,357,491
Issuance costs, net of amortization		<u>156,052</u>
Total assets	\$	<u>9,953,843</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	1,172
Bond payable		8,088,750
Premium on bond payable, net of amortization		<u>356,856</u>
Total liabilities		<u>8,446,778</u>

Fund balance

Unreserved-undesignated		<u>1,507,065</u>
Total fund balance		<u>1,507,065</u>
Total liabilities and fund balance	\$	<u>9,953,843</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	1,495,357
Interest		<u>3,475</u>
Total revenues		<u>1,498,832</u>

Expenses

Transportation		794,612
Bond interest		<u>96,594</u>
Total expenses		<u>891,206</u>

Increase (decrease) in fund balance		607,626
Fund balance, July 1		<u>899,439</u>
Fund balance, June 30	\$	<u>1,507,065</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ --	\$ 1,495,357	\$ 1,495,357
Interest	<u> --</u>	<u> 3,475</u>	<u> 3,475</u>
Total revenues	<u> --</u>	<u> 1,498,832</u>	<u> 1,498,832</u>
Expenses			
Transportation	--	794,612	(794,612)
Bond interest	<u> --</u>	<u> 96,594</u>	<u> (96,594)</u>
Total expenses	<u> --</u>	<u> 891,206</u>	<u> (891,206)</u>
Increase (decrease) in fund balance	--	607,626	607,626
Fund balance, July 1	<u> 899,439</u>	<u> 899,439</u>	<u> --</u>
Fund balance, June 30	<u> \$ 899,439</u>	<u> \$ 1,507,065</u>	<u> \$ 607,626</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated fund balances, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 2. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. The City of Brawley's portion of these costs was \$157,364. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a monthly rate of \$656.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was \$156,052.

Note 3. DUE FROM OTHER GOVERNMENTS - BOND

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments:

Road projects funding	\$ 7,723,672
Bond reserves	631,250
Cost of issuance reserve	<u>2,569</u>
Due from other governments, Total	<u>\$ 8,357,491</u>

Note 4. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The City of Brawley's portion of the bond was \$8,155,000. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$265,000 to \$600,000 with a final maturity on June 1, 2032.

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in bonds payable:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>8,155,000</u>	\$ <u>66,250</u>	\$ <u>8,088,750</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 198,750
2014	300,000
2015	305,000
2016	315,000
2017	325,000
2018 to 2022	1,785,000
2023 to 2027	2,135,000
2028 to 2032	<u>2,725,000</u>
Total	\$ <u>8,088,750</u>

Note 5. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. The City of Brawley's portion was \$359,854. This premium will be amortized throughout the twenty year term of the bond at a monthly rate of \$1,499.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was \$356,856.

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
10th Street	B Street	River Drive	Resurface
11th Street	Malan Street	Leonard	Resurface
13th Street	C Street	D Street	Resurface
14th Street	Malan Street	K Street	Resurface
14th Street	C Street	D Street	Resurface
1st Street	A Street	N. End	Resurface
2nd Street	Malan Street	G Street	Resurface
3rd Street	A Street	End	Resurface
3rd Street	Malan Street	End	Resurface
3rd Street	K Street	G Street	Resurface
5th Street	A Street	End	Resurface
5th Street	South Plaza	Malan Street	Resurface
5th Street	North Plaza	C Street	Resurface
8th Street	Main Street	K Street	Resurface
9th Street	Malan Street	B Street	Resurface
A Street	Magnolia	Western Ave.	Resurface
A Street	Eastern Ave.	Best Road	Resurface
Adams	Malan Street	Leonard	Resurface
Adler Street	Rio Vista Ave.	El Cerrito Dr.	Resurface
Adler Street	7th Street	8th Street	Resurface
Adler Street	5th Street	West End	Resurface
Allen Street	Marilyn Ave.	Rio Vista Ave.	Resurface
B Street	First Street	Imperial Ave.	Resurface
B Street	8th Street	Palm Ave.	Resurface

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Best Road	Highway 111	Northern City Limits	Resurface
C Street	First Street	10th Street	Resurface
C Street	13th Street	Best Road	Resurface
D Street	Imperial Ave.	8th Street	Resurface
D Street	Pinner Drive	Rio Vista Ave.	Resurface
De Anza Place	Cattle Call Dr.	Allen St.	Resurface
Dogwood Road	Malan Street	S. City Limits	Resurface
Driftwood Place	Rio Vista Ave.	B Street	Resurface
E Street	Palm Ave.	Eastern Ave.	Resurface
E Street	5th Street	8th Street	Resurface
E Street	Pinner Drive	Las Flores Drive	Resurface
Eastern Ave.	Jones Street	End	Resurface
El Cerrito Drive	B Street	River Drive	Resurface
El Cerrito Drive	Cattle Call Drive	Main Street	Resurface
Ell Street	Dogwood Road	3rd Street	Resurface
G Street	5th Street	Palm Ave.	Resurface
G Street	1st Street	Plaza	Resurface
G Street	Rio Vista Ave.	West End	Resurface
Garrett Street	K Street	South End	Resurface
Gilmour Street	K Street	Malan Street	Resurface
H Street	9th Street	Eastern Ave.	Resurface
H Street	El Cerrito Drive	West End	Resurface
I Street	1st Street	Palm Ave.	Resurface
I Street	Eastern Ave.	Best Road	Resurface

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Imperial Ave.	Malan Street	A Street	Resurface
Ivy Street	9th Street	End	Resurface
J Street	9th Street	Palm Ave.	Resurface
J Street	Terrace Circle	Imperial Ave.	Resurface
K Street	Marilyn Ave.	East End	Resurface
K Street	Highway 86	9th Street	Resurface
Las Flores Drive	H Street	D Street	Resurface
Legion Road	Highway 86	Evelyn	Resurface
Magnolia Street	Rio Vista Ave.	El Cerrito Drive	Resurface
Magnolia Street	Eastern Ave.	13th Street	Resurface
Magnolia Street	10th Street	Palm Ave.	Resurface
Magnolia Street	7th Street	8th Street	Resurface
Magnolia Street	5th Street	West End	Resurface
Marjorie Ave.	H Street	Main Street	Resurface
Martin Place	9th Street	East End	Resurface
Marilyn Ave.	Cattle Call Drive	K Street	Resurface
Pinner Drive	Las Flores Drive	D Street	Resurface
Plaza Ave.	North Imperial Ave.	South Imperial Ave.	Resurface
Rio Vista Ave.	Main Street	C Street	Resurface
Rio Vista Ave.	Magnolia Street	River Drive	Resurface
River Drive	10th Street	Eastern Ave.	Resurface
Russell Road	K Street	South End	Resurface
Shank Road	Highway 111	Best Road	Resurface
Stanley Place	Malan Street	K Street	Resurface

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Sycamore Drive	J Street	H Street	Resurface
Sycamore Drive	Cattle Call Drive	Allen Street	Resurface
Terrace Circle	J Street	H Street	Resurface
Vine Street	Malan Street	K Street	Resurface
Willard Ave.	Cattle Call Drive	H Street	Resurface
Wilson Road	I Street	End	Resurface
Malan Street	Highway 86	Best Road	Resurface
Cattle Call Drive	Highway 86	Area Cattle Call Park	Resurface
Julia Drive	Highway 86	Rodeo Drive	Resurface
Terrace Drive	Terrace Circle	West H Street	Resurface
Driftwood Place	N. Western Ave.	Boswell Court	Resurface
Boswell Court	Driftwood Place	West C Street	Resurface
Sunset Drive	A Street	River Drive	Resurface
First Street	A Street	River Drive	Resurface
Second Street	A Street	Magnolia Street	Resurface
N. Adams Street	Magnolia Street	River Drive	Resurface
Cortez Court	Magnolia Street	End of Court	Resurface
11th Street	C Street	B Street	Resurface
Welcome Street	11th Street	Palm Ave.	Resurface
Peach Street	11th Street	Palm Ave.	Resurface
N. Ulloa Ave.	D Street	B Street	Resurface
Welcome Street	N. Eastern Ave.	End	Resurface
Palm Drive	H Street	I Street	Resurface
Norman Road	Highway 78	End	Resurface

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Ivy Street	S. Palm Ave.	13th Street	Resurface
Martin Street	S. Palm Ave.	13th Street	Resurface
Leonard Street	11th Street	S. Palm Ave.	Resurface
S. 13th Street	Malan Street	K Street	Resurface
17th Street	Malan Street	K Street	Resurface
18th Street	Malan Street	K Street	Resurface
Magnolia Street	16th Street	East End	Resurface
16th Street	Magnolia Street	River Drive	Resurface
Jones Street	N. Eastern Ave.	East End	Resurface
A Street	8th Street	Railroad Tracks	Resurface
D Street	10th Street	Palm Ave.	Resurface
B Street	Palm Ave.	Eastern Ave.	Resurface
D Street	Palm Ave.	Eastern Ave.	Resurface
K Street	Highway 86	Rio Vista Ave.	Resurface
Cattle Call Drive	Highway 86	Willard Ave.	Resurface
Various Locations			Sidewalks, curbs, gutters and maintenance
Various Intersections			Sight Distance improvements
West Plaza/Main Street			Signalization
East Plaza/Main Street			Signalization
B Street/Highway 111			Signalization
Western Avenue/Main Street			Signalization
H Street	S. Imperial Ave.	8th Street	Resurface
I Street	S. Palm Ave.	S. Eastern Ave .	Resurface

See independent auditors' report on compliance

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Palm Ave.	Highway 78	River Drive	Resurface
River Drive	N. Eastern Ave.	Best Road	Resurface
3rd Street	K Street	Malan Street	Resurface
6th Street	H Street	D Street	Resurface
7th Street	E Street	End	Resurface
11th Street	Magnolia Street	River Drive	Resurface
Adams Street	B Street	Magnolia Street	Resurface
Bina Street	Magnolia Street	River Drive	Resurface
E Street	1st Street	Plaza Drive	Resurface
E Street	Rio Vista Avenue	1st Street	Resurface
Eastern Avenue	Main Street	Malan Street	Resurface
H Street	1st Street	3rd Street	Resurface
H Street	Rio Vista Avenue	End	Resurface
I Street	1st Street	El Cerrito Drive	Resurface
K Street	Marilyn Avenue	Rio Vista Avenue	Resurface
River Drive	Rio Vista Avenue	El Cerrito Drive	Resurface
13th Street	Malan Street	K Street	Resurface
Willard Avenue	Cattle Call Drive	Julia Drive	Resurface

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of Brawley.

**CITY OF CALEXICO
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Calexico, California

We have evaluated the City of Calexico's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Calexico was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Calexico has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$	5,887,818
Due from other funds		17,821
Due from other governments		309,117
Due from other governments - Bond		15,207,781
Issuance costs, net of amortization		<u>285,345</u>
Total assets	\$	<u><u>21,707,882</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	77,182
Bond payable		15,286,250
Premium on bond payable, net of amortization		<u>84,811</u>
Total liabilities		<u>15,448,243</u>

Fund balance

Unreserved-undesignated		<u>6,259,639</u>
Total fund balance		<u>6,259,639</u>
Total liabilities and fund balance	\$	<u><u>21,707,882</u></u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	2,476,537
Interest		26,960
Debt service		<u>465</u>
Total revenues		<u>2,503,962</u>

Expenses

Transportation		570,432
Bond interest		<u>172,107</u>
Total expense		<u>742,539</u>

Transfers

Transfer Out		<u>1,318,215</u>
Total transfers		<u>1,318,215</u>

Increase (decrease) in fund balance		443,208
Fund balance, July 1		<u>5,816,431</u>
Fund balance, June 30	\$	<u>6,259,639</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 1,800,000	\$ 2,476,537	\$ 676,537
Interest	20,000	26,960	6,960
Debt service	<u> --</u>	<u> 465</u>	<u> 465</u>
Total revenues	<u>1,820,000</u>	<u>2,503,962</u>	<u>683,962</u>
Expenses			
Transportation	4,032,410	570,432	(3,461,978)
Bond interest	<u> --</u>	<u> 172,107</u>	<u> 172,107</u>
Total expenses	<u>4,032,410</u>	<u>742,539</u>	<u>(3,289,871)</u>
Transfers			
Transfer Out	<u>1,318,215</u>	<u>1,318,215</u>	<u> --</u>
Total transfers	<u>1,318,215</u>	<u>1,318,215</u>	<u> --</u>
Increase (decrease) in fund balance	(3,530,625)	443,208	3,973,833
Fund balance, July 1	<u>5,816,431</u>	<u>5,816,431</u>	<u> --</u>
Fund balance, June 30	<u>\$ 2,285,806</u>	<u>\$ 6,259,639</u>	<u>\$ 3,973,833</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

A legally adopted budget has not been adopted by the Authority for the State Highway Special Revenue Fund.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 2. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. The City of Calexico's portion of these costs was \$287,743. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a monthly rate of \$1,199.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was \$285,345.

Note 3. DUE FROM OTHER GOVERNMENTS - BOND

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments:

Road projects funding	\$ 14,071,627
Bond reserves	1,131,300
Cost of issuance reserve	<u>4,854</u>
Due from other governments, Total	<u>\$ 15,207,781</u>

Note 4. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The City of Calexico's portion of the bond was \$15,410,000. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$495,000 to \$1,085,000 with a final maturity on June 1, 2032.

See independent auditors' report on compliance

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in bonds payable:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>15,410,000</u>	\$ <u>123,750</u>	\$ <u>15,286,250</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 371,250
2014	555,000
2015	575,000
2016	590,000
2017	615,000
2018 to 2022	3,425,000
2023 to 2027	4,125,000
2028 to 2032	<u>5,030,000</u>
Total	\$ <u>15,286,250</u>

Note 5. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. The City of Calexico's portion was \$85,524. This premium will be amortized throughout the twenty year term of the bond at a monthly rate of \$356.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was \$84,811.

See independent auditors' report on compliance

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kloke Avenue Bridge	All American Canal	All American Canal	Bridge
Highway 111	International Border	Cole Road	Corridor Traffic Study
Emerson Ave Phase II	Second Street	Highway 98	Reconstruction
Cole Road	Kloke Avenue	½ E/O Meadows Rd	Reconstruction
Highway 111			Various Improvements
Second Street	Calexico Int'l Airport	Cesar Chavez Blvd	Bridge & Reconstruction
Highway 98	West City Limits	East City Limits	Widening
California Court	Camacho Road	North/End	New Construction
Weakly Road	Estrada Blvd	Scaroni Road	New Construction
Various Locations			Surface Treatment
Various Locations			Payment Repair
Various Locations			Safety Improvements & Traffic Studies
Various Locations			Curb/Gutter, Sidewalks, Wheelchair ramps
Sunset	Robinson	Central Main Canal	New Construction
Cole Road	Fiesta Ave		Signalization
Cole Road	Highway 98		Signalization
Cole Road	Bowker Road		Bridges
Meadows Road	Cole Road	Jasper Road	Bridge/New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Const.
Imperial Ave East	Central Main Canal	Jasper Road	Reconstruction
Imperial Ave West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	New Construction

See independent auditors' report on compliance

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
VV Williams Ave	Sam Ellis St	Cole Road	Reconstruction
De las Flores St	Eady Ave	Kloke Ave	New Construction
Sixth St	Emerson Ave	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction/Widening
Fourth St	Blair Avenue	Encinas Avenue	Reconstruction/Widening
Sixth St	Imperial Avenue	Heber Avenue	Reconstruction/Widening
Seventh St	Imperial Avenue	Blair Avenue	Reconstruction
Sherman St	Rockwood Ave	Blair Avenue	Reconstruction
Eighth Street	Imperial Avenue	Rockwood Ave	Reconstruction/Widening
Temple Court	Imperial Avenue	Rockwood Ave	Reconstruction/Widening
Rosemont St	Rockwood Ave	Blair Avenue	Reconstruction
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction/Widening
Ethel St	Heber Avenue	Blair Avenue	Reconstruction
Maiden Lane	Imperial Ave	Paulin Ave	Reconstruction/Widening
Tenth St	Imperial Ave	Rockwood Ave	Reconstruction/Widening
Pauline Avenue	Fifth Street	Highway 98	Reconstruction
Second Street	Calexico Int'l Airport	West City Limits & All American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Reconstruction Phase 1
Beach Street	Fifth St	Second Street	Reconstruction Phase II
Encanto Drive	Elmer Belcher St	Eight Street	Reconstruction
Encanto Drive	Eight Street	Eight Street	Reconstruction
Encanto Terrace	Elmer Belcher St	Eight Street	Reconstruction

See independent auditors' report on compliance

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Dool Avenue	Elmer Belcher St	Fifth Street	Reconstruction Phase 1
Dool Avenue	Fifth Street	Second Street	Reconstruction Phase II
Fifth Street	Heber Avenue	Andrade Ave	Reconstruction Phase 1
Fifth Street	Heber Avenue	Imperial Ave.	Reconstruction Phase II
Sixth Street	Encinas Avenue	Andrade Avenue	Reconstruction
Seventh Street	Blair Avenue	Andrade Avenue	Reconstruction
Eight Street	Dool Avenue	Andrade Avenue	Reconstruction
Zapata Street	Granero Avenue	Meadows Road	Reconstruction
Meadows Road	Highway 98	All American Canal	Reconstruction
Rosas Street	East Cul-d-sac	Meadows Road	Reconstruction
Iris Avenue	Camila Street	Rosas Street	Reconstruction
Iris Avenue	Holdridge St	Sapphire Street	Reconstruction
Holdridge Street	Meadows Road	E Hashem Ave	Reconstruction
Holdridge Street	E. Hashem Ave	Cul-d-sac East	Reconstruction
Holdridge Street	De Leon Avenue	Meadows Road	Reconstruction
Camilia Street	Meadows Road	Cul-d-sac East	Reconstruction
E. Hashem Avenue	100' North of Holdridge	Cul-d-sac South	Reconstruction
Margarita Street	E. Hashem Avenue	Cul-d-sac West	Reconstruction
Margarita Street	E. Hashem Avenue	Cul-d-sac East	Reconstruction
Jasmine Street	E. Hashem Avenue	Cul-d-sac West	Reconstruction
Jasmine Street	E. Hashem Avenue	Cul-d-sac East	Reconstruction
Obeliscos Street	Iris Avenue	Cul-d-sac West	Reconstruction
Obeliscos Street	Iris Avenue	Cul-d-sac- East	Reconstruction

See independent auditors' report on compliance

**IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kloke Road	Grant Street	Highway 98	Reconstruction
Paulin Avenue	Second Street	Fifth Avenue	Reconstruction
Emerson Avenue	Third Street	Highway 98	Reconstruction
Encinas Avenue	Second Street	Highway 98	Reconstruction
Belcher Street	Encinas Avenue	Andrade Ave	Reconstruction
Seventh St	Andrade Avenue	Paseo de su Alteza	Reconstruction
Paseo de su Alteza	Los Reyes	Seventh Street	Reconstruction
Paseo de su Alteza	Seventh Street	Fifth Street	Reconstruction
Paseo de su Alteza	Fifth Street	Camino del Rio	Reconstruction
Rancho Elegante	Paseo de su Alteza	Andrade Avenue	Reconstruction
Arroyo	Rancho Elegante	Second Street	Reconstruction
Camino Del Rio	Andrade Avenue	Paseo de su Alteza	Reconstruction
Milpitas	Paseo de su Alteza	Cul-d-sac West	Reconstruction
Rio Hondo	Milpitas	Camino del Rio	Reconstruction
Fifth Street	Paseo de su Alteza	Andrade Avenue	Reconstruction
Paseo Emperador	Seventh Street	Paseo de su Alteza	Reconstruction
Santiago Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Colorado Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Plata Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
Brave Drive	De Leon Avenue	Cul-d-sac East	Reconstruction
De Leon Avenue	Harrington Street	Cul-d-sac South	Reconstruction
Fiesta Avenue	Harrington Street	Holdridge Street	Reconstruction
Holdridge Street	Rancho Frontera	De Leon Avenue	Reconstruction
Rancho Frontera	Harrington Street	Highway 98	Reconstruction

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of Calexico.

**CITY OF CALIPATRIA
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Calipatria, California

We have evaluated the City of Calipatria's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Calipatria was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Calipatria has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$	1,326,661
Interest receivable		961
Due from other governments		55,721
Due from other funds		463
Due from other governments - Bond		2,340,841
Issuance costs, net of amortization		<u>58,288</u>
Total assets	\$	<u><u>3,782,935</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Bond payable	\$	2,286,250
Premium on bond payable, net of amortization		<u>93,830</u>
Total liabilities		<u><u>2,380,080</u></u>

Fund balance

Unreserved-undesignated		<u>1,402,855</u>
Total fund balance		<u><u>1,402,855</u></u>
Total liabilities and fund balance	\$	<u><u>3,782,935</u></u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	423,414
Interest		<u>3,797</u>
Total revenues		<u>427,211</u>

Expenses

Bond interest		<u>27,169</u>
Total expenses		<u>27,169</u>

Increase (decrease) in fund balance		400,042
Fund balance, July 1		<u>1,002,813</u>
Fund balance, June 30	\$	<u>1,402,855</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ --	\$ 423,414	\$ 423,414
Interest	<u> --</u>	<u> 3,797</u>	<u> 3,797</u>
Total revenues	<u> --</u>	<u> 427,211</u>	<u> 427,211</u>
Expenses			
Bond interest	<u> --</u>	<u> 27,169</u>	<u> (27,169)</u>
Total expenses	<u> --</u>	<u> 27,169</u>	<u> (27,169)</u>
Increase (decrease) in fund balance	--	400,042	400,042
Fund balance, July 1	<u> 1,002,813</u>	<u> 1,002,813</u>	<u> --</u>
Fund balance, June 30	<u><u>\$ 1,002,813</u></u>	<u><u>\$ 1,402,855</u></u>	<u><u>\$ 400,042</u></u>

See accompanying notes and independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 2. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. The City of Calipatria's portion of these costs was \$58,778. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a monthly rate of \$245.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was \$58,288.

Note 3. DUE FROM OTHER GOVERNMENTS - BOND

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments:

Road projects funding	\$ 2,160,540
Bond reserves	179,575
Cost of issuance reserve	<u>726</u>
Due from other governments, Total	<u>\$ 2,340,841</u>

Note 4. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The City of Calipatria's portion of the bond was \$2,305,000. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$75,000 to \$170,000 with a final maturity on June 1, 2032.

See independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in bonds payable:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u> 2,305,000</u>	\$ <u> 18,750</u>	\$ <u> 2,286,250</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 56,250
2014	85,000
2015	85,000
2016	90,000
2017	95,000
2018 to 2022	505,000
2023 to 2027	600,000
2028 to 2032	<u> 770,000</u>
Total	\$ <u> 2,286,250</u>

Note 5. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. The City of Calipatria's portion was \$94,619. This premium will be amortized throughout the twenty year term of the bond at a monthly rate of \$394.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was \$93,830.

See independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Alamo	International	East	Maintenance
Alexandria	International	Brown	Maintenance
Barbara	International	Commercial	Maintenance
Bonita	International	East	Maintenance
Bonita P1	Brown	East	Maintenance
Brown	California	Freeman	Maintenance
Brown	SR115	Bowles	Maintenance
California	International	Railroad	Maintenance
California	Industrial	Commercial	Maintenance
Centro	SR115	Alamo	Rehabilitate
Centro	SR115	Alexandria	Rehabilitate
Church	International	Railroad	Maintenance
Church	Brown	East	Rehabilitate
Commercial	California	Freeman	Rehabilitate
Commercial	SR115	Church	Maintenance
Date	West terminus	Railroad	Maintenance
Delta	International	Lake	Rehabilitate
Delta	Lake	Railroad	Maintenance
Delta	Industrial	Commercial	Rehabilitate
East	Bonita PI	Bowles	Rehabilitate
East	SR115	Bonita PI	Maintenance
East	SR115	Young	Maintenance
Fern	International	SR115	Rehabilitate
Freeman	Brown	East	Rehabilitate

See independent auditors' report on compliance

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Imperial	SR115	Delta	Rehabilitate
Imperial	SR115	Date	Rehabilitate
Industrial	Alexandria	Young	Rehabilitate
Industrial	SR115	Church	Maintenance
International	Main	Delta	Rehabilitate
International	Main	Bowles	Maintenance
Lake	C Lateral	Fern	Rehabilitate
Lake	Fern	Delta	Maintenance
Mesa Verde	Ironwood	Terminus	Rehabilitate
Park	Fern	Delta	Maintenance
Railroad	SR115	Young	Maintenance
Railroad	SR115	Date	Rehabilitate
Laurel Lane	Fan Palm		Rehabilitate

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of Calipatria.

**CITY OF EL CENTRO
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of El Centro, California

We have evaluated the City of El Centro's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of El Centro was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of El Centro has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$ 4,492,578
Due from other governments	343,789
Interest receivable	<u>1,280</u>
Total assets	<u>\$ 4,837,647</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	<u>\$ 2,593</u>
Total liabilities	<u>2,593</u>

Fund balance

Unreserved-undesignated	<u>4,835,054</u>
Total fund balance	<u>4,835,054</u>
Total liabilities and fund balance	<u>\$ 4,837,647</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	2,361,098
Interest		<u>7,644</u>
Total revenues		<u>2,368,742</u>

Expenses

Transportation		<u>625,471</u>
Total expenses		<u>625,471</u>

Transfers

Transfers out		<u>1,298,419</u>
Total transfers		<u>1,298,419</u>

Increase (decrease) in fund balance		444,852
Fund balance, July 1		<u>4,390,202</u>
Fund balance, June 30	\$	<u><u>4,835,054</u></u>

See accompanying notes and independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 2,529,994	\$ 2,361,098	\$ (168,896)
Interest	<u>38,709</u>	<u>7,644</u>	<u>(31,065)</u>
Total revenues	<u>2,568,703</u>	<u>2,368,742</u>	<u>(199,961)</u>
Expenses			
Transportation	<u>2,568,703</u>	<u>625,471</u>	<u>(1,943,232)</u>
Total expenses	<u>2,568,703</u>	<u>625,471</u>	<u>(1,943,232)</u>
Transfers			
Transfer out	<u>--</u>	<u>1,298,419</u>	<u>1,298,419</u>
Total transfers	<u>--</u>	<u>1,298,419</u>	<u>1,298,419</u>
Increase (decrease) in fund balance	--	444,852	444,852
Fund balance, July 1	<u>4,390,202</u>	<u>4,390,202</u>	<u>--</u>
Fund balance, June 30	<u>\$ 4,390,202</u>	<u>\$ 4,835,054</u>	<u>\$ 444,852</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Various Streets/Overlay			Street repair, overlay and striping
Street Slurry Seal			Street slurry seal and striping
North Date Canal Under-grounding			Under-grounding of the canal along Villa Ave, between 17th and 8th St. City will pay 25% IID will pay 75%.
La Brucherie Widening			Right-of-way acquisition, widening and Shoulder improvements from Adams to Orange
Bike Path			80 ADA Ramps, striping and signage for bike routes.
Dogwood Road Widening			Widen Dogwood RD (I-8 to southern City limits) and rehabilitation of Danenberg from Dogwood to 4th St.
Dogwood Phase 1- Local Match- RSTP			Removal and reconstruction of two Lane Dogwood Ave between I-8 and State street (1.2 miles)
Dogwood Phase 2- Local Match- RSTP			Removal and reconstruction of existing Four-lane Dogwood Rd (0.2 miles) Between Commercial and State street.
Imperial Avenue Phase 3 – Local			Rehabilitation and overlay of Imperial Avenue from Orange to Adams (.5mi)
Orange Avenue Reconstruction- Local Match- RSTP			Overlay Orange Ave. two lanes, between Waterman and Labrucherie and install curb and gutter on south side of Orange, parking and drainage.
8th & I-8 Bridge Widening			Widen 8th Street to four lanes between Aurora and Wake. This will require the Bridge to be widened by approximately 33', Because this bridge adjoins another bridge built in 1996 that strictly serves pedestrian traffic on the west side, the widening of the vehicular bridge and approach roadway is limited to the east side.

See independent auditors' report on compliance

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Interim Dogwood Bridge Improvements			Widen west bound and east bound off-ramps at Dogwood Ave. on I-8 and all approaches of Dogwood Av. This also includes the design and installation of new traffic signals at the same on and off-ramp locations
Imperial Avenue Extension (I-8 South to Mc Cabe)			Median and south bound lane along west side for future extension of Imperial Ave. (south)
Bradshaw			Connect Bradshaw through to 8th St. two lanes.
Cruickshank			Connect Cruickshank through to 8th St. two lanes.
Wake Ave. SR86 NW Corner Radius West bound signal light Modification			Relocate NW signal light and install new curb return to allow trucks to adequately turn.

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of El Centro.

**CITY OF HOLTVILLE
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Holtville, California

We have evaluated the City of Holtville's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Holtville was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Holtville has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$ 1,433,391
Due from other governments	<u>93,187</u>
Total assets	<u>\$ 1,526,578</u>

FUND BALANCE

Unreserved-undesignated	<u>\$ 1,526,578</u>
Total fund balance	<u>\$ 1,526,578</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	583,689
Interest		<u>2,535</u>
Total revenues		<u>586,224</u>

Transfers

Transportation		<u>301,987</u>
Total expenses		<u>301,987</u>

Increase (decrease) in fund balance		284,237
Fund balance, July 1		<u>1,242,341</u>
Fund balance, June 30	\$	<u>1,526,578</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 430,000	\$ 583,689	\$ 153,689
Interest	<u> --</u>	<u> 2,535</u>	<u> 2,535</u>
Total revenues	<u> 430,000</u>	<u> 586,224</u>	<u> 156,224</u>
Expenses			
Transportation	<u> 708,910</u>	<u> 301,987</u>	<u> (406,923)</u>
Total expenses	<u> 708,910</u>	<u> 301,987</u>	<u> (406,923)</u>
Increase (decrease) in fund balance	(278,910)	284,237	563,147
Fund balance, July 1	<u> 1,242,341</u>	<u> 1,242,341</u>	<u> --</u>
Fund balance, June 30	<u> \$ 963,431</u>	<u> \$ 1,526,578</u>	<u> \$ 563,147</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maintenance & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maintenance & Restorative Seal
Eight Street	Melon	Olive Avenue	Maintenance & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maintenance & Restorative Seal
Walnut Avenue	237 S. of Third St	Tenth Street	Maintenance & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maintenance & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maintenance & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maintenance & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maintenance & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maintenance & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maintenance & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maintenance & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maintenance & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maintenance & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal

See independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Pine Avenue	Fourth Street	Fifth Avenue	Maintenance & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Walnut Avenue	South County Line	237 S. of Third St	Maintenance & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maintenance & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth St)	Maintenance & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue Of Fifth Street	Maintenance & Restorative Seal
Tenth Street	Orange Avenue	Figueroa Avenue	Maintenance & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maintenance & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maintenance & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maintenance & Restorative Seal
Rose Avenue – East of Chestnut Avenue			Maintenance & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maintenance & Restorative Seal
Webb Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal

See independent auditors' report on compliance

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Elm Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maintenance & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maintenance & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maintenance & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maintenance & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maintenance & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maintenance & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maintenance & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maintenance & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maintenance & Restorative Seal
Orange Avenue	200' S. of Fifth St		Maintenance & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maintenance & Restorative Seal
8th Street	Maple	Walnut Ave	Maintenance & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maintenance & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maintenance & Restorative Seal
Ninth Street	Slaton	Brentwood	Maintenance & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of Holtville.

**CITY OF IMPERIAL
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Imperial, California

We have evaluated the City of Imperial's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Imperial was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Imperial has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$	2,834,871
Interest receivable		206
Due from other funds		72,761
Due from other governments		120,985
Due from other governments - Bond		6,318,196
Issuance costs, net of amortization		<u>122,919</u>
Total assets	\$	<u><u>9,469,938</u></u>

LIABILITIES AND FUND BALANCE

Liabilities

Due to other funds	\$	85,912
Bond payable		6,120,000
Premium on bond payable, net of amortization		<u>269,880</u>
Total liabilities		<u><u>6,475,792</u></u>

Fund balance

Unreserved-undesignated		<u>2,994,146</u>
Total fund balance		<u><u>2,994,146</u></u>
Total liabilities and fund balance	\$	<u><u>9,469,938</u></u>

See accompanying notes and independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	1,070,392
Interest		<u>2,419</u>
Total revenues		<u>1,072,811</u>

Expenses

Transportation		1,009,315
Bond interest		<u>73,116</u>
Total expenses		<u>1,082,431</u>

Transfers

Transfer In		<u>1,710,251</u>
Total transfers		<u>1,710,251</u>

Increase (decrease) in fund balance		1,700,631
Fund balance, July 1		<u>1,293,515</u>
Fund balance, June 30	\$	<u>2,994,146</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 950,000	\$ 1,070,392	\$ 120,392
Interest	<u> --</u>	<u> 2,419</u>	<u> 2,419</u>
Total revenues	<u> 950,000</u>	<u> 1,072,811</u>	<u> 122,811</u>
Expenses			
Transportation	1,000,000	1,009,315	9,315
Bond interest	<u> --</u>	<u> 73,116</u>	<u> 73,116</u>
Total expenses	<u> 1,000,000</u>	<u> 1,082,431</u>	<u> 82,431</u>
Transfers			
Transfer In	<u> --</u>	<u> 1,710,251</u>	<u> 1,710,251</u>
Total transfers	<u> --</u>	<u> 1,710,251</u>	<u> 1,710,251</u>
Increase (decrease) in fund balance	(50,000)	1,700,631	1,750,631
Fund balance, July 1	<u> 1,293,515</u>	<u> 1,293,515</u>	<u> --</u>
Fund balance, June 30	<u> \$ 1,243,515</u>	<u> \$ 2,994,146</u>	<u> \$ 1,750,631</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 2. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. The City of Imperial's portion of these costs was \$123,952. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a monthly rate of \$516.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was \$122,919.

Note 3. DUE FROM OTHER GOVERNMENTS - BOND

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments:

Road projects funding	\$ 5,838,253
Bond reserves	478,000
Cost of issuance reserve	<u>1,943</u>
Due from other governments, Total	<u>\$ 6,318,196</u>

Note 4. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The City of Imperial's portion of the bond was \$6,170,000. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$200,000 to \$455,000 with a final maturity on June 1, 2032.

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in bonds payable:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>6,170,000</u>	\$ <u>50,000</u>	\$ <u>6,120,000</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 150,000
2014	225,000
2015	230,000
2016	240,000
2017	245,000
2018 to 2022	1,355,000
2023 to 2027	1,615,000
2028 to 2032	<u>2,060,000</u>
Total	\$ <u>6,120,000</u>

Note 5. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. The City of Imperial's portion was \$272,148. This premium will be amortized throughout the twenty year term of the bond at a monthly rate of \$1,134.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was \$269,880.

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Various Streets	Various Limits		Const/Rehab/Maintenance
Neckel	Hwy 86	Railroad	Rehab/Repair/ Maint.
Ralph	Hwy 86	Railroad	Rehab/Repair/Maint
Neckel/Hwy 86	Intersection		Improve & Signalize
Ralph/Hwy 86	Intersection		Improve & Signalize
Treshill/Hwy 86	Intersection		Construct & Signalize
1st St	N St.	P St.	Construct
1st St	D St	Imperial Ave	Repair/Maintenance
2nd St	K St	P St	Const/Repair/Maint
3rd St	C St	F St	Repair/Maintenance
3rd St	G St	K St	Repair/Maintenance
3rd St	N St	P St	Construct
4th St	C St	F St	Repair/Maintenance
4th St	N St	P St	Construct
5th St	E St	Imperial Ave	Repair/Maintenance
5th St	Hwy 86	K St	Repair/Maintenance
5th St	N St	P St	Construct
6th St	Hwy 86	K St	Repair/Maintenance
6th St	D St	H St	Rehab/Repair/Maint
7th St	D St	F St	Repair/Maintenance
7th St	H St	Imperial Ave	Repair/Maintenance
Barioni Blvd	B St	P St	Repair/Maintenance
9th St	F St	G St	Repair/Maintenance
9th St	J St	K St	Repair/Maintenance

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
9th St	N St	P St	Construct
10th St	F St	Imperial Ave	Repair/Maintenance
10th St	N St	P St	Construct
11th St	D St	Imperial Ave	Construct/Repair/Maint
11th St	N St	P St	Construct
12th St	J St	K St	Const/Repair/Maint
12th St	N St	P St	Construct
14th St	B St	D St	Repair/Const/Maint
14th St	F St	Hwy 86	Rehab/Repair/Maint
15th St	Hwy 86	M St	Repair/Maintenance
15th St	La Brucherie	D St	Construct
C St	3rd St	4th St	Repair/Maintenance
C St	12 St	14th St	Repair/Maintenance
D St	1st St	3rd St	Repair/Maintenance
D St	4th St	5th St	Repair/Maintenance
D St	11th St	12th St	Repair/Maintenance
E St	1st St	3rd St	Repair/Maintenance
E St	10th St	12th St	Repair/Maintenance
F St	1st St	14th St	Repair/Maintenance
F St	6th St	13th St	Repair/Maintenance
G St	2nd St	10th St	Rehab/Repair/Maint
G St	13th St	14th St	Rehab/Repair/Maint
H St	1st St	Barioni Blvd	Rehab/Repair/Maint
H St	10th St	11th St	Rehab/Repair/Maint

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Imperial Ave	Hwy 86	2nd St	Repair/Maintenance
Imperial Ave	12th St	15th St	Repair/Maintenance
J St	Barioni Blvd	12th St	Repair/Maintenance
K St	2nd St	10th St	Repair/Maintenance
L St	2nd St	Barioni Blvd	Rehab/Repair/Maint
M St	Barioni Blvd	15th St	Construct
N St	1st St	Barioni Blvd	Rehab/Repair/Maint
O St	Barioni Blvd	13th St	Const/Repair/Maint
P St	Barioni Blvd	Neckel Rd	Construct
Aten Blvd	Dogwood Rd	Austin Rd	Rehab/Repair/Maint
La Brucherie	Aten Blvd	Intersection	Const/Rehab/Maint/Sign
Preble Ave	Aten Rd	Treshill Rd	Rehab/Repair/ Maint
Treshill Blvd	Hwy 86	La Brucherie	Construct
Clark & Aten Rd	Intersection		Const/Rehab/Signal
Wall St	Hwy 86	La Brucherie	Const/Rehab
Myrtle Ave	Aten Blvd	Treshill St	Rehab/Repair/Maint
Bougainvillea Tr	Aten Blvd	Joshua Tree	Repair/Maintenance
Brushwood	Desert Willow	Joshua Tree	Repair/Maintenance
Morning Glory	Aten Blvd	Joshua Tree	Repair/Maintenance
Smokewood	Desert Willow	Joshua Tree	Repair/Maintenance
Joshua Tree	Desert Willow	Bougainvillea	Repair/Maintenance
Desert Willow	Brushwood	Smokewood	Repair/Maintenance
Baywood	Brushwood	Smokewood	Repair/Maintenance
Sequoia	Brushwood	Smokewood	Repair/Maintenance

See independent auditors' report on compliance

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Juniper	Brushwood	Smokewood	Repair/Maintenance
Cañon	Rodeo Dr	Neckel Ave	Repair/Maintenance
Lariat Ln	Rodeo Dr	Sage Ct	Repair/Maintenance
Winchester Ln	Rodeo Dr	Sage Ct	Repair/Maintenance
Sage Court	Lariat Ln	Winchester	Repair/Maintenance
Mustang Ln	Cañon Dr	End of Lane	Repair/Maintenance
Conestoga Ln	Cañon Dr	End of Lane	Repair/Maintenance
Roadrunner	Cañon Dr.	End of Lane	Repair/Maintenance

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the City of Imperial.

**COUNTY OF IMPERIAL
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS**

FOR THE FISCAL YEAR ENDED

June 30, 2012

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable County Board of Supervisors
County of Imperial, California

We have evaluated the County of Imperial's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the County of Imperial was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the County of Imperial has complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the County's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$	3,815,496
Interest receivable		7,897
Due from other governments		50,213
Due from other governments - Bond		21,619,086
Issuance costs, net of amortization		<u>403,354</u>
Total assets	\$	<u>25,896,046</u>

LIABILITIES AND FUND BALANCE

Liabilities

Bond payable	\$	21,757,500
Premium on bond payable, net of amortization		<u>90,073</u>
Total liabilities		<u>21,847,573</u>

Fund balance

Unreserved-undesignated		<u>4,048,473</u>
Total fund balance		<u>4,048,473</u>
Total liabilities and fund balance	\$	<u>25,896,046</u>

See accompanying notes and independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	3,550,245
Interest		<u>33,603</u>
Total revenues		<u>3,583,848</u>

Expenses

Transportation		2,870,781
Bond interest		<u>242,722</u>
Total expenses		<u>3,113,503</u>

Increase (decrease) in fund balance		470,345
Fund balance, July 1		<u>3,578,128</u>
Fund balance, June 30	\$	<u>4,048,473</u>

See accompanying notes and independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ --	\$ 3,550,245	\$ 3,550,245
Interest	<u> --</u>	<u> 33,603</u>	<u> 33,603</u>
Total revenues	<u> --</u>	<u> 3,583,848</u>	<u> 3,583,848</u>
Expenses			
Transportation	--	2,870,781	2,870,781
Transportation	<u> --</u>	<u> 242,722</u>	<u> 242,722</u>
Total expenses	<u> --</u>	<u> 3,113,503</u>	<u> 3,113,503</u>
Increase (decrease) in fund balance	--	470,345	470,345
Fund balance, July 1	<u> 3,578,128</u>	<u> 3,578,128</u>	<u> --</u>
Fund balance, June 30	<u>\$ 3,578,128</u>	<u>\$ 4,048,473</u>	<u>\$ 470,345</u>

See accompanying notes and independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the County of Imperial to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 2. BOND ISSUANCE COSTS

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The combined costs related to the issuance of bonds was a total of \$1,034,580. The County of Imperial's portion of these costs was \$406,744. These costs include the underwriter's discount, rating agency fees, trustee fees, printing costs, bond counsel, disclosure counsel, trustee counsel and other miscellaneous costs of issuance. These costs will be amortized throughout the twenty year term of the bond at a monthly rate of \$1,695.

During the fiscal year ended June 30, 2012 the total bond issuance costs, net of amortization, was \$403,354.

Note 3. DUE FROM OTHER GOVERNMENTS - BOND

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The majority of these funds are to be applied to finance the costs to repair and rehabilitate existing roadways, reduce congestion and improve safety and provide for the construction of needed facilities of each of the five participating agencies. A portion of the funds will be maintained as a bond reserve for each of the participating agencies and will become available at the end of the twenty year term of the bond. Another portion will be maintained as a reserve for any further issuance costs and any remainder will be transferred towards the project fund of each participating agency.

During the fiscal year ended June 30, 2012 the following changes occurred in Due from other governments:

Road projects funding	\$ 20,000,000
Bond reserves	1,607,700
Cost of issuance reserve	<u>11,386</u>
Due from other governments, Total	<u>\$ 21,619,086</u>

Note 4. BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. The County of Imperial's portion of the bond was \$21,935,000. Interest on the Series 2012 Bonds is payable semiannually on June 1 and December 1 beginning on December 1, 2012 with rates ranging from 3.00 to 4.00 percent per annum. The annual principal requirements are from \$710,000 to \$1,545,000 with a final maturity on June 1, 2032.

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2012 the following changes occurred in bonds payable:

	Balance July 1, 2011	Additions	Reductions	Balance June 30, 2012
2012 Series	\$ <u> --</u>	\$ <u>21,935,000</u>	\$ <u>177,500</u>	\$ <u>21,757,500</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2013	\$ 532,500
2014	800,000
2015	825,000
2016	850,000
2017	880,000
2018 to 2022	4,855,000
2023 to 2027	5,870,000
2028 to 2032	<u>7,145,000</u>
Total	\$ <u>21,757,500</u>

Note 5. PREMIUM ON BOND PAYABLE

On May 1, 2012 the Authority issued \$53,975,000 of Sales Tax Revenue Bonds which are secured by a pledge of all ICLTA sales tax revenues allocated to the County of Imperial and the Cities of Brawley, Calexico, Calipatria, and Imperial. These bonds were sold at a total combined premium of \$902,975. The County of Imperial's portion was \$90,830. This premium will be amortized throughout the twenty year term of the bond at a monthly rate of \$378.

During the fiscal year ended June 30, 2012 the total bond premium, net of amortization, was \$90,073.

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Various Roads in Bombay Beach			Overlay
Various Roads in Desert Shores			Overlay
Various Roads in Heber			Overlay
Various Roads in Niland			Overlay
Various Roads in Ocotillo			Overlay
Various Roads in Palo Verde			Overlay
Various Roads in Salton City			Overlay
Various Roads in Salton Sea Beach			Overlay
Various Roads in Seeley			Overlay
Various Roads in Winterhaven			Overlay
Diehl Road (13)	Drew Road (WR)	West 2 miles	Overlay
Wixom Road (12)	Drew Road (WR)	West to End	Overlay
Alamo Road (23.5)	Towland (ET)	Bridenstein Road (EU)	Reconstruct
Araz (A2N07)	I-8	Winterhaven Dr. (A2P06)	Overlay
Aten Road (24)	Forrester Road (WJ)	Gillette Road	Overlay
Austin Road (WG)	Evans Road (53)	Aten Road (24)	Overlay
Barbara Worth Road (EL)	Anza Road (2)	Jasper Road (8)	Overlay
Barbara Worth Road (EL)	I-8	McCabe Road (14)	Overlay
Baughman Road	Forrester Rd	Highway 86	Reconstruct
Belford Road (28.5)	Imperial Ave.	West End	Overlay
Blair Rd. (EE)	McDonald Rd. (76)	Pon Rd. (78)	Overlay
Boarts Road (53)	Highway 86	Kalin Road (WE)	Overlay
Bonds Corner Rd (EW)	Hwy 98	I-8	Overlay

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Bowker Road (EH)	Cole Road (6)	Jasper Road	Overlay
Bowker Road (EH)	Highway 98	Anza Road (2)	Overlay
Boyd Rd (34)	Poore Rd (EY)	Highline Rd. (EZ)	Overlay/Widen
Brockman Road (WL)	Abatti Road (12)	McCabe Road (14)	Reconstruct
Brockman Road (WH)	Hwy 98	McCabe Road (14)	Overlay/Widen
Casey Rd. (EM)	Boyd Rd. (34)	Keystone Rd. (36)	Overlay
Chick Road (16)	Highway 111	1 ½ miles West	Overlay/Widen
Clark Road (WC)	Horne Road (16)	Wahl Road (10)	Overlay
Clark Road (WC)	El Centro City Limits	Aten Road (24)	Maintenance
Cole Road	Railroad Tracks	Kloke Road	Reconstruct
Correll/Dogwood			Signals
Cross Road	El Centro City Limits	Imperial City Limits	Maintenance
Drew Rd. (WR)	I-8	Evan Hewes Rd. (2A23)	Overlay
Drew Rd. (WR)	I-8	Lions Rd. (9)	Overlay
Drew Rd. (WR)	Lions Rd. (9)	Kubler Rd. (6)	Overlay
Drew Rd. (WR)	Kubler Rd. (9)	Hwy 98	Overlay
Dogwood Road (00)	State Highway 86		Signals/ Rechannelization
Dogwood Road (00)	Heber (SR86)	½ Mile South of Chick Rd	Overlay/ Widen/Signals
Eddins Road (65)	English Road (WA)	Brandt Road (EC)	Reconstruct
Eddins Road (65)	English Road (WA)	Calipatria City Limits	Overlay
Eddins Road (65)	Lyerly Road (EA)	English Road (WA)	Overlay
English Road (WA)	Montgomery Road (GE)	Sinclair Road (72)	Overlay
Evan Hewes (2A23)	Hwy 115	Hwy 111	Overlay

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Evan Hewes (2A23)	Austin Rd. (WG)	Forrester Rd. (WJ)	Overlay
Evan Hewes (2A23)	Drew Rd. (WR)	Westmoreland Rd. (WX)	Overlay
Evan Hewes (2A23)	Imperial Hwy (2A02)	Plaster City	Overlay
Evan Hewes (2A23)	Westmorland Rd (WX)	Bennett Rd. (WP)	Overlay
Evan Hewes (2A23)	Hwy 115	Gordons Well Rd.	Overlay
Forrester Road (WJ)	I-8	Evan Hewes (2A23)	Overlay
Forrester Rd. (WJ)	Bannister Rd. (55)	Walker Rd. (58)	Overlay
Forrester Rd.	Evan Hewes Hwy		Traffic Signals
Gentry Rd. (WI)	Walker Rd. (58)	New River	Overlay
Harris Road (32)	Hwy 111	McConnell Road (EF)	Overlay
Harris Road (32)	McConnell Road (EF)	Alamo River Bridge	Overlay
Harris Rd. (32)	Holt Rd. (ER)	Hwy 115	Overlay/Widen
Hartshorn Rd. (29)	Webb Rd. (EX)	Highline Rd. (EZ)	Overlay
Hoskins Road (WO)	Andre Rd.	Westside Main Canal	Overlay/reconstruct
Hovley Rd. (WA)	Baughman Rd. (52)	Rutherford Rd. (54)	
Johnson Lane (WI)	Evan Hewes (2A23)	End	Construction
Kaiser Road (EQ)	Writ Road (65)	Albright Road (62)	Overlay
Kalin Road (WE)	Baughman Road (52)	2.8 miles North	Overlay
Kalin Road (WE)	New River	Vail Road (62)	Reconstruct
Kalin Rd. (WC)	Webster Rd.	Baughman Rd. (52)	Overlay/reconstruct
Kershaw Rd. (EC)	Titsworth Rd. (58)	Rutherford Rd. (54)	Overlay
Keystone Road (36)	Highway 86	Dogwood Road (00)	Overlay
Keystone Road (36)	Highway 86	Austin Rd. (WG)	Overlay
Keystone Road (36)	Poore Road (EY)	(EV)	Overlay/Widen

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Kubler Rd. (6)	Brockman Rd. (WL)	Rockwood Rd. (WJ)	Reconstruct
McCabe Road (14)	Pitzer	Dogwood Road	Overlay/ Reconstruct/Widen
McConnell Road (EF)	Keystone Road (36)	Schartz Road (40)	Overlay
McConnell Road (EF)	Mead Road (42)	Schartz Road (40)	Overlay
McDonald Road (76)	Potter Road (EG)	Wiest Road (EJ)	Overlay
Miller Road (EAA)	Hunt Rd. (16)	Humberg Rd. (8)	Overlay/Widen
Montgomery Road (69)	Wiest Road (EJ)	Reed Road (EM)	Reconstruct
Murphy Road (28)	La Brucherie Road (WE) West End		Overlay
Neighbors Blvd.	County Line	Bridge	Overlay
Nina Rd. (HE)	Hwy 86	.02 mile North	Rehabilitate
Ogilby Road (3M01)	Railroad	Highway 78	Overlay
Pitzer Rd. (EB)	McCabe Road (14)	Correll Road (12)	Reconstruct
Ross Road (18)	Austin Road (WG)	Forrester Road (WJ)	Overlay
Ruegger Road (61)	Reeves Road (WA)	Alamo River	Overlay
Rutherford Road (54)	Butters Road (ES)	1.0 Mile East	Overlay
Rutherford Road (54)	Highway 115	Hastain Road (EO)	Overlay
Rutherford Road (54)	Highway 111	Best Road (EC)	Overlay
Schartz Road (40)	Dogwood Road	Highway 111	Overlay/ Reconstruct
Seybert Rd (EI)	Hwy 78	Sillman Rd. (45)	Overlay
Silsbee Rd. (WM)	Aten Rd. (24)	Hackelman Rd. (22)	Reconstruct
Silsbee Rd. (WM)	Hackelman Rd. (22)	Evan Hewes Rd (2A23)	Overlay
Slaton Road (ES)	9th Street	Thiesen Road (22)	Overlay
Snyder Road (EW)	Highway 115	Norrish Road (25)	Overlay

See independent auditors' report on compliance

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Spa Road (9D08)	Hot Mineral Spa (9G02)	Coachella Canal (7G03)	Overlay
Underwood Road (7g01)	Holtville City Limits	Towland Road (ET)	Overlay
Various Road/Bridges			Maint. &/Or Misc
Various Road Locations			Misc. Sfty Project
Verde School Road (10)	Miller Road (EAA)	1.0Mile East	Overlay
Walker Road (58)	Brandt Road (WC)	Kalin Road (WG)	Overlay
Webb Road (EX)	Norrish Road (25)	Worthington Road (27)	Reconstruct
Wiest Road (EJ)	Merkley Road (73)	Road 75	Overlay
Wiest Road (EJ)	Wirt Road (65)	Montgomery Road (69)	Overlay
Willoughby/Dogwood Roads			Signals
Willoughby Road (8)	Ware Road (EA)	Kloke Road (EB)	Reconstruct
Wirt Road (65)	Wiest Road (EJ)	Kaiser Road (EQ)	Overlay
Worthington Road (27)	New River	Forrester Road (WJ)	Overlay
Worthington Road (27)	Highway 111	McConnell Road (EF)	Overlay
Yocum Road (63)	Highway 111	Kershaw Road (EC)	Overlay
Yourman Road (ED)	McCabe Road (14)	Highway 111	Overlay

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted no findings during our examination of the Local Transportation Authority Funds of the County of Imperial.

**CITY OF WESTMORLAND
ANNUAL COMPLIANCE REPORT OF
THE LOCAL TRANSPORTATION AUTHORITY FUNDS
FOR THE FISCAL YEAR ENDED
June 30, 2012**

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable City Council
City of Westmorland, California

We have evaluated the City of Westmorland's compliance with the Imperial County Local Transportation Authority's Expenditure Plan ("the Plan") as adopted by the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance. Our evaluation, covering the year ended June 30, 2012, included such tests and procedures as we considered necessary to evaluate whether the City of Westmorland was in compliance with the regulations outlined in the Plan.

In our opinion, based on the tests and procedures applied, the City of Westmorland has not complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2012. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

The accompanying financial information listed in the table of contents is presented for purposes of additional analysis. Such information has been gathered for the sole purpose of documenting, in the form of financial statements, the receipt and disbursement of the City's distributive share of funds issued under the Imperial County Local Transportation Authority Retail Transaction and Use Tax Ordinance, and has not been audited or reviewed by us and, accordingly, we do not express an opinion or any other form of assurance on them. Accordingly, this information is not designed for those who are not informed about such matters.

Hutchinson and Bloodgood LLP

April 5, 2013

SUPPLEMENTARY INFORMATION

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
BALANCE SHEET
JUNE 30, 2012**

ASSETS

Cash and cash equivalents	\$ 1,166,608
Due from other governments	<u>48,489</u>
Total assets	<u>\$ 1,215,097</u>

LIABILITIES AND FUND BALANCE

Liabilities

Due to other funds	\$ <u>63</u>
Total liabilities	<u>63</u>

Fund balance

Unreserved-undesignated	<u>1,215,034</u>
Total fund balance	<u>1,215,034</u>
Total liabilities and fund balance	<u>\$ 1,215,097</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012**

Revenues

Retail sales tax	\$	345,242
Interest		<u> --</u>
Total revenues		<u> 345,242</u>

Expenses

Transportation		<u> 42,222</u>
Total expenses		<u> 42,222</u>

Increase (decrease) in fund balance		303,020
Fund balance, July 1		<u> 912,014</u>
Fund balance, June 30	\$	<u> 1,215,034</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE -BUDGET TO ACTUAL
For the Year Ended June 30, 2012**

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ --	\$ 345,242	\$ 345,242
Interest	<u> --</u>	<u> --</u>	<u> --</u>
Total revenues	<u> --</u>	<u>345,242</u>	<u>345,242</u>
Expenses			
Transportation	<u> --</u>	<u>42,222</u>	<u>(42,222)</u>
Total expenses	<u> --</u>	<u>42,222</u>	<u>(42,222)</u>
Increase (decrease) in fund balance	--	303,020	303,020
Fund balance, July 1	<u>912,014</u>	<u>912,014</u>	<u> --</u>
Fund balance, June 30	<u>\$ 912,014</u>	<u>\$ 1,215,034</u>	<u>\$ 303,020</u>

See accompanying notes and independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

The Imperial County Local Transportation Authority (the "Authority") was created to implement the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance (the LTA "tax") as adopted by the electorate on November 4, 2008. The tax is imposed in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 of the Public Utilities Code (Code Section 180000). The primary purpose of this ordinance was to enact a one-half of one percent retail transactions and use tax for a period of forty (40) years. The proceeds of this tax would be allocated to the County of Imperial and the cities in the County for local street and road purposes. Also, a small portion of the tax revenues would be used for administration transit services and possibly state highway purposes.

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

The Authority consists of the following member agencies:

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

The members of the Board of the Authority consist of one (1) member of the City Council of each incorporated city of the Imperial County and two (2) members of the Board of Supervisors of Imperial County. The members serve staggered terms with no term over a four year period. The chairman and vice-chairman of the Board of the Authority are elected annually in June.

Compliance requirements of the Imperial County Local Transportation Authority

Each member agency is required to comply with 1) the "By-Laws of Imperial County Local Transportation Authority" (Attachment A of the LTA ordinance) and 2) the "Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Transportation Authority Expenditure Plan" (Attachment B of the LTA ordinance).

Fund accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

See independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
NOTES TO SUPPLEMENTARY INFORMATION
June 30, 2012**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the acquisition or construction of general fixed assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues are considered available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

The revenue susceptible to accrual is interest revenue. Sales taxes held by the state at year end on behalf of the Authority are not recognized as revenue.

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the governmental funds. All annual appropriations lapse at fiscal year end.

Cash and cash equivalents

Cash is pooled with other cash of the City to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Local Transportation Authority Funds.

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized.

See independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

ROAD	FROM	TO	PROJECT DESCRIPTION
Center Street	Highway 86	Baughman Road	Reconstruct
Center Street	Highway 86	Eighth Street	Reconstruct
First Street	Center Street	F Street	Repair/Maintenance
First Street	Center Street	C Street	Repair/ Construct
First Street	H Street	G Street	Repair/Maintenance
Second Street	G Street	Center Street	Repair/Reconstruct
Third Street	F Street	Center Street	Repair/Maintenance
Fifth Street	G Street	C Street	Repair/Construct
Fifth Street	H Street	West end of Street	Repair/Maintenance
Sixth Street	F Street	Center Street	Reconstruct
Sixth Street	H Street	West end of Street	Repair/Maintenance
Seventh Street	J Street	Center Street	Reconstruct
Seventh Street	D Street	B Street	Reconstruct
Eighth Street	J Street	H Street	Construct
Eighth Street	Center Street	150' E. of D Street	Repair/Maintenance
B Street	Highway 86	Seventh Street	Reconstruct
C Street	Highway 86	Seventh Street	Repair/Maintenance
D Street	Seventh Street	Eighth Street	Repair/Maintenance
F Street	Third Street	7th Street	Reconstruct
G Street	Highway 86	Third Street	Repair
G Street	Sixth Street	Seventh Street	Repair/Construct
H Street	First Street	Highway 86	Repair/Construct
H Street	Seventh Street	Eighth Street	Construct
J Street	Seventh Street	Eighth Street	Repair/Maintenance

See independent auditors' report on compliance

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS**

5-Year Program of Projects 2007/12

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Jauregui Street	G Street	End of Cul-de-sac	Repair/Maintenance
Sundance	J Street	End of Cul-de-sac	Repair/Maintenance
Various Streets	Various Locations		Reconstruction/Repair

See independent auditors' report on compliance

FINDINGS AND RECOMMENDATIONS

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
June 30, 2012**

We noted the following finding during our examination of the Local Transportation Authority Funds of the City of Westmorland.

1. Finding:

During the examination, we noted that the City was not allocating interest revenue to the LTA Revenue Fund.

Recommendation:

The City should review their funds for interest earned and allocate corresponding interest to LTA Fund Revenue.

April 5, 2013

Honorable Board Members
Imperial County Local Transportation Authority
El Centro, California

We have audited the general purpose financial statements of the Imperial County Local Transportation Authority for the year ended June 30, 2012, and have issued our report thereon dated April 5, 2013. Professional standards require that we provide you with the following information related to our audit.

Findings and Recommendations

During our examination we noted the following finding:

1. The City of Westmorland did not allocate interest to the LTA Revenue Fund. We recommend that the City review their funds for interest earned and allocate corresponding interest to LTA Revenue Fund.

This report is intended solely for the information and use of Imperial County Local Transportation Authority, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

April 5, 2013