

Imperial County Local Transportation Authority

Annual Financial Report
For the Fiscal Year Ended
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Imperial County Local Transportation Authority as of and for the year ended June 30, 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Imperial County Local Transportation Authority, as of June 30, 2013 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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, 2013.

Hutchinson and Bloodgood LLP

February 21, 2014

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

June 30, 2013

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, 2013 and 2012. 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, 2013 and 2012.

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, 2013 and 2012, 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 \$52,230,000. This amount is comprised entirely of the 2012 Series bond payable.

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

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 53,975,000</u>	<u>\$ --</u>	<u>\$ 1,745,000</u>	<u>\$ 52,230,000</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

June 30, 2013

Condensed Financial Position Information

The following condensed financial information provided an overview of the Authority's financial position as of June 30, 2013 and 2012.

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 5,613,903	\$ 4,764,254
Cash with fiscal agent	54,395,953	54,890,256
Interest receivable	6,184	8,056
Due from other funds	--	12,822
Due from other governments	52,834,676	54,434,200
Due from other governments -other	--	8,796
Issuance costs, net of amortization	<u>974,229</u>	<u>1,025,958</u>
Total assets	<u>113,824,945</u>	<u>115,144,342</u>
LIABILITIES		
Account payable	791	--
Interest payable	256,401	610,611
Allocations due to members	--	47,178
Due to other funds	1,306	12,871
Bond payable	52,230,000	53,975,000
Premium on bond payable, net of amortization	<u>850,301</u>	<u>895,450</u>
Total liabilities	<u>53,338,799</u>	<u>55,541,110</u>
NET POSITION		
Restricted for:		
Debt service	54,868,156	54,869,353
Unrestricted	<u>5,617,990</u>	<u>4,733,879</u>
Total net position	<u>\$ 60,486,146</u>	<u>\$ 59,603,232</u>

(a) Net Position

The assets of the Authority exceeded its liabilities at the close of fiscal year 2012-2013 by \$60,486,146 (Net Position).

(b) Liabilities

Liabilities net decrease for fiscal year 2012-2013 was \$2,202,311. This decrease is related to activities of the ICLTA sales tax revenue bond Series 2012. The allocations due to member had a decrease of \$47,178 from the prior year. The due to other funds had a decrease of \$11,565 from the prior year.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Management's Discussion and Analysis

June 30, 2013

Summary of Operations and Changes in Net Position

The Authority's net position increase for fiscal year 2013 was of \$884,111 and the increase for 2012 of \$866,262. The tables below summarize the Authority's fiscal years ended June 30, 2013 and 2012 activity:

	2013	2012
ADDITIONS:		
Retail sales tax	\$ 15,087,292	\$ 12,565,747
Interest income	<u>28,417</u>	<u>40,486</u>
Total additions	<u>15,115,709</u>	<u>12,606,233</u>
DEDUCTIONS:		
Allocations to local members	10,407,154	10,513,627
Administration	151,289	29,483
Transit services	200,000	150,000
Principal payments	1,554,375	436,250
Interest	<u>1,918,780</u>	<u>610,611</u>
Total deductions	<u>14,231,598</u>	<u>11,739,971</u>
TRANSFERS:		
Transfers in	1,206,984	1,005,259
Transfers out	<u>1,206,984</u>	<u>1,005,259</u>
Total transfers	<u>--</u>	<u>--</u>
Change in net position	884,111	866,262
Net position - Unrestricted, beginning	<u>4,733,879</u>	<u>3,867,617</u>
Net position - Unrestricted, ending	<u>\$ 5,617,990</u>	<u>\$ 4,733,879</u>

(a) *Additions*

In fiscal year 2013 revenues increased approximately 19.91%.

(b) *Deductions*

Deductions consists of, allocations to members, administration, transit, state highway and bond related expenses. During the year, deductions increased by \$2,491,627.

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 Position

June 30, 2013

	LTA Funds	State Highway	Transit Services	Admin Services	Total
ASSETS					
Cash and cash equivalents	\$ 1,190,973	\$ 3,897,363	\$ 382,645	\$ 142,922	\$ 5,613,903
Cash with fiscal agent	54,395,953	--	--	--	54,395,953
Interest receivable	1,097	4,544	386	157	6,184
Due from other governments	52,834,676	--	--	--	52,834,676
Issuance costs, net of amortization	<u>974,229</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>974,229</u>
Total assets	<u>109,396,928</u>	<u>3,901,907</u>	<u>383,031</u>	<u>143,079</u>	<u>113,824,945</u>
LIABILITIES					
Accounts payable	--	--	--	791	791
Interest payable	256,401	--	--	--	256,401
Due to other funds	--	--	--	1,306	1,306
Bond payable	52,230,000	--	--	--	52,230,000
Premium on bond payable, net of amortization	<u>850,301</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>850,301</u>
Total liabilities	<u>53,336,702</u>	<u>--</u>	<u>--</u>	<u>2,097</u>	<u>53,338,799</u>
NET POSITION					
Restricted for:					
Debt service	54,868,156	--	--	--	54,868,156
Unrestricted	<u>1,192,070</u>	<u>3,901,907</u>	<u>383,031</u>	<u>140,982</u>	<u>5,617,990</u>
Total net position	<u>\$ 56,060,226</u>	<u>\$ 3,901,907</u>	<u>\$ 383,031</u>	<u>\$ 140,982</u>	<u>\$ 60,486,146</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Statement of Changes in Net Assets

For the Year Ended June 30, 2013

	LTA Funds	State Highway	Transit Services	Admin Services	Total
ADDITIONS:					
Retail sales tax	\$ 15,087,292	\$ --	\$ --	\$ --	\$ 15,087,292
Interest income	<u>6,643</u>	<u>19,004</u>	<u>1,915</u>	<u>855</u>	<u>28,417</u>
Total additions	<u>15,093,935</u>	<u>19,004</u>	<u>1,915</u>	<u>855</u>	<u>15,115,709</u>
DEDUCTIONS:					
Allocations to local members	10,407,154	--	--	--	10,407,154
Transit services	--	--	200,000	--	200,000
LTA Administration	--	--	--	151,289	151,289
Interest	1,918,780	--	--	--	1,918,780
Principal repayment	<u>1,554,375</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,554,375</u>
Total deductions	<u>13,880,309</u>	<u>--</u>	<u>200,000</u>	<u>151,289</u>	<u>14,231,598</u>
TRANSFERS:					
Transfers in	--	754,365	301,746	150,873	1,206,984
Transfers (out)- State highway	(754,365)	--	--	--	(754,365)
Transfers (out)- Transit services	(301,746)	--	--	--	(301,746)
Transfers (out)- Administration	<u>(150,873)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(150,873)</u>
Total transfers in (out)	<u>(1,206,984)</u>	<u>754,365</u>	<u>301,746</u>	<u>150,873</u>	<u>--</u>
Change in net position	6,642	773,369	103,661	439	884,111
Net position- Unrestricted, beginning	<u>1,185,428</u>	<u>3,128,538</u>	<u>279,370</u>	<u>140,543</u>	<u>4,733,879</u>
Net position - Unrestricted, ending	<u>\$ 1,192,070</u>	<u>\$ 3,901,907</u>	<u>\$ 383,031</u>	<u>\$ 140,982</u>	<u>\$ 5,617,990</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2013

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.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2013

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 Position

The net position represents undesignated net position, 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, 2013 is as follows:

Cash and cash equivalents	\$ 5,613,903
Deposits with fiscal agents	<u>54,395,953</u>
Total deposits and investments	<u>\$ 60,009,856</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.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2013

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	\$ 54,395,953	\$ --	\$ --	\$ 54,395,953	\$ 54,395,953
County of Imperial Investment Fund	<u> --</u>	<u> --</u>	<u> --</u>	<u> 5,613,903</u>	<u> 5,613,903</u>
	<u>\$ 54,395,953</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 60,009,856</u>	<u>\$ 60,009,856</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 \$5,613,903. 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.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2013

Note 4. DUE FROM OTHER GOVERNMENTS (Continued)

During the fiscal year ended June 30, 2013 the following changes occurred in Due from other governments (See Schedule III).

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 54,434,200</u>	<u>\$ --</u>	<u>\$ 1,599,524</u>	<u>\$ 52,834,676</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, 2013 the total bond issuance costs, net of amortization, was a combined amount of \$974,229 (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, 2013 the following changes occurred in bond payable (See Schedule V).

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 53,975,000</u>	<u>\$ --</u>	<u>\$ 1,745,000</u>	<u>\$ 52,230,000</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Notes to the Financial Statements
June 30, 2013

Note 6. BOND PAYABLE (Continued)

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 1,965,000
2015	2,020,000
2016	2,085,000
2017	2,160,000
2018	2,230,000
2019 to 2023	12,320,000
2024 to 2028	14,980,000
2029 to 2032	<u>14,470,000</u>
Total	<u>\$ 52,230,000</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, 2013 the total bond premium, net of amortization, was a combined amount \$850,301 (See Schedule VI).

Note 8. NET POSITION - 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, 2013 the restricted net position amount was \$54,868,156 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).

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2013

Note 9. DUE TO OTHER FUNDS

During the fiscal year ended June 30, 2013 there was an amount of \$1,306 to recognize amounts due to other funds that were paid in the following fiscal year.

Note 10. 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 25 through 42 for the Authority's various "Five-Year Program of Projects".

Amendments

There have been no amendments to the Expenditure Plan during the fiscal year ended June 30, 2013.

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.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2013

Note 10. 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, 2013 the City of Calexico has certified to the Authority that their maintenance of effort requirement of \$1,071,953 was met.

For fiscal year ended June 30, 2013 the City of Imperial has certified to the Authority that their maintenance of effort requirement of \$32,116 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, 2013.

Non-participating Member Agencies:

For fiscal year ended June 30, 2013 the City of El Centro has certified to the Authority that their maintenance of effort requirement of \$1,748 was met.

There were no maintenance of effort requirements for the Cities of Holtville and Westmorland for fiscal year ended June 30, 2013.

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, 2013, the Authority allocated \$150,873 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, 2013 the Authority did allocate funds to the state highway reserve fund in the amount of \$754,365.

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, 2013 the Authority did allocate funds to the transit service projects reserve fund in the amount of \$301,746.

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY

Notes to the Financial Statements

June 30, 2013

Note 10. 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 11. 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 12. 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 13. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 21, 2014, the report date, and has determined that there are no reportable events.

SUPPLEMENTARY INFORMATION

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedules of Supplementary Information
June 30, 2013

	2013
Schedule I - Cash with Fiscal Agent	
2012 Bond proceeds - City of Brawley	
Road projects funding	\$ 7,733,073
20-year bond reserves	631,847
Principal bond repayment	37,719
Interest bond repayment	<u>41,544</u>
City of Brawley - Total	<u>\$ 8,444,183</u>
2012 Bond proceeds - City of Calexico	
Road projects funding	\$ 14,088,872
20-year bond reserves	1,132,419
Principal bond repayment	69,784
Interest bond repayment	<u>71,905</u>
City of Calexico - Total	<u>\$ 15,362,980</u>
2012 Bond proceeds - City of Calipatria	
Road projects funding	\$ 2,163,167
20-year bond reserves	179,752
Principal bond repayment	10,687
Interest bond repayment	<u>11,607</u>
City of Calipatria - Total	<u>\$ 2,365,213</u>
2012 Bond proceeds - City of Imperial	
Road projects funding	\$ 5,845,338
20-year bond reserves	478,471
Principal bond repayment	28,290
Interest bond repayment	<u>31,433</u>
City of Imperial - Total	<u>\$ 6,383,532</u>
2012 Bond proceeds - County of Imperial	
Road projects funding	\$ 20,028,924
20-year bond reserves	1,609,285
Principal bond repayment	100,586
Interest bond repayment	<u>101,250</u>
County of Imperial - Total	<u>\$ 21,840,045</u>
Cash with fiscal agent - Grand Total	<u>\$ 54,395,953</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedules of Supplementary Information
June 30, 2013

	2013
Schedule II - Bond issuance costs	
2012 Bond - City of Brawley	\$ 148,184
2012 Bond - City of Calexico	270,958
2012 Bond - City of Calipatria	55,349
2012 Bond - City of Imperial	116,721
2012 Bond - County of Imperial	<u>383,017</u>
Bond issuance costs - Total	<u>\$ 974,229</u>
 Schedule III - Due From Other Governments	
Due from other governments - City of Brawley	
2012 Bond principal	\$ 7,852,500
2012 Bond premium	<u>338,863</u>
City of Brawley - Total	<u>\$ 8,191,363</u>
 Due from other governments - City of Calexico	
2012 Bond principal	\$ 14,845,625
2012 Bond premium	<u>80,535</u>
City of Calexico - Total	<u>\$ 14,926,160</u>
 Due from other governments - City of Calipatria	
2012 Bond principal	\$ 2,219,375
2012 Bond premium	<u>89,099</u>
City of Calipatria - Total	<u>\$ 2,308,474</u>
 Due from other governments - City of Imperial	
2012 Bond principal	\$ 5,941,875
2012 Bond premium	<u>256,273</u>
City of Imperial - Total	<u>\$ 6,198,148</u>
 Due from other governments - County of Imperial	
2012 Bond principal	\$ 21,125,000
2012 Bond premium	<u>85,531</u>
County of Imperial - Total	<u>\$ 21,210,531</u>
Due from other governments - Grand Total	<u>\$ 52,834,676</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedules of Supplementary Information
June 30, 2013

	2013
Schedule IV - Net Position- Restricted for Debt Service	
2012 Bond proceeds - City of Brawley	
Road projects funding	\$ 7,733,073
20-year Bond reserves	631,847
Bond issuance costs	148,184
Interest - reserve	<u>435</u>
City of Brawley - Total	<u>\$ 8,513,539</u>
2012 Bond proceeds - City of Calexico	
Road projects funding	\$ 14,088,872
20-year Bond reserves	1,132,419
Bond issuance costs	270,958
Interest - reserve	<u>783</u>
City of Brawley - Total	<u>\$ 15,493,032</u>
2012 Bond proceeds - City of Calipatria	
Road projects funding	\$ 2,163,167
20-year Bond reserves	179,752
Bond issuance costs	55,349
Interest - reserve	<u>122</u>
City of Brawley - Total	<u>\$ 2,398,390</u>
2012 Bond proceeds - City of Imperial	
Road projects funding	\$ 5,845,338
20-year Bond reserves	478,471
Bond issuance costs	116,721
Interest - reserve	<u>328</u>
City of Brawley - Total	<u>\$ 6,440,858</u>
2012 Bond proceeds - County of Imperial	
Road projects funding	\$ 20,028,924
20-year Bond reserves	1,609,285
Bond issuance costs	383,017
Interest - reserve	<u>1,111</u>
City of Brawley - Total	<u>\$ 22,022,337</u>
Restricted Net Position- Debt Service - Grand Total	<u>\$ 54,868,156</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedules of Supplementary Information
June 30, 2013

	2013
Schedule V - Bond Payable	
2012 Bond - City of Brawley	\$ 7,890,000
2012 Bond - City of Calexico	14,915,000
2012 Bond - City of Calipatria	2,230,000
2012 Bond - City of Imperial	5,970,000
2012 Bond - County of Imperial	<u>21,225,000</u>
Bond payable - Total	<u>\$ 52,230,000</u>
 Schedule VI - Premium on Bond Payable	
2012 Bond - City of Brawley	\$ 338,863
2012 Bond - City of Calexico	80,535
2012 Bond - City of Calipatria	89,099
2012 Bond - City of Imperial	256,273
2012 Bond - County of Imperial	<u>85,531</u>
Premium on bond payable - Total	<u>\$ 850,301</u>
 Schedule VII - Interest Payable	
2012 Bond - City of Brawley	\$ 41,328
2012 Bond - City of Calexico	71,531
2012 Bond - City of Calipatria	11,547
2012 Bond - City of Imperial	31,270
2012 Bond - County of Imperial	<u>100,725</u>
Interest payable - Total	<u>\$ 256,401</u>
 Schedule VIII - LTA Administration Expenses	
Professional and special services	\$ 148,349
Travel out of County	1,422
Office expense	<u>1,518</u>
Administration expenses - Total	<u>\$ 151,289</u>

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedules of Supplementary Information
For the Year Ended June 30, 2013

	2013
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>80,000</u>
Transit service project expenses - Total	<u>\$ 200,000</u>
 Schedule X - Annual Allocations to Local Members	
City of Brawley	\$ 1,204,419
City of Calexico	1,634,185
City of Calipatria	235,403
City of El Centro	2,826,668
City of Holtville	536,853
City of Imperial	709,064
City of Westmorland	294,958
County of Imperial	<u>2,965,604</u>
Annual Allocations to local members - Total	<u>\$ 10,407,154</u>
 Schedule XI - Bond principal payments	
2012 Bond -City of Brawley	\$ 236,250
2012 Bond -City of Calexico	440,625
2012 Bond -City of Calipatria	66,875
2012 Bond -City of Imperial	178,125
2012 Bond -County of Imperial	<u>632,500</u>
Bond principal payments - Total	<u>\$ 1,554,375</u>
 Schedule XII - Bond interest expense	
2012 Bond -City of Brawley	\$ 308,896
2012 Bond -City of Calexico	535,503
2012 Bond -City of Calipatria	86,327
2012 Bond -City of Imperial	233,690
2012 Bond -County of Imperial	<u>754,364</u>
Bond interest expense - Total	<u>\$ 1,918,780</u>

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

5 Year Program of Projects 2012/17

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

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno St.	Legion St.	SHWY 86	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
Various Alleys			Resurface
Various Intersections			Sight Distance Improvements
Various Locations			Sidewalks, Curbs, Gutters & Maintenance

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.I. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Temple Court	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway98	Reconstruction & Widening
		West City limits & All	
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (Cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistado	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paseo de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALEXICO
 5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Linhholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	linholm Avenue	M. Acuna Avenue	Repair/Maintenance

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF CALIPATRIA
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Alamo	International	East	Maintenance
Alexandria	International	Brown	Maintenance
Barbara	International	Commercial	Maintenance
Blair Rd.	Sinclair Rd.	Peterson Rd.	Maintenance
Bonita	International	East	Maintenance
Bonita Place	Brown	East	Maintenance
Brown	Young Rd.	Bowles Rd.	Maintenance
California	International	East	Maintenance
Centro	Alexandria	Alamo St.	Maintenance
Church	International	East	Maintenance
Commercial Av.	Freeman St.	Church St.	Maintenance
Date	West Terminus	Railroad	Maintenance
Delta	International	Commercial	Maintenance
East	Young	Bowles	Maintenance
E. Elder	International	Commerical	Reconstruct
Elder	International	SR 111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance
Fern	International	SR 111	Maintenance
Freeman	Brown	East	Maintenance
Imperial Av.	Delta St.	Date St.	Reconstruct
Industrial Av.	Young	Elder St.	Maintenance
Ironwood	Date St.	Mesa Verde	Maintenance
Lake	Delta	C Lateral	Maintenance
Lauren Lane	Fan Palm	Mesa Verde	Maintenance
Lyerly Rd.	Bowles	Young	Maintenance
Main	Lyerly	SR 111	Maintenance
Mesa Verde	Ironwood	Terminus	Maintenance
Mesquite Dr.	Date St.	Terminus	Maintenance
Park	Delta St.	Fern St.	Maintenance
Railroad	Young	Bowles	Maintenance
Sycamore Dr.	Date St.	Terminus	Maintenance

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF EL CENTRO
5 Year Program of Projects 2012/17

NO ROAD PROGRAM OF PROJECTS AVAILABLE DURING THIS FISCAL YEAR

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maint & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maint & Restorative Seal
Eight Street	Melon	Olive Avenue	Maint & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maint & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maint & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maint & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maint & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maint & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maint & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maint & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maint & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maint & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maint & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maint & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maint & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maint & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maint & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maint & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maint & Restorative Seal
Walnut Avenue	South County Line 237 S of Third St		Maint & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maint & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue	Maint & Restorative Seal
Tenth Street	Orange Avenue		Maint & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maint & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maint & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maint & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maint & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maint & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maint & Restorative Seal
Rose Avenue – East of Chestnut Avenue			Maint & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maint & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maint & Restorative Seal

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Webb Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maint & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maint & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maint & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maint & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maint & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maint & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maint & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maint & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maint & Restorative Seal
Orange Avenue	200' S of Fifth St		Maint & Restorative Seal
Beale Avenueo	Seventh Street	Ninth Street	Maint & Restorative Seal
8th Street	Maple	Walnut Ave	Maint & Restorative Seal
Figueroa Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Ninth Street	Slaton	Brentwood	Maint & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Impr Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Veh Plan
4th Street/SR 115 - Alamo River Bridge			Develop Erosion Control
Rail ROW Acquisitions	Grape Avenue Intersection		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF HOLTVILLE
 5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Constr Ninth Street	Slayton Beale		Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Various Streets	Various Limits		Const/Rehab/Maintenance
Neckel	Hwy86	Railroad	Rehab/Repair/ Maint.
Ralph	Hwy86	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	E St	F St	Repair/Maintenance
3rd St	G St	K St	Repair/Maintenance
3rd St	N St	P St	Construct
4th St	E 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	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	Hwy86	Rehab/Repair/Maint
15th St	Hwy86	M St	Repair/Maintenance
15th St	La Brucherie	D St	Construct
E St	3rd St	4th St	Repair/Maintenance
E St	12th St	14th St	Repair/Maintenance
D St	1st St	3rd St	Repair/Maintenance
D St	4th St	5th St	Repair/Maintenance
E St	1st St	3rd St	Repair/Maintenance
F St	1st St	14th 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

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

5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Imperial Ave	Hwy86	2nd St	Repair/Maintenance
Imperial Ave	12th St	15th 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	Hwy86	La Brucherie	Construct
Clark & Aten Rd	Intersection		Const/Rehab/Signal
Wall St	Hwy86	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
Juniper	Brushwood	Smokewood	Repair/Maintenance
Canon	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	Canon Dr	End of Lane	Repair/Maintenance
Conestoga Ln	Canon Dr	End of Lane	Repair/Maintenance
Roadrunner	Canon Dr	End of Lane	Repair/Maintenance

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
CITY OF WESTMORLAND
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
S. Center Street	Highway 86	Baughman Road	Traffic Claming
N. Center Street	Highway 86	Seventh Street	Rehabilitation
N. Center Street	Seventh Street	Eighth Street	Reconstruction
First Street	S. Center Street	F Street	Rehabilitation
First Street	S. Center Street	C Street	Maintenance
First Street	H Street	G Street	Rehabilitation
Second Street	G Street	S. Center Street	Maintenance
Third Street	F Street	S. Center Street	Maintenance
Fifth Street	G Street	C Street	Maintenance
Fifth Street	H Street	West end of Street	Repair/Maintenance
Sixth Street	F Street	N. Center Street	Reconstruction
Sixth Street	H Street	West end of Street	Repair/Maintenance
Seventh Street	N. Center Street	H Street	Maintenance
Seventh Street	H Street	Martin Rd	Rehabilitation
Seventh Street	D Street	B Street	Reconstruction
Eighth Street	J Street	H Street	Reconstruction
Eighth Street	Center Street	150' E. of D Street	Repair/Maintenance
B Street	Highway 86	Seventh Street	Reconstruction
B Street	Third Street	Highway 86	Reconstruction
C Street	Highway 86	Seventh Street	Repair/Maintenance
D Street	Seventh Street	Eighth Street	Repair/Maintenance
F Street	Highway 86	Fifth Street	Reconstruction
F Street	Third Street	Seventh Street	Reconstruction
G Street	Highway 86	Third Street	Rehabilitation
H Street	Fifth Street	Highway 86	Reconstruction
H Street	Seventh Street	Eighth Street	Reconstruction
J Street	Seventh Street	Eighth Street	Repair/Maintenance
Jauregui Street	G Street	End of Cul-de-sac	Repair/Maintenance
Sundance	J Street	End of Cul-de-sac	Repair/Maintenance
Seventh Street	Seventh Street	N. Center Street	Drainage Repairs
Eighth Street	E. Eighth Street	N. Center Street	Drainage Repairs
Eighth Street	W. Eighth Street	Martin Rd	Drainage Repairs
N. Center Street	N. Center Street	E. Main Street	Drainage Repairs

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
COUNTY OF IMPERIAL
5 Year Program of Projects 2012/17

NO ROAD PROGRAM OF PROJECTS AVAILABLE DURING THIS FISCAL YEAR

FINDINGS AND RECOMMENDATIONS

IMPERIAL COUNTY LOCAL TRANSPORTATION AUTHORITY
Schedule of Findings and Recommendations
June 30, 2013

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, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Brawley, California

Report on Compliance

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, 2013, 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.

Opinion

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, 2013.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	1,341,261
Due from ICLTA		280,893
Interest receivable		816
Due from other governments - Bond		8,365,354
Issuance costs, net of amortization		<u>148,184</u>
Total assets	\$	<u>10,136,508</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	1,278
Bond payable		7,852,500
Premium on bond payable, net of amortization		<u>338,863</u>
Total liabilities		<u>8,192,641</u>

Fund balance

Unassigned		<u>1,943,867</u>
Total fund balance		<u>1,943,867</u>
Total liabilities and fund balance	\$	<u>10,136,508</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	1,748,449
Interest		<u>12,370</u>
Total revenues		<u>1,760,819</u>

Expenditures

Transportation		994,432
Bond interest		<u>299,586</u>
Total expenditures		<u>1,294,018</u>

Increase (decrease) in fund balance		466,801
Fund balance, July 1		<u>1,477,066</u>
Fund balance, June 30	\$	<u>1,943,867</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 1,748,449	\$ 1,748,449	\$ --
Interest	<u>12,370</u>	<u>12,370</u>	<u>--</u>
Total revenues	<u>1,760,819</u>	<u>1,760,819</u>	<u>--</u>
Expenditures			
Transportation	995,000	994,432	(568)
Bond interest	<u>299,586</u>	<u>299,586</u>	<u>--</u>
Total expenditures	<u>1,294,586</u>	<u>1,294,018</u>	<u>(568)</u>
Increase (decrease) in fund balance	466,233	466,801	(568)
Fund balance, July 1	<u>1,477,066</u>	<u>1,477,066</u>	<u>--</u>
Fund balance, June 30	<u>\$ 1,943,299</u>	<u>\$ 1,943,867</u>	<u>\$ (568)</u>

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.

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

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

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.

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

The fund balance represents unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized. In addition, there is an artificial amount that represents the activity in relation to the bond issued in 2012. For fiscal year 2012-13 the total fund balance of \$1,943,867 includes an amount of \$322,175 which represents an artificial surplus created by the current year's bond related activities.

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, 2013 the total bond issuance costs, net of amortization, was \$148,184.

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, 2013 the following changes occurred in Due from other governments:

Road projects funding	\$ 7,733,073
Bond reserves	631,847
Interest reserve	<u>434</u>
Due from other governments, Total	<u>\$ 8,365,354</u>

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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.

During the fiscal year ended June 30, 2013 the following changes occurred in bonds payable:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 8,088,750</u>	<u>\$ --</u>	<u>\$ 236,250</u>	<u>\$ 7,852,500</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 262,500
2015	305,000
2015	315,000
2016	325,000
2017	335,000
2019 to 2023	1,840,000
2024 to 2028	2,240,000
2029 to 2032	<u>2,230,000</u>
Total	<u>\$ 7,852,500</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 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, 2013 the total bond premium, net of amortization, was \$338,863.

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

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

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Cameron Ct.	Bell Ct.	End of Cul-de-sac	Resurface
Cattle Call Dr.	Around Cattle Call Park	SHWY 86	Resurface
Cedar Ct.	End of Cul-de-sac	Jones St.	Resurface
Cesar Chavez St.	River Dr.	Malan St.	Resurface
Cessna Ave.	Franklin Pl.	Lexington St.	Resurface
Chaparral Ct.	End of Cul-de-sac	Voet Dr.	Resurface
Cherry Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Chestnut Ave.	Alamo St.	Jones St.	Resurface
Cristina Najar St.	End of Cul-de-sac	Seventh St.	Resurface
Christine Carmargo St.	End of Cul-de-sac	Seventh St.	Resurface
Colegrove Ave.	Duarte St.	River Dr.	Resurface
Concord Ave.	Princeton St.	South End of St.	Resurface
Corral Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Cortez Ct.	Magnolia St.	End of Cul-de-sac	Resurface
Crestview Dr.	River Wood Dr.	Ridge Park Dr.	Resurface
D St.	Pinner Dr.	Rail Road	Resurface
D St.	Rail Road	Eastern Ave.	Resurface
David St.	Ronald St.	Evelyn Ave.	Resurface
De Anza Pl.	Allen St.	Cattle Call Dr.	Resurface
Dominguez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Driftwood Dr.	Rio Vista Ave.	El Cerrito Dr.	Resurface
Driftwood Pl.	Boswell Ct.	Western Ave.	Resurface
Duarte St.	End of Cul-de-sac	Western Ave.	Resurface
Duarte St.	Palm Ave.	Eastern Ave.	Resurface
E St.	Pinner Dr.	Las Flores Dr.	Resurface
E St.	Western Ave.	Plaza St.	Resurface
E St.	Fifth St.	Rail Road	Resurface
E St.	Rail Road	Eastern Ave.	Resurface
Eastern Ave.	End of Cul-de-sac	Malan St.	Resurface
Earhart Ave.	Lexington St.	South End of St.	Resurface
Echo Canyon Dr.	Monterey St.	South End of St.	Resurface
Edgley Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Eighteenth St.	K St.	Malan St.	Resurface
Eighth St.	K St.	North City Limits	Resurface
El Cerrito Dr.	Duarte St.	Driftwood Pl.	Resurface
El Cerrito Dr.	C St.	D St.	Resurface
El Cerrito Dr.	Main St.	Cattle Call Dr.	Resurface
Eleventh St.	River Dr.	Magnolia St.	Resurface
Eleventh St.	B St.	E St.	Resurface
Eleventh St.	H St.	Malan St.	Resurface
Ell St.	Third St.	Imperial Ave.	Resurface
Elm Ct.	Walnut St.	End of Cul-de-sac	Resurface
Emma Pl.	Kindig Ave.	Shelbie Ave.	Resurface
Enara Ct.	End of Cul-de-sac	Calle de Golondrina	Resurface
Essex Ln.	Seabolt Dr.	Lexington St.	Resurface

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Eucalyptus Ave.	Jones St.	End of Cul-de-sac	Resurface
Eucalyptus Ct.	End of Cul-de-sac	Pine Ct.	Resurface
Evelyn Ave.	End of Cul-de-sac	Legion St.	Resurface
Fifth St.	River Dr.	A St.	Resurface
Fifth St.	C St.	Plaza St.	Resurface
Fifth St.	Plaza St.	South End of St.	Resurface
First St.	River Dr.	Main St.	Resurface
First St.	K St.	Julia Dr.	Resurface
First St.	Monterey St.	South End of St.	Resurface
Flammang Ave.	Jones St.	Seventh St.	Resurface
Fourteenth St.	Adler St.	Alley	Resurface
Fourteenth St.	C St.	D St.	Resurface
Fourteenth St.	H St.	J St.	Resurface
Fourteenth St.	K St.	Malan St.	Resurface
G St.	West End of St.	Rio Vista St.	Resurface
G St.	El Cerrito Dr.	Western Ave.	Resurface
G St.	First St.	Plaza St.	Resurface
G St.	Fifth St.	Palm Ave.	Resurface
Garrett St.	K St.	Ell St.	Resurface
Gilmour St.	K St.	Malan St.	Resurface
Glendening Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
Grapefruit Dr.	Fifth St.	Malan St.	Resurface
Gutierrez Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
H St.	West End of St.	El Cerrito Dr.	Resurface
H St.	First St.	Eighth St.	Resurface
H St.	Ninth St.	Eastern Ave.	Resurface
Hatfield Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Havilland Ave.	Taxiway St.	River Dr.	Resurface
Hickory Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Hontza Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
I St.	El Cerrito Dr.	Eighth St.	Resurface
I St.	Ninth St.	Best Ave.	Resurface
Imperial Ave.	Northern City Limits	Southern City Limits	Resurface
Ivy St.	Ninth St.	Alley	Resurface
Ivy St.	Palm Ave.	Thirteenth St.	Resurface
J St.	Terrace Cir.	Eighth St.	Resurface
J St.	Ninth St.	Eastern Ave.	Resurface
Jacaranda St.	C St.	Manzanita St.	Resurface
Jennifer St.	Ronald St.	Evelyn Ave.	Resurface
Jones St.	Rio Vista Ave.	Imperial Ave.	Resurface
Jones St.	Palm Ave.	Best Ave.	Resurface
Joshua Ave.	Birch St.	Flammang Ave.	Resurface
Julia Dr.	Willard Ave.	SHWY 86	Resurface
Julia Dr.	Kindig Ave.	Second St.	Resurface
K St.	End of Cul-de-sac	Eighteenth St.	Resurface

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Kelly Ave.	Ronald St.	Calle Estrella	Resurface
Ken Bemis Dr.	Airport	Jones St.	Resurface
Kindig Ave.	Tyler Pl.	Julia Dr.	Resurface
La Valencia Ct.	La Valencia Dr.	End of Cul-de-sac	Resurface
La Valencia Dr.	Legion St.	South End of St.	Resurface
Las Flores Dr.	North End of St.	H St.	Resurface
Laurel St.	Eucalyptus Ave.	Flammang Ave.	Resurface
Legion St.	West City Limits	East End of St.	Resurface
Leonard St.	Cesar Chavez St.	Palm Ave.	Resurface
Lexington St.	Seabolt Dr.	Concord Ave.	Resurface
Lindbergh Ct.	River Dr.	Lexington St.	Resurface
Los Olivos Dr.	North End of St.	Legion St.	Resurface
Mackenzie Pl.	End of Cul-de-sac	Shelbie Ave.	Resurface
Madison Ave.	Emma Pl.	Julia Dr.	Resurface
Magnolia Ct.	End of Cul-de-sac	Fifth St.	Resurface
Magnolia St.	B St.	El Cerrito Dr.	Resurface
Magnolia St.	First St.	Third St.	Resurface
Magnolia St.	Seventh St.	Eighth St.	Resurface
Magnolia St.	Cesar Chavez St.	Eastern Ave.	Resurface
Malan St.	SHWY 86	Best Ave.	Resurface
Manzanita St.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Maple Ct.	End of Cul-de-sac	Jones St.	Resurface
Marilyn Ave.	J St.	Cattle Call Dr.	Resurface
Marjorie Ave.	Main St.	H St.	Resurface
Martin Pl.	Ninth St.	Alley	Resurface
Martin St.	Palm Ave.	Thirteenth St.	Resurface
Mendibles Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Mesquite Ave.	Olive Way	End of Cul-de-sac	Resurface
Mika Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Milano Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Mita Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Monterey Dr.	End of Cul-de-sac	Echo Canyon Dr.	Resurface
Ninth St.	B St.	South End of St.	Resurface
Norman Ct.	North End of St.	Main St.	Resurface
N. Plaza St.	Main St.	Main St.	Resurface
O'Brian St.	Rubio St.	Eastern Ave.	Resurface
Olive St.	Leonard St.	South End of St.	Resurface
Olive Way	Mesquite Ave.	Chestnut Ave.	Resurface
Orchard Ln.	End of Cul-de-sac	Legion St.	Resurface
Orita Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Palm Ave.	Duarte St.	Malan St.	Resurface
Palm Dr.	Adler St.	Magnolia St.	Resurface
Palm Dr.	H St.	I St.	Resurface
Panno St.	Legion St.	SHWY 86	Resurface
Park View Dr.	West End of St.	Western Ave.	Resurface

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Pater St.	End of Cul-de-sac	River Dr.	Resurface
Peach St.	Eleventh St.	Palm Ave.	Resurface
Pecan Ct.	Walnut St.	End of Cul-de-sac	Resurface
Pecan St.	Alamo St.	Walnut St.	Resurface
Pine Ct.	End of Cul-de-sac	End of Cul-de-sac	Resurface
Pine St.	Maple Ct.	Jones St.	Resurface
Pinner Dr.	D St.	South End of St.	Resurface
Princeton St.	Havilland Ave.	Concord Ave.	Resurface
Richard Ave.	Panno St.	Calle Estrella	Resurface
Ridge Park Dr.	Crestview Dr.	River Wood Dr.	Resurface
Rio Vista Ave.	Jones St.	South End of St.	Resurface
River Dr.	West City Limits	Seventh St.	Resurface
River Dr.	Cesar Chavez St.	Concord Ave.	Resurface
River Way	Western Ave.	First St.	Resurface
River Wood Dr.	Crestview Dr.	Ridge Park Dr.	Resurface
Roberto Noriega St.	End of Cul-de-sac	Seventh St.	Resurface
Rodeo Dr.	End of Cul-de-sac	Willard Ave.	Resurface
Ronald St.	Panno St.	Evelyn Ave.	Resurface
Rubio St.	Colegrove Ave.	O'Brian St.	Resurface
Russell Dr.	H St.	Willard Ave.	Resurface
Santillan St.	Second St.	South End of St.	Resurface
Seabolt Dr.	Taxiway St.	Beacon St.	Resurface
Second St.	Magnolia St.	South End of St.	Resurface
Sequoia Ave.	Jones St.	Pater St.	Resurface
Sequoia Ct.	End of Cul-de-sac	Pine St.	Resurface
Seventeenth St.	K St.	Malan St.	Resurface
Seventh St.	Christine Carmargo St.	E St.	Resurface
Shank St.	Eighth St.	Best Ave.	Resurface
Shelbie Ave.	Macknezie Pl.	Julia Dr.	Resurface
Sierra Dr.	Julia Dr.	End of Cul-de-sac	Resurface
Sixteenth St.	River Dr.	Magnolia St.	Resurface
Sixteenth St.	K St.	Malan St.	Resurface
Sixth St.	D St.	H St.	Resurface
Socorro Juarez St.	End of Cul-de-sac	Seventh St.	Resurface
South Plaza St	Main St.	Main St.	Resurface
Spruce Ct.	Flammang Ave.	End of Cul-de-sac	Resurface
Stanley Pl.	K St.	Malan St.	Resurface
Steven St.	Panno St.	Evelyn Ave.	Resurface
Sunset Dr.	River Way	A St.	Resurface
Sycamore Dr.	H St.	J St.	Resurface
Sycamore Dr.	Allen St.	Cattle Call Dr.	Resurface
Terrace Cir.	H St.	Terrace Dr.	Resurface
Terrace Dr.	H St.	Terrace Cir.	Resurface
Third St.	River Dr.	C St.	Resurface
Third St.	D St.	Ell St.	Resurface

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Thirteenth St.	Adler St.	B St.	Resurface
Thirteenth St.	C St.	E St.	Resurface
Thirteenth St.	J St.	Malan St.	Resurface
Trail St.	Rio Vista Ave.	Western Ave.	Resurface
Trail St.	Palm Ave.	Eastern Ave.	Resurface
Tyler Pl.	Kindig Ave.	End of Cul-de-sac	Resurface
Ulloa Ave.	Magnolia St.	D St.	Resurface
Vine Ave.	K St.	Malan St.	Resurface
Voet Dr.	Arroyo Ct.	Willard Ave.	Resurface
Walnut Ct.	End of Cul-de-sac	Flammang Ave.	Resurface
Walnut St.	Alamo St.	Apple Way	Resurface
Welcome St.	Eleventh St.	Palm Ave.	Resurface
Welcome St.	End of Cul-de-sac	Eastern Ave.	Resurface
Western Ave.	North City Limits	Cattle Call Dr.	Resurface
Wildcat Dr.	SHWY 86	East End of St.	Resurface
Willard Ave.	H St.	Legion St.	Resurface
Willow Ct.	Walnut St.	End of Cul-de-sac	Resurface
Wilson Ct.	North End of St.	I St.	Resurface
Wright Ct.	River Dr.	Lexington St.	Resurface
Zorzal Ct.	Calle de Golondrina	End of Cul-de-sac	Resurface
Zozoa Ct.	End of Cul-de-sac	Calle de Valenzuela	Resurface
Various Alleys			Resurface
Various Intersections			Sight Distance Improvements
Various Locations			Sidewalks, Curbs, Gutters & Maintenance

FINDINGS AND RECOMMENDATIONS

CITY OF BRAWLEY
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

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, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Calexico, California

Report on Compliance

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, 2013, 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.

Opinion

In our opinion, based on the tests and procedures applied, the City of Calexico has not complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2013. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	5,129,140
Due from other governments		411,003
Due from other governments - Bond		15,222,074
Issuance costs, net of amortization		<u>270,958</u>
Total assets	\$	<u>21,033,175</u>

LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	\$	218,737
Bond payable		14,845,625
Premium on bond payable, net of amortization		<u>80,535</u>
Total liabilities		<u>15,144,897</u>

Fund balance

Unassigned		<u>5,888,278</u>
Total fund balance		<u>5,888,278</u>
Total liabilities and fund balance	\$	<u>21,033,175</u>

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	2,608,605
Interest		<u>15,831</u>
Total revenues		<u>2,624,436</u>

Expenditures

Transportation		2,101,746
Bond interest		<u>547,152</u>
Total expenditures		<u>2,648,898</u>

Increase (decrease) in fund balance		(24,462)
Fund balance, July 1		<u>5,912,740</u>
Fund balance, June 30	\$	<u>5,888,278</u>

**CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 2,608,605	\$ 2,608,605	\$ --
Interest	<u>15,000</u>	<u>15,831</u>	<u>831</u>
Total revenues	<u>2,623,605</u>	<u>2,624,436</u>	<u>831</u>
Expenditures			
Transportation	2,105,000	2,101,746	(3,254)
Bond interest	<u>547,152</u>	<u>547,152</u>	<u>--</u>
Total expenditures	<u>2,652,152</u>	<u>2,648,898</u>	<u>(3,254)</u>
Increase (decrease) in fund balance	(28,547)	(24,462)	4,085
Fund balance, July 1	<u>5,912,740</u>	<u>5,912,740</u>	<u>--</u>
Fund balance, June 30	<u>\$ 5,884,193</u>	<u>\$ 5,888,278</u>	<u>\$ 4,085</u>

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.

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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.

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

The fund balance represents unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized. In addition, there is an artificial amount that represents the activity in relation to the bond issued in 2012. For fiscal year 2012-13 the total fund balance of \$5,888,278 includes an amount of \$566,872 which represents an artificial surplus created by the current year's bond related activities.

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, 2013 the total bond issuance costs, net of amortization, was \$270,958.

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, 2013 the following changes occurred in Due from other governments:

Road projects funding	\$ 14,088,872
Bond reserves	1,132,419
Earned interest reserve	<u>783</u>
Due from other governments, Total	<u>\$ 15,222,074</u>

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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.

During the fiscal year ended June 30, 2013 the following changes occurred in bonds payable:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	\$ <u>15,286,250</u>	\$ <u> --</u>	\$ <u>440,625</u>	\$ <u>14,845,625</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 485,625
2015	575,000
2016	590,000
2017	615,000
2018	635,000
2019 to 2023	3,545,000
2024 to 2028	4,300,000
2029 to 2032	<u>4,100,000</u>
Total	\$ <u>14,845,625</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, 2013 the total bond premium, net of amortization, was \$80,535.

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Kloke Avenue Bridge	All American Canal		Bridge Widening
Highway 111	International Border	Cole Road	Corridor Traffic Study
Cole Boulevard	Van De Graff	M.I. King Avenue	Reconstruction
Second Street	Calexico Int'l Airport	Cesar Chavez Boulevard	Bridge & Re-Construction
Weakly Street	Estrada Boulevard	Scaroni Avenue	New Construction
Various locations			Safety Improvements & Traffic Studies
Cole Boulevard	Bowker Road		Bridges
Andrade Avenue	Cole Boulevard	Jasper Road	Bridge & New Construction
Sunset Avenue	Central Main Canal	Jasper Road	Bridge & Road Construction
Yourman Road	Central Main Canal	Jasper Road	Reconstruction
Imperial Avenue West	Central Main Canal	Jasper Road	Reconstruction
Sherman Street	Harold Avenue	Railroad Tracks	Reconstruction
Sherman Street	Pierce Avenue	Emilia Drive	New Construction
V.V. Williams Avenue	All American Canal	Highway98	Reconstruction
De Las Flores Street	Eady Avenue	Kloke Avenue	New Construction
Sixth Street	Emerson Avenue	Railroad Tracks	New Construction
Third Street	Heber Avenue	Encinas Avenue	Reconstruction & Widening
Fourth Street	Blair Avenue	Encinas Avenue	Reconstruction & Widening
Sixth Street	Imperial Avenue	Heber Avenue	Reconstruction & Widening
Seventh Street	Imperial Avenue	Blair Avenue	Reconstruction & Widening
Sherman Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Eight Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Temple Court	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Rosemont Street	Rockwood Avenue	Blair Avenue	Reconstruction & Widening
Ninth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Ethel Street	Heber Avenue	Blair Avenue	Reconstruction & Widening
Maiden lane	Imperial Avenue	Paulin Avenue	Reconstruction & Widening
Tenth Street	Imperial Avenue	Rockwood Avenue	Reconstruction & Widening
Pauline Avenue	Fifth Street	Highway98	Reconstruction & Widening
		West City limits & All	
Second Street	Calexico Int'l Airport	American Canal	Bridge & Reconstruction
Beach Street	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Beach Street	Fifth Street	Second Street	Repair/Maintenance
Encanto Drive	Elmer Belcher Street	Eight Street	Repair/Maintenance
Encanto Drive (Cul de sac)	Eight Street	Eight Street	Repair/Maintenance
Encanto Terrace	Elmer Belcher Street	Eight Street	Repair/Maintenance
Dool Avenue	Elmer Belcher Street	Fifth Street	Repair/Maintenance
Dool Avenue	Fifth Street	Second Street	Repair/Maintenance
Fifth Street	Emerson Avenue	Andrade Avenue	Repair/Maintenance
Sixth Street	Encinas Avenue	Andrade Avenue	Repair/Maintenance
Holdridge Street	De Leon Avenue	Andrade Avenue	Repair/Maintenance
Camilia Street	Andrade Avenue	Cul-de-sac East	Repair/Maintenance
E. Hashem Avenue	100' N of Holdridge	Cul-de-sac South	Repair/Maintenance

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Margarita Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Margarita Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac West	Repair/Maintenance
Jasmine Street	E. Hashem Avenue	Cul-de-sac East	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac West	Repair/Maintenance
Obeliscos Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Pauline Avenue	Second Street	Fifth Avenue	Repair/Maintenance
Heber Avenue	First Street	Fourth Street	Repair/Maintenance
Giles Avenue	Second Street	Sherman Street	Repair/Maintenance
Heffernan Avenue	Border	Fifth Avenue	Repair/Maintenance
Paseo de los Virreyes	Paseo del Conquistado	Camino Real	Repair/Maintenance
Paseo de los Reyes	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo de su Majestad	Paseo de su Alteza	Paseo de los Virreyes	Repair/Maintenance
Paseo del Conquistado	Paseo de su Alteza	Andrade Avenue	Repair/Maintenance
Paseo del Emperador	Seventh Street	Paseo de su Alteza	Repair/Maintenance
Arroyo Avenue	Rancho Elegante Drive	Second Street	Repair/Maintenance
Camino del Rio	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Milpitas Drive	Paseo de su Alteza	Cul-de-sac West	Repair/Maintenance
Rio Hondo	Milpitas Drive	Camino del Rio	Repair/Maintenance
Santiago Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Colorado Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Plata Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
Brave Drive	De Leon Avenue	Cul-de-sac East	Repair/Maintenance
De Leon Avenue	Harrington Street	Cul-de-sac South	Repair/Maintenance
Fiesta Avenue	Harrington Street	Holdridge Street	Repair/Maintenance
Holdridge Street	Rancho Frontera	De Leon Avenue	Repair/Maintenance
Rancho Frontera	Harrington Street	Highway98	Repair/Maintenance
Rancho Frontera	All American Canal	Cole Boulevard	Repair/Maintenance
Granero Avenue	Zapata Street	Rioseco Street	Repair/Maintenance
Santa Ana Street	Coyote Avenue	Rancho Frontera	Repair/Maintenance
Descanso Drive	Santa Ana Street	Cul-de-sac North	Repair/Maintenance
Coyote Avenue	Cabana Street	Cul-de-sac South	Repair/Maintenance
Yourman Road	Cole Boulevard	S. Moreno Street	Repair/Maintenance
Portico Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Enterprise Boulevard	Cole Boulevard	Robinson Boulevard	Repair/Maintenance
Portico Court	Portico Boulevard	Cul-de-sac East	Repair/Maintenance
Amada Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
Dalila Court	Rosas Street	Cul-de-sac South	Repair/Maintenance
E. Hashem Avenue	Sapphire Street	Cul-de-sac South	Repair/Maintenance
Garnet Street	Iris Avenue	Cul-de-sac East	Repair/Maintenance
Feldspar Avenue	Sapphire Street	Garnet Street	Repair/Maintenance
Paseo Camino Real	Andrade Avenue	Paseo de su Alteza	Repair/Maintenance
Paseo Camino Real	Paseo de su Alteza	G. Anaya	Repair/Maintenance
Sixth Street	Encinas Avenue	Dool Avenue	Repair/Maintenance

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
 5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
First Street	Andrade Avenue	Paulin Avenue	Repair/Maintenance
Second Street	Mary Avenue	Imperial Avenue	Repair/Maintenance
Grant Street	Cesar Chavez Blvd	Kloke Avenue	Repair/Maintenance
M. Acuna Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
A&V Thielman Avenue	Wozencraft Street	Grant Street	Repair/Maintenance
R&D Platero Avenue	Sherman Street	Grant Street	Repair/Maintenance
Matallana Court	Sherman Street	Cul-de-sac North	Repair/Maintenance
Llnholm Avenue	Wozencraft Street	Sherman Street	Repair/Maintenance
Wozencraft Street	linholm Avenue	M. Acuna Avenue	Repair/Maintenance
Sherman Street	linholm Avenue	M. Acuna Avenue	Repair/Maintenance

FINDINGS AND RECOMMENDATIONS

CITY OF CALEXICO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

COMPLIANCE FINDINGS

2013-1 FINDING - NO INTEREST EARNINGS ALLOCATED TO LTA REVENUES FUND

During the course of our compliance audit work for this fiscal year we noticed that, unlike prior years, there was no interest earned of unspent LTA revenues. It was explained that this was a management decision based on the relative small amount of interest earned from all City funds. However, Section 9, of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan under the heading "Establishment of Separate Accounts", second line, it states that "Interest earned on funds allocated pursuant to this Ordinance shall be expended only for those purposes for which the funds were allocated". Any interest earned, regardless of amount, should be allocated and used for LTA related projects.

EFFECT:

Revenues for the year were slightly understated

RECOMMENDATION:

Any interest earned, regardless of amount, should be allocated and used for LTA related projects.

CITY'S RESPONSE:

Based on the amounts we have been charged for bank fees and on the amount of overall interest earned, it appears we have a near net zero. Because we are under-staffed it was determined there would be no advantage, even a small one, to allocating interest earned since it would be offset by interest expense.

City of Calipatria

Annual Compliance Report of the
Local Transportation Authority Funds
For the Fiscal Year Ended
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Calipatria, California

Report on Compliance

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, 2013, 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.

Opinion

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, 2013.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	1,457,225
Interest receivable		850
Due from other funds		110,242
Due from other governments - Bond		2,343,041
Issuance costs, net of amortization		<u>55,349</u>
Total assets	\$	<u>3,966,707</u>

LIABILITIES AND FUND BALANCE

Liabilities

Bond payable	\$	2,219,375
Premium on bond payable, net of amortization		<u>89,099</u>
Total liabilities		<u>2,308,474</u>

Fund balance

Unassigned		<u>1,658,233</u>
Total fund balance		<u>1,658,233</u>
Total liabilities and fund balance	\$	<u>3,966,707</u>

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	388,442
Interest		<u>6,253</u>
Total revenues		<u>394,695</u>

Expenditures

Bond interest		<u>84,765</u>
Total expenditures		<u>84,765</u>

Increase (decrease) in fund balance		309,930
Fund balance, July 1		<u>1,348,303</u>
Fund balance, June 30	\$	<u>1,658,233</u>

**CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 434,660	\$ 388,442	\$ (46,218)
Interest	<u>6,253</u>	<u>6,253</u>	<u>--</u>
Total revenues	<u>440,913</u>	<u>394,695</u>	<u>(46,218)</u>
Expenditures			
Bond interest	<u>112,232</u>	<u>84,765</u>	<u>27,467</u>
Total expenditures	<u>112,232</u>	<u>84,765</u>	<u>27,467</u>
Increase (decrease) in fund balance	328,681	309,930	(18,751)
Fund balance, July 1	<u>1,403,080</u>	<u>1,348,303</u>	<u>(54,777)</u>
Fund balance, June 30	<u>\$ 1,731,761</u>	<u>\$ 1,658,233</u>	<u>\$ (73,528)</u>

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.

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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.

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

The fund balance represents undesignated Fund Balance, restricted for LTA use for which these funds have been authorized. In addition, there is an artificial amount that represents the activity in relation to the bond issued in 2012. For fiscal year 2012-13 the total fund balance of \$1,658,233 includes an amount of \$89,915 which represents an artificial surplus created by the current year's bond related activities.

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, 2013 the total bond issuance costs, net of amortization, was \$55,349.

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, 2013 the following changes occurred in Due from other governments:

Road projects funding	\$ 2,163,167
Bond reserves	179,752
Interest reserve	<u>122</u>
Due from other governments, Total	<u>\$ 2,343,041</u>

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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.

During the fiscal year ended June 30, 2013 the following changes occurred in bonds payable:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 2,286,250</u>	<u>\$ --</u>	<u>\$ 66,875</u>	<u>\$ 2,219,375</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 74,375
2015	85,000
2016	90,000
2017	95,000
2018	95,000
2019 to 2023	520,000
2024 to 2028	630,000
2029 to 2032	<u>630,000</u>
Total	<u>\$ 2,219,375</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, 2013 the total bond premium, net of amortization, was \$89,099.

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

<u>ROAD</u>	<u>FROM</u>	<u>TO</u>	<u>PROJECT DESCRIPTION</u>
Alamo	International	East	Maintenance
Alexandria	International	Brown	Maintenance
Barbara	International	Commercial	Maintenance
Blair Rd.	Sinclair Rd.	Peterson Rd.	Maintenance
Bonita	International	East	Maintenance
Bonita Place	Brown	East	Maintenance
Brown	Young Rd.	Bowles Rd.	Maintenance
California	International	East	Maintenance
Centro	Alexandria	Alamo St.	Maintenance
Church	International	East	Maintenance
Commercial Av.	Freeman St.	Church St.	Maintenance
Date	West Terminus	Railroad	Maintenance
Delta	International	Commercial	Maintenance
East	Young	Bowles	Maintenance
E. Elder	International	Commercial	Reconstruct
Elder	International	SR 111	Maintenance
Fan Palm Court	Ironwood St.	Laurel Lane	Maintenance
Fern	International	SR 111	Maintenance
Freeman	Brown	East	Maintenance
Imperial Av.	Delta St.	Date St.	Reconstruct
Industrial Av.	Young	Elder St.	Maintenance
Ironwood	Date St.	Mesa Verde	Maintenance
Lake	Delta	C Lateral	Maintenance
Lauren Lane	Fan Palm	Mesa Verde	Maintenance
Lyerly Rd.	Bowles	Young	Maintenance
Main	Lyerly	SR 111	Maintenance
Mesa Verde	Ironwood	Terminus	Maintenance
Mesquite Dr.	Date St.	Terminus	Maintenance
Park	Delta St.	Fern St.	Maintenance
Railroad	Young	Bowles	Maintenance
Sycamore Dr.	Date St.	Terminus	Maintenance

FINDINGS AND RECOMMENDATIONS

CITY OF CALIPATRIA
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

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, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of El Centro, California

Report on Compliance

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, 2013, 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.

Opinion

In our opinion, based on the tests and procedures applied, the City of El Centro has not complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2013. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	4,909,912
Due from other governments		547,890
Due from other funds		31,533
Interest receivable		<u>1,062</u>
Total assets	\$	<u>5,490,397</u>

FUND BALANCE

Unassigned	\$	<u>5,490,397</u>
Total fund balance	\$	<u>5,490,397</u>

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	2,824,800
Interest		<u>33,976</u>
Total revenues		<u>2,858,776</u>

Expenditures

Transportation		<u>1,142,803</u>
Total expenditures		<u>1,142,803</u>

Transfers

Transfers out		<u>1,273,646</u>
Total transfers		<u>1,273,646</u>

Increase (decrease) in fund balance		442,327
Fund balance, July 1		<u>5,048,070</u>
Fund balance, June 30	\$	<u>5,490,397</u>

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

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 2,824,800	\$ 2,824,800	\$ --
Interest	<u>33,000</u>	<u>33,976</u>	<u>976</u>
Total revenues	<u>2,857,800</u>	<u>2,858,776</u>	<u>976</u>
Expenditures			
Transportation	<u>1,150,000</u>	<u>1,142,803</u>	<u>(7,197)</u>
Total expenditures	<u>1,150,000</u>	<u>1,142,803</u>	<u>(7,197)</u>
Transfers			
Transfer out	<u>1,280,000</u>	<u>1,273,646</u>	<u>(6,354)</u>
Total transfers	<u>1,280,000</u>	<u>1,273,646</u>	<u>(6,354)</u>
Increase (decrease) in fund balance	427,800	442,327	14,527
Fund balance, July 1	<u>5,048,070</u>	<u>5,048,070</u>	<u>--</u>
Fund balance, June 30	<u>\$ 5,475,870</u>	<u>\$ 5,490,397</u>	<u>\$ 14,527</u>

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.

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

Notes to the Supplementary Information
June 30, 2013

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 unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized.

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

NO ROAD PROGRAM OF PROJECTS AVAILABLE DURING THIS FISCAL YEAR
SEE FINDING #2013-1

FINDINGS AND RECOMMENDATIONS

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

COMPLIANCE FINDINGS

2013-1 FINDING - FIVE-YEAR LIST OF PROJECTS

During the course of our compliance audit work for this fiscal year we notice that the City of El Centro did not have an approved five-year list of projects. Section 5, item A of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan requires that each Local Agency develop a five-year list of projects to be funded with revenues made available and to notify the Local Transportation Authority of its policy body's official action approving its five-year list of projects. It is noted that the City of El Centro Council had received an approved a five-year list of projects on January 2014 and it is in the process of sending it for approval to the Local Transportation Authority.

EFFECT:

The City of El Centro did not have an approved five-year list of projects during the course of the fiscal year.

RECOMMENDATION:

Prepare a five-year list of projects in accordance with sections 5, item A of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan and send for approval to the Local Transportation Authority.

CITY'S RESPONSE:

Procedures have been implemented where a five- year list of projects is prepared and adopted by the City Council and then submitted to the Local Transportation Authority on a timely basis. The current five-year list of projects for the years 2014 – 2018 was approved by the City Council in January 2014.

2013-2 FINDING - UNABLE TO TRACE EXPENDITURES TO APPROVED FIVE-YEAR LIST OF PROJECTS

During the course of our compliance audit work for this fiscal year we notice that the City of El Centro did not have an approved five-year list of projects and, due to this, we were unable to trace the expenditures performed during the fiscal year. It is noted that, other than the expenditures mentioned in finding 2013-3, the expenditures performed during the fiscal year were allowable for purposes of Section 4, item D of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan.

EFFECT:

Auditors were unable to trace the incurred expenditures to an approved five-year list of projects.

RECOMMENDATION:

Prepare a five-year list of projects in accordance with sections 5 the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan that includes the allowable expenses incurred during the fiscal year and send for approval to the Local Transportation Authority.

CITY OF EL CENTRO
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

2013-2 FINDING - UNABLE TO TRACE EXPENDITURES TO APPROVED FIVE-YEAR LIST OF PROJECTS (Continued)

CITY'S RESPONSE:

Procedures have been implemented where a five year list of projects is prepared and adopted by the City Council and then submitted to the Local Transportation Authority. With an adopted five-year list of projects, the expenditures will be able to be traced.

2013-3 FINDING - ICTC MEMBERSHIP DUES NOT ALLOWED

During the course of our compliance audit work for this fiscal year we notice that the City of El Centro charged Imperial County Transportation Commission's membership dues as professional fees part of Miscellaneous Street Improvements. Section 4, item D of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan states "*Local streets and roads eligible expenditures* means all purposes necessary and convenient to the maintenance, operation, and construction of local streets and roads and shall include all purposes allowable under Article 19, Section 1(a) of the State Constitution". Article 19, Section 1(a) of the California State Constitution expands on allowable expenditures to include "The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes". The total amount of the membership dues that were charged during this fiscal year is \$31,533.

EFFECT:

Expenditures were overstated for the fiscal year.

RECOMMENDATION:

Perform a reversal of the Imperial County Transportation Commission membership dues as per proposed adjustment.

CITY'S RESPONSE:

The City has reimbursed the LTA fund in the amount of \$31,533.

City of Holtville

Annual Compliance Report of the
Local Transportation Authority Funds
For the Fiscal Year Ended
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Holtville, California

Report on Compliance

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, 2013, 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.

Opinion

In our opinion, based on the tests and procedures applied, the City of Holtville has not complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2013. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	451,132
Due from other governments		89,879
Due from other funds		<u>4,480</u>
Total assets	\$	<u>545,491</u>

FUND BALANCE

Unassigned	\$	<u>545,491</u>
Total fund balance	\$	<u>545,491</u>

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	536,583
Interest		<u>1,225</u>
Total revenues		<u>537,808</u>

Expenditures

Transportation		<u>1,436,416</u>
Total expenditures		<u>1,436,416</u>

Increase (decrease) in fund balance		(898,608)
Fund balance, July 1		<u>1,444,099</u>
Fund balance, June 30	\$	<u>545,491</u>

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
 For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 536,583	\$ 536,583	\$ --
Interest	<u>1,220</u>	<u>1,225</u>	<u>5</u>
Total revenues	<u>537,803</u>	<u>537,808</u>	<u>5</u>
Expenditures			
Transportation	<u>1,437,000</u>	<u>1,436,416</u>	<u>(584)</u>
Total expenditures	<u>1,437,000</u>	<u>1,436,416</u>	<u>(584)</u>
Increase (decrease) in fund balance	(899,197)	(898,608)	589
Fund balance, July 1	<u>1,444,099</u>	<u>1,444,099</u>	<u>--</u>
Fund balance, June 30	<u>\$ 544,902</u>	<u>\$ 545,491</u>	<u>\$ 589</u>

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS

Notes to the Supplementary Information
June 30, 2013

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.

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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 unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized.

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Fern Avenue	Fifth Street	Fourth Street	Reconstruct
Fern Avenue	Fifth Street	Sixth Street	Resurface
Various Streets			Maint & Restorative Seal
Artesia Avenue	Myrtle Avenue	Olive Avenue	Maint & Restorative Seal
Eight Street	Melon	Olive Avenue	Maint & Restorative Seal
Fern Avenue	Sixth Street	Ninth Street	Maint & Restorative Seal
Orange Avenue	Fifth Street	Tenth Street	Maint & Restorative Seal
Walnut Avenue	237 S of Third St	Tenth Street	Maint & Restorative Seal
Maple Avenue	Fourth Street	Ninth Street	Maint & Restorative Seal
Chestnut Avenue	Fourth Street	Ninth Street	Maint & Restorative Seal
Brentwood Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Holt Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Sixth Street	Orange Avenue	350 East of Grape	Maint & Restorative Seal
Grape Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Myrtle Avenue	Sixth Street	West Seventh St	Maint & Restorative Seal
South Half of 6th St	Tamarack	Melon Ave	Maint & Restorative Seal
Fifth Street	Tamarack Ave	Mesquite Ave	Maint & Restorative Seal
Cedar Street	Fourth Street	Alamo Bridge	Maint & Restorative Seal
Holt Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Tenth Street	Holt Avenue	Orange Ave	Maint & Restorative Seal
Cedar Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Fourth Street	Highway 115	Holt Avenue	Maint & Restorative Seal
Fourth Street	Holt Avenue	Walnut Avenue	Maint & Restorative Seal
Fourth Street	Walnut Avenue	Grape Avenue	Maint & Restorative Seal
Pine Avenue	Fourth Street	Fifth Avenue	Maint & Restorative Seal
Pine Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Holt Avenue	Fourth Street	Fifth Street	Maint & Restorative Seal
Walnut Avenue	South County Line 237 S of Third St		Maint & Restorative Seal
Sixth Street	Holt Avenue	Orange Avenue	Maint & Restorative Seal
Tamarack Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Palo Verde Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Mesquite Avenue	Fifth Street	Zenos Road (Sixth	Maint & Restorative Seal
Sixth Street	Melon Avenue	Holt Avenue	Maint & Restorative Seal
Tenth Street	Orange Avenue		Maint & Restorative Seal
Figueroa Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Circle Drive	Eighth Street	Ninth Street	Maint & Restorative Seal
Circle Drive	Eighth Street	Chestnut Ave	Maint & Restorative Seal
Figueroa Avenue	Seventh St	Eighth Street	Maint & Restorative Seal
Fig Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Maple Avenue	Third Street	Fourth Street	Maint & Restorative Seal
Third Street	Walnut Avenue	Grape Avenue	Maint & Restorative Seal
Chestnut Avenue	Third Street	Fourth Street	Maint & Restorative Seal
Rose Avenue – East of Chestnut Avenue			Maint & Restorative Seal
Ninth Street	Beale Avenue	Towland Road	Maint & Restorative Seal
Seventh Street	Beale Avenue	Towland Road	Maint & Restorative Seal

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Webb Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
Ash Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Elm Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Oak Avenue	Eighth Street	Ninth Street	Maint & Restorative Seal
Eighth Street	Ash Avenue	Oak Avenue	Maint & Restorative Seal
Grape Avenue	Fourth Street	Fifth Street	Maint & Restorative Seal
Seventh Street	Myrtle Avenue	Beale Avenue	Maint & Restorative Seal
Eighth Street	Olive Avenue	Beale Avenue	Maint & Restorative Seal
Wooldridge Ave	Melon Ave	Olive Avenue	Maint & Restorative Seal
Ninth Street	Olive Avenue	Beale Avenue	Maint & Restorative Seal
Melon Avenue	Sixth Street	Ninth Street	Maint & Restorative Seal
Olive Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Palm Avenue	Fourth Street	Highway 115	Maint & Restorative Seal
Palm Avenue	Fifth Street	Ninth Street	Maint & Restorative Seal
Cedar Avenue	Fourth Street	Seventh Street	Maint & Restorative Seal
Orange Avenue	200' S of Fifth St		Maint & Restorative Seal
Beale Avenue	Seventh Street	Ninth Street	Maint & Restorative Seal
8th Street	Maple	Walnut Ave	Maint & Restorative Seal
Figuroa Avenue	Fifth Street	Sixth Street	Maint & Restorative Seal
Olive Avenue	Ninth Street	Tenth Street	Maint & Restorative Seal
Ninth Street	Slaton	Brentwood	Maint & Restorative Seal
Grape Avenue	Fourth Street	Third Street	Construct Extension
Beale Avenue	Ninth Street	Tenth Street	Construct Extension
Willow Avenue	Ninth Street	Tenth Street	Construct Extension
Grape Court	East of Grape Avenue		Construct Extension
Grape Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Walnut Ave Imp Phase II	First Street	Fourth Street	
Monument Sign Phase II			
Cedar Avenue	Fourth Street	Fifth Street	Install Curb, Gutter & Sidewalk
Fourth Street	Cedar Avenue	Walnut Avenue	Install Curb, Gutter & Sidewalk
5th Street, Holt Ave & Cedar Ave			Bus Shelter/Curbs TDA Projects
4th Street/SR 115 - Alamo River Trail			
Alamo River Habitat Conservation			
Citywide			Develop Electric Veh Plan
4th Street/SR 115 - Alamo River Bridge			Develop Erosion Control
Rail ROW Acquisitions	Grape Avenue Intersection		Acquire EV Path Route
SR 115/5th Street			Install Curb, Gutter & Sidewalk

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
 5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Ninth Street	Brentwood		Underground IID Lateral Canal
9th Street Const Ninth Street	Slayton Beale		Underground IID Lateral Canal
Ninth Street	Cedar	Palm	Underground IID Lateral Canal
Citywide			Street Sign Replacement

FINDINGS AND RECOMMENDATIONS

CITY OF HOLTVILLE
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

COMPLIANCE FINDINGS

2013-1 FINDING - ICTC MEMBERSHIP DUES NOT ALLOWED

During the course of our compliance audit work for this fiscal year we notice that the City of Holtville charged Imperial County Transportation Commission's membership dues as professional fees part of Miscellaneous Street Improvements. Section 4, item D of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan states "*Local streets and roads eligible expenditures* means all purposes necessary and convenient to the maintenance, operation, and construction of local streets and roads and shall include all purposes allowable under Article 19, Section 1(a) of the State Constitution". Article 19, Section 1(a) of the California State Constitution expands on allowable expenditures to include "The research, planning, construction, improvement, maintenance, and operation of public streets and highways (and their related public facilities for nonmotorized traffic), including the mitigation of their environmental effects, the payment for property taken or damaged for such purposes, and the administrative costs necessarily incurred in the foregoing purposes". The total amount of the membership dues that were charged during this fiscal year is \$4,480.

EFFECT:

Expenditures were overstated for the fiscal year.

RECOMMENDATION:

Perform a reversal of the Imperial County Transportation Commission membership dues as per proposed adjustment.

CITY'S RESPONSE:

The City has reimbursed the LTA fund in the amount of \$4,480.

City of Imperial

Annual Compliance Report of the
Local Transportation Authority Funds
For the Fiscal Year Ended
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Imperial, California

Report on Compliance

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, 2013, 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.

Opinion

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, 2013.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	3,476,907
Interest receivable		510
Due from other governments - Bond		6,324,137
Issuance costs, net of amortization		<u>116,721</u>
Total assets	\$	<u>9,918,275</u>

LIABILITIES AND FUND BALANCE

Liabilities

Due to other funds	\$	27,196
Bond payable		5,941,875
Premium on bond payable, net of amortization		<u>256,273</u>
Total liabilities		<u>6,225,344</u>

Fund balance

Unassigned		<u>3,692,931</u>
Total fund balance		<u>3,692,931</u>
Total liabilities and fund balance	\$	<u>9,918,275</u>

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	1,120,208
Interest		<u>9,001</u>
Total revenues		<u>1,129,209</u>

Expenditures

Transportation		176,333
Bond interest		<u>226,896</u>
Total expenditures		<u>403,229</u>

Increase (decrease) in fund balance		725,980
Fund balance, July 1		<u>2,966,951</u>
Fund balance, June 30	\$	<u>3,692,931</u>

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 1,120,208	\$ 1,120,208	\$ --
Interest	<u>9,000</u>	<u>9,001</u>	<u>1</u>
Total revenues	<u>1,129,208</u>	<u>1,129,209</u>	<u>1</u>
Expenditures			
Transportation	180,000	176,333	(3,667)
Bond interest	<u>226,896</u>	<u>226,896</u>	<u>--</u>
Total expenditures	<u>406,896</u>	<u>403,229</u>	<u>(3,667)</u>
Increase (decrease) in fund balance	722,312	725,980	3,668
Fund balance, July 1	<u>2,966,951</u>	<u>2,966,951</u>	<u>--</u>
Fund balance, June 30	<u>\$ 3,689,263</u>	<u>\$ 3,692,931</u>	<u>\$ 3,668</u>

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.

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund accounting (Continued)

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

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.

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance

The fund balance represents unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized. In addition, there is an artificial amount that represents the activity in relation to the bond issued in 2012. For fiscal year 2012-13 the total fund balance of \$3,692,931 includes an amount of \$242,710 which represents an artificial surplus created by the current year's bond related activities.

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, 2013 the total bond issuance costs, net of amortization, was \$116,721.

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, 2013 the following changes occurred in Due from other governments:

Road projects funding	\$ 5,845,338
Bond reserves	478,471
Earned interest reserve	<u>328</u>
Due from other governments, Total	<u>\$ 6,324,137</u>

**CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Notes to the Supplementary Information
June 30, 2013

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.

During the fiscal year ended June 30, 2013 the following changes occurred in bonds payable:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 6,120,000</u>	<u>\$ --</u>	<u>\$ 178,125</u>	<u>\$ 5,941,875</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 196,875
2015	230,000
2016	240,000
2017	245,000
2018	255,000
2019 to 2023	1,395,000
2024 to 2028	1,695,000
2029 to 2032	<u>1,685,000</u>
Total	<u>\$ 5,941,875</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, 2013 the total bond premium, net of amortization, was \$256,273.

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Various Streets	Various Limits		Const/Rehab/Maintenance
Neckel	Hwy86	Railroad	Rehab/Repair/ Maint.
Ralph	Hwy86	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	E St	F St	Repair/Maintenance
3rd St	G St	K St	Repair/Maintenance
3rd St	N St	P St	Construct
4th St	E 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	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	Hwy86	Rehab/Repair/Maint
15th St	Hwy86	M St	Repair/Maintenance
15th St	La Brucherie	D St	Construct
E St	3rd St	4th St	Repair/Maintenance
E St	12th St	14th St	Repair/Maintenance
D St	1st St	3rd St	Repair/Maintenance
D St	4th St	5th St	Repair/Maintenance
E St	1st St	3rd St	Repair/Maintenance
F St	1st St	14th 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

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
Imperial Ave	Hwy86	2nd St	Repair/Maintenance
Imperial Ave	12th St	15th 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	Hwy86	La Brucherie	Construct
Clark & Aten Rd	Intersection		Const/Rehab/Signal
Wall St	Hwy86	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
Juniper	Brushwood	Smokewood	Repair/Maintenance
Canon	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	Canon Dr	End of Lane	Repair/Maintenance
Conestoga Ln	Canon Dr	End of Lane	Repair/Maintenance
Roadrunner	Canon Dr	End of Lane	Repair/Maintenance

FINDINGS AND RECOMMENDATIONS

CITY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

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, 2013

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INDEPENDENT AUDITORS' REPORT

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

Report on Compliance

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, 2013, 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.

Opinion

In our opinion, based on the tests and procedures applied, the County of Imperial has not complied with the Imperial County Local Transportation Authority's Expenditure Plan for the year ended June 30, 2013. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	2,804,885
Interest receivable		3,754
Due from other governments - Bond		21,639,320
Issuance costs, net of amortization		<u>383,017</u>
Total assets	\$	<u>24,830,976</u>

LIABILITIES AND FUND BALANCE

Liabilities

Bond payable	\$	21,125,000
Premium on bond payable, net of amortization		<u>85,531</u>
Total liabilities		<u>21,210,531</u>

Fund balance

Unassigned		<u>3,620,445</u>
Total fund balance		<u>3,620,445</u>
Total liabilities and fund balance	\$	<u>24,830,976</u>

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$ 4,349,570
Interest	<u>36,601</u>
Total revenues	<u>4,386,171</u>

Expenditures

Transportation	4,007,221
Bond interest	<u>772,349</u>
Total expenditures	<u>4,779,570</u>

Increase (decrease) in fund balance	(393,399)
Fund balance, July 1	<u>4,013,844</u>
Fund balance, June 30	<u>\$ 3,620,445</u>

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 4,349,570	\$ 4,349,570	\$ --
Interest	<u>36,601</u>	<u>36,601</u>	<u>--</u>
Total revenues	<u>4,386,171</u>	<u>4,386,171</u>	<u>--</u>
Expenditures			
Transportation	4,007,500	4,007,221	(279)
Bond interest	<u>772,349</u>	<u>772,349</u>	<u>--</u>
Total expenditures	<u>4,779,849</u>	<u>4,779,570</u>	<u>(279)</u>
Increase (decrease) in fund balance	(393,678)	(393,399)	(279)
Fund balance, July 1	<u>4,013,844</u>	<u>4,013,844</u>	<u>--</u>
Fund balance, June 30	<u>\$ 3,620,166</u>	<u>\$ 3,620,445</u>	<u>\$ (279)</u>

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Notes to the Supplementary Information
June 30, 2013

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.

**COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Notes to the Supplementary Information
June 30, 2013

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 unassigned or undesignated Fund Balance, restricted for LTA use, for which these funds have been authorized. In addition, there is an artificial amount that represents the activity in relation to the bond issued in 2012. For fiscal year 2012-13 the total fund balance of \$3,620,445 includes an amount of \$811,806 which represents an artificial surplus created by the current year's bond related activities.

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

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, 2013 the total bond issuance costs, net of amortization, was \$383,017.

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, 2013 the following changes occurred in Due from other governments:

Road projects funding	\$ 20,028,924
Bond reserves	1,609,285
Interest reserve	<u>1,111</u>
Due from other governments, Total	<u>\$ 21,639,320</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.

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Notes to the Supplementary Information
June 30, 2013

Note 4. BOND PAYABLE (Continued)

During the fiscal year ended June 30, 2013 the following changes occurred in bonds payable:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
2012 Series	<u>\$ 21,757,500</u>	<u>\$ --</u>	<u>\$ 632,500</u>	<u>\$ 21,125,000</u>

The annual requirements of outstanding debt are as follows:

Year Ending June 30	Long-term Debt
2014	\$ 700,000
2015	825,000
2016	850,000
2017	880,000
2018	910,000
2019 to 2023	5,020,000
2024 to 2028	6,115,000
2029 to 2032	<u>5,825,000</u>
Total	<u>\$ 21,125,000</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 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, 2013 the total bond premium, net of amortization, was \$85,531.

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

NO ROAD PROGRAM OF PROJECTS AVAILABLE DURING THIS FISCAL YEAR
SEE FINDING #2013-1

FINDINGS AND RECOMMENDATIONS

COUNTY OF IMPERIAL
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

COMPLIANCE FINDINGS

2013-1 FINDING - FIVE-YEAR LIST OF PROJECTS

During the course of our compliance audit work for this fiscal year we notice that the County of Imperial did not have an approved five-year list of projects. Section 5, item A of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan requires that each Local Agency develop a five-year list of projects to be funded with revenues made available and to notify the Local Transportation Authority of its policy body's official action approving its five-year list of projects.

EFFECT:

The County of Imperial did not have an approved five-year list of projects during the course of the fiscal year.

RECOMMENDATION:

Prepare a five-year list of projects in accordance with sections 5, item A of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan and send for approval to the Local Transportation Authority.

COUNTY'S RESPONSE:

We are currently working on an updated five-year list of projects.

2013-2 FINDING - UNABLE TO TRACE EXPENDITURES TO APPROVED FIVE-YEAR LIST OF PROJECTS

During the course of our compliance audit work for this fiscal year we notice that the County of Imperial did not have an approved five-year list of projects and, due to this, we were unable to trace the expenditures performed during the fiscal year. It is noted that the expenditures performed during the fiscal year were allowable for purposes of Section 4, item D of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan.

EFFECT:

Auditors were unable to trace the incurred expenditures to an approved five-year list of projects.

RECOMMENDATION:

Prepare a five-year list of projects in accordance with sections 5 the Imperial County Local Transportation Authority Retail Transactions and Use Tax Expenditure Plan that includes the allowable expenses incurred during the fiscal year and send for approval to the Local Transportation Authority.

COUNTY'S RESPONSE:

The expenditures will be part of the updated five-year list of projects.

City of Westmorland

Annual Compliance Report of the
Local Transportation Authority Funds
For the Fiscal Year Ended
June 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
City of Westmorland, California

Report on Compliance

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, 2013, 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.

Opinion

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, 2013. See instances of noncompliance listed in the Schedule of Findings and Recommendations included in this report.

Other Matters

Other Information

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.

Hutchinson and Bloodgood LLP

February 21, 2014

SUPPLEMENTARY INFORMATION

CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
Balance Sheet
June 30, 2013

ASSETS

Cash and cash equivalents	\$	1,431,610
Due from other governments		<u>47,655</u>
Total assets	\$	<u>1,479,265</u>

FUND BALANCE

Unassigned	\$	<u>1,479,265</u>
Total fund balance	\$	<u>1,479,265</u>

CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2013

Revenues

Retail sales tax	\$	294,857
Interest		<u> --</u>
Total revenues		<u> 294,857</u>

Expenditures

Transportation		<u> 30,627</u>
Total expenditures		<u> 30,627</u>

Increase (decrease) in fund balance		264,230
Fund balance, July 1		<u> 1,215,035</u>
Fund balance, June 30	\$	<u> 1,479,265</u>

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Statement of Revenues, Expenditures and Changes in Fund Balance- Budget to Actual
For the Year Ended June 30, 2013

	Budget	Actual	Variance-Over (Under)
Revenues			
Retail sales tax	\$ 294,857	\$ 294,857	\$ --
Interest	<u> --</u>	<u> --</u>	<u> --</u>
Total revenues	<u>294,857</u>	<u>294,857</u>	<u> --</u>
Expenditures			
Transportation	<u> --</u>	<u>30,627</u>	<u>(30,627)</u>
Total expenditures	<u> --</u>	<u>30,627</u>	<u>(30,627)</u>
Increase (decrease) in fund balance	294,857	264,230	(30,627)
Fund balance, July 1	<u>1,215,035</u>	<u>1,215,035</u>	<u> --</u>
Fund balance, June 30	<u>\$ 1,509,892</u>	<u>\$ 1,479,265</u>	<u>\$ (30,627)</u>

**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Notes to the Supplementary Information
June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Imperial County Local Transportation Authority

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Compliance requirements of the Imperial County Local Transportation Authority

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**CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS**

Notes to the Supplementary Information
June 30, 2013

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.

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Budgets

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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.

CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
5 Year Program of Projects 2012/17

ROAD	FROM	TO	PROJECT DESCRIPTION
S. Center Street	Highway 86	Baughman Road	Traffic Claming
N. Center Street	Highway 86	Seventh Street	Rehabilitation
N. Center Street	Seventh Street	Eighth Street	Reconstruction
First Street	S. Center Street	F Street	Rehabilitation
First Street	S. Center Street	C Street	Maintenance
First Street	H Street	G Street	Rehabilitation
Second Street	G Street	S. Center Street	Maintenance
Third Street	F Street	S. Center Street	Maintenance
Fifth Street	G Street	C Street	Maintenance
Fifth Street	H Street	West end of Street	Repair/Maintenance
Sixth Street	F Street	N. Center Street	Reconstruction
Sixth Street	H Street	West end of Street	Repair/Maintenance
Seventh Street	N. Center Street	H Street	Maintenance
Seventh Street	H Street	Martin Rd	Rehabilitation
Seventh Street	D Street	B Street	Reconstruction
Eighth Street	J Street	H Street	Reconstruction
Eighth Street	Center Street	150' E. of D Street	Repair/Maintenance
B Street	Highway 86	Seventh Street	Reconstruction
B Street	Third Street	Highway 86	Reconstruction
C Street	Highway 86	Seventh Street	Repair/Maintenance
D Street	Seventh Street	Eighth Street	Repair/Maintenance
F Street	Highway 86	Fifth Street	Reconstruction
F Street	Third Street	Seventh Street	Reconstruction
G Street	Highway 86	Third Street	Rehabilitation
H Street	Fifth Street	Highway 86	Reconstruction
H Street	Seventh Street	Eighth Street	Reconstruction
J Street	Seventh Street	Eighth Street	Repair/Maintenance
Jauregui Street	G Street	End of Cul-de-sac	Repair/Maintenance
Sundance	J Street	End of Cul-de-sac	Repair/Maintenance
Seventh Street	Seventh Street	N. Center Street	Drainage Repairs
Eighth Street	E. Eighth Street	N. Center Street	Drainage Repairs
Eighth Street	W. Eighth Street	Martin Rd	Drainage Repairs
N. Center Street	N. Center Street	E. Main Street	Drainage Repairs

FINDINGS AND RECOMMENDATIONS

CITY OF WESTMORLAND
LOCAL TRANSPORTATION AUTHORITY FUNDS
Schedule of Findings and Recommendations
June 30, 2013

COMPLIANCE FINDINGS

2013-1 FINDING - NO INTEREST EARNINGS ALLOCATED TO LTA REVENUES FUND

During the course of our compliance audit work for this fiscal year we noticed that, there was no interest earned of unspent LTA revenues. It was explained that it was a management decision based on the relative small amount of interest earned for all City funds. However, Section 9, of the Imperial County Local Transportation Authority Retail Transactions and Use Tax Ordinance and Expenditure Plan under the heading "Establishment of Separate Accounts", second line, it states that "Interest earned on funds allocated pursuant to this Ordinance shall be expended only for those purposes for which the funds were allocated". Any interest earned, regardless of amount, should be allocated and used for LTA related projects.

EFFECT:

Revenues for the year were slightly understated

RECOMMENDATION:

Any interest earned, regardless of amount, should be allocated and used for LTA related projects.

CITY'S RESPONSE:

City Treasurer and staff will be working on establishing the best method of calculating interest earned to the LTA Fund.



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, 2013, and have issued our report thereon dated February 21, 2014. 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 Calexico 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.
2. The City of El Centro did not have a five year list of projects and expenditures for the year were not able to be traced to one. We recommend that the City prepare a five year list of projects as required by the ICLTA ordinance.
3. The City of El Centro charged membership dues to the LTA Revenue Fund. We recommend that the City only charge expenditures that are allowable per the ICLTA ordinance.
4. The City of Holtville charged membership dues to the LTA Revenue Fund. We recommend that the City only charge expenditures that are allowable per the ICLTA ordinance.
5. The County of Imperial charged membership dues to the LTA Revenue Fund. We recommend that the County only charge expenditures that are allowable per the ICLTA ordinance.
6. 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.

Observations

During our examination we observed the following:

1. We observed that most of the ICLTA member agencies' staff involved with LTA funds related activities were not aware of what were the requirements tied to these ICLTA funds. The range of questions included requirements of the five year list of projects, maintenance of effort requirements, what are allowable street and road eligible expenditures and how is their revenue allocation determined. We recommend that each member agency receives a copy of the ICLTA ordinance as well as any supporting documentation that will help them obtain a clearer understanding of such requirements and set up a communication channel between the member agencies' staff and the ICLTA administrator.

2. We observed that none of the bond participating member agencies had submitted requests of funds for their respective projects. Staff for the bond participating member agencies expressed lacking the knowledge of how to request the funds for their projects. We recommend that the ICLTA administration provide the participating member agencies's staff members a guideline of the funding request process and inform them of the funds they have available and/or remaining.

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

February 21, 2014