

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
FINANCIAL REPORT OF THE
REGIONAL PLANNING AND PROGRAMS FUND**

June 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Commission Board Members
County of Imperial, California

We have audited the accompanying financial statements of the Regional Planning and Programs Fund of the Imperial County Transportation Commission as of June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the Imperial County Transportation Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 2, the financial statements present only the Regional Planning and Programs and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations in conformity with accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the Regional Planning and Programs of the Imperial County Transportation Commission as of June 30, 2011, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Hutchinson and Bloodgood LLP

June 22, 2012

IMPERIAL COUNTY TRANSPORTATION COMMISSION
REGIONAL PLANNING AND PROGRAMS

BALANCE SHEET
June 30, 2011

	2011
ASSETS	
Cash	\$ 206,334
Interest receivable	<u>276</u>
Total Assets	<u>\$ 206,610</u>
 LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 436
Due to other funds	<u>143,999</u>
Total Liabilities	<u>144,435</u>
Fund Balance	
Fund Balance	<u>62,175</u>
Total Fund Balance	<u>62,175</u>
Total Liabilities and Fund Balance	<u>\$ 206,610</u>

See accompanying notes and independent auditors' report

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
REGIONAL PLANNING AND PROGRAMS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2011**

	2011
Revenues	
Revenues	\$ 224,962
Interest revenue	<u>296</u>
Total revenues	<u>225,258</u>
Expenditures	
STIP-PPM Category A	80,352
STIP-PPM Category B	62,856
General and administrative expenses	<u>19,875</u>
Total expenditures	<u>163,083</u>
Excess of revenues over (under) expenditures	<u>62,175</u>
Change in fund balance	62,175
Fund balance beginning, July 1	<u>--</u>
Fund balance ending, June 30	<u>\$ 62,175</u>

See accompanying notes and independent auditors' report

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
REGIONAL PLANNING AND PROGRAMS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The operations of the Regional Planning and Programs fund of the Imperial County Transportation Commission are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures.

The County's Auditor-Controller's office acts as a trustee for the funds received and disbursed. The revenues of the fund are derived from ¼ cent of the local general sales tax collected statewide. The State Board of Equalization returns the ¼ cent to each county according to the amount of the tax collected.

The County's Auditor-Controller, based upon allocation instructions received from the Imperial County Transportation Commission (ICTC), makes disbursements from the Regional Planning and Programs fund to the County of Imperial and the cities, located within the County, which are eligible for Regional Planning and Programs funds. The allocation instructions apportion the revenues received by the Regional Planning and Programs fund among the incorporated and unincorporated areas of the County, based on population.

Basis of Accounting

The Regional Planning and Programs funds are accounted for in a trust fund using the modified accrual basis of accounting, whereby revenues are recognized when they become measurable and available to finance expenditures of the current period and expenditures are generally recognized when the related fund liabilities are incurred.

Note 2. ANNUAL FINANCIAL STATEMENTS

The financial statements are intended to present the financial position, results of operations and compliance with the Transportation Development Act for only the Regional Planning and Programs fund of the Imperial County Transportation Commission .

Note 3. CASH AND INVESTMENTS

Cash is pooled with other cash of the County to maximize investment opportunity and yields. Investment income resulting from this pooling is allocated to the respective funds, including the Regional Planning and Programs fund, based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County's financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller's office in El Centro, CA.

Investments are stated at fair value in accordance with GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

See independent auditors' report

**IMPERIAL COUNTY TRANSPORTATION COMMISSION
REGIONAL PLANNING AND PROGRAMS**

**NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011**

Note 4. FUND CREATION

This fund was created during the current fiscal year. Hence, the activity contained in these financial statements only reflect the activity related to the fiscal year ending in June 30, 2011.

Note 5. STIP-PLANNING, PROGRAMMING & MONITORING PROGRAM

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

During the fiscal year ended June 30, 2011, the Imperial County Transportation Commission applied for and received proceeds of \$200,000 from the State of California STIP-PPM Program based on an agreement entered into on November 4, 2010.

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

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

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

As of June 30, 2011, the remaining balance of the total \$200,000 in STIP-PPM proceeds is \$56,792 which includes; the remainder of the Category A proceeds in the amount of \$19,648, and remainder of Category B proceeds in the amount of \$37,144. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 22, 2012, the report date, and has determined that there are no reportable events.

See independent auditors' report