I. CALL TO ORDER AND ROLL CALL

II. EMERGENCY ITEMS
   A. Discussion/Action of emergency items, if necessary.

III. PUBLIC COMMENTS

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

IV. APPROVAL OF CONSENT CALENDAR
   A. Approval of Management Committee Draft Minutes: January 8, 2014 Pages 4-22
   B. Receive and File:
      1. ICTC Board Draft Minutes: January 22, 2014
      2. ICTC TAC Draft Minutes: January 23, 2014
      3. ICTC SSTAC Draft Minutes: January 9, 2014
   C. Transportation Development Act (TDA) and Miscellaneous Fiscal Audits for FY 2012-13 Page 24

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

1. Receive and file the FY 2012-13 Transportation Development Act and other fiscal audits for the Imperial County Transportation Commission.
V. REPORTS

A. ICTC Executive Director
   • See attached Executive Director Report on page 110
B. Southern California Association of Governments
C. California Department of Transportation – District 11
D. Committee Member Reports

VI. ACTION CALENDAR

A. Americans with Disabilities Act (ADA) Paratransit Services No Show/Late Cancellation Policy – Revision Page 128

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

   1. Review and approve the ICTC ADA Paratransit Services Revised No Show/Late Cancellation Policy and Appeals Process.
   2. Direct staff to promulgate the ADA Paratransit Services Revised No Show/Late Cancellation Policy and Appeals Process in English and Spanish between March 3, 2014 and March 31, 2014.

B. Pedestrian and Bicycle Transportation Access Study of the California/Mexico Land Ports of Entry – Award Recommendation Page 133

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

   1. Approve the award of the Consultant Agreement for the Pedestrian and Bicycle Transportation Access Study of the California/Mexico Land Ports of Entry to KOA Corporation in the amount of $300,000.
   2. Authorize the Chairperson to sign the consultant agreement.

VII. DISCUSSION CALENDAR

A. Discussion of the next Management Committee Meeting date.

VI. NEXT MEETING DATE AND PLACE

B. The next meeting of the Management Committee is currently scheduled for Wednesday March 12, 2014 at 10:30 a.m., at the City of Holtville, Holtville, CA.

VII. ADJOURNMENT

A. Motion to Adjourn
IV. APPROVAL OF CONSENT CALENDAR

A. APPROVAL OF MANAGEMENT COMMITTEE DRAFT MINUTES: JANUARY 8, 2014

B. RECEIVE AND FILE:

1. ICTC BOARD DRAFT MINUTES:
   JANUARY 22, 2014

2. ICTC TAC DRAFT MINUTES:
   JANUARY 23, 2014

3. ICTC SSTAC DRAFT MINUTES:
   JANUARY 9, 2014
Imperial County Transportation Commission
Management Committee
Draft Minutes of January 8, 2014
10:30 a.m.

Voting Members Present:

City of Brawley Rosanna Bayon Moore
City of Calipatria Rom Medina
City of Calexico Nick Servin for Oscar Rodriguez
City of El Centro Ruben Duran
City of Holtville Alex Meyerhoff (Vice-Chair)
City of Imperial Jorge Galvan for Marlene Best
County of Imperial Joe Picazo for Ralph Cordova

Staff Present: Mark Baza, Cristi Lerma, Virginia Mendoza, Kathi Williams, Michelle Bastidas

Others Present: Tomas Oliva, SCAG; Sam Amen, Erwin Gojuangco, Luis Medina: Caltrans,
Krista Daly: IV Press

The following minutes are listed as they were acted upon by the Imperial County Transportation Commission Management Committee and as listed on the agenda for the meeting held Wednesday, January 8, 2014 together with staff reports and related documents attached thereto and incorporated therein by reference.

I. Call to Order and Roll Call

Chair Duran called the Committee meeting to order at 10:42 a.m. Roll call was taken. Introductions were made.

II. Emergency Items
A. There were none.

III. Public Comments
A. There were none.

IV. Consent Items
A motion was made by Meyerhoff seconded by Medina to approve consent items 4A, B, C and D. Motion carried unanimously.

A. Approved ICTC Management Committee Minutes for December 11, 2013
B. Received and filed:

1. ICTC Board Draft minutes for December 11, 2013
2. ICTC SSTAC Draft Minutes for December 4, 2013

C. ICTC Overall Work Program (OWP) and Budget FY 2013-2014, Amendment #2

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

1. Approve the FY 2013-14 Budget Amendment Request #2

Cities of Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland,
Imperial Irrigation District and County of Imperial
D. Federal Transit Administration (FTA) Disadvantaged Business Enterprise (DBE) Goal for FY 2013-14 for Federal Transit funds

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

1. Approve the proposed FY 2013-14 DBE goal of 2%, for distribution for public comment.
2. Direct staff to return with this item for review and adoption of the proposed DBE goal after the public review process has been completed.

E. Resolution of the Imperial County Transportation Commission (ICTC) which certifies that ICTC has the resources to fund the projects in the FFY 2014/15-2019/20 Transportation Improvement Program and affirms its commitment to implement all projects in the program.

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

1. Authorize the Chairman to sign the resolution which certifies that ICTC has the resources to fund the projects in the FFY 2014/15-2019/20 Transportation Improvement Program and affirms its commitment to implement all projects in the program.

V. REPORTS

A. ICTC Executive Director
Mr. Baza and staff had the following announcements and/or updates:
- Mr. Baza referred to the Executive Report on pages 70-72 for information on activities and projects that ICTC is currently working on.
- ICTC is requesting that the County and Cities make a contribution for the Imperial County Aerial Acquisition Project. SCAG has committed $100k and local agencies have contributed $38K thus far.
- Caltrans, Division of Transportation Planning is now accepting applications for the Transportation Planning Grant Program. The Division will award approximately $5.3 million in funding through three Grant Programs for Fiscal Year 2014-15. These programs provide monetary assistance for transportation planning projects to improve mobility and lead to the programming or implementation phase for a community or region. Application deadline is February 3, 2014 at 10 a.m. to Caltrans.
- The IVT Gold Line and the Brawley Transfer Terminal had a ribbon cutting on December 18, 2013. Ms. Bayon Moore expressed her excitement for the new service and transfer station. Sunday service on IVT began on January 5, 2014 and had 143 passengers on its first Sunday.
- ICTC is participating in a disparity study being conducted by SANDAG. The study will assist ICTC with our DBE goals.
- SANDAG is working on a Gateway Study as well.

B. Southern California Association of Governments (SCAG)
Mr. Oliva has the following updates:
- Last year ICTC was awarded a Sustainability Planning grant for a region wide Bicycle Master Plan project. SCAG and ICTC are finalizing the Scope of Work of the project with a release of an RFP in the short future.
- Mr. Oliva distributed maps with areas highlighted of both renewable energy development and transit priority areas for Imperial County. He stated that due to SB 743 there will be some
changes to the California Environmental Quality Act, commonly known as CEQA requirements.
- SCAG adopted a Bottom-Up City/County Local Input Process for the 2016-2040 Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS).
- On October 25, 2013 the Strategic Growth Council released its final draft of the Sustainable Communities Planning Grant Guidelines and they were adopted the November 5, 2013 meeting. Applications are due at the end of February 2014.
- SCAG updated their website.

C. California Department of Transportation – District 11
- Mr. Amen presented updates on all local projects:
  o Andrade project: the construction has been delayed due to CBP requests. It is scheduled to begin construction end of April.
  o Dogwood project is scheduled for a vote on January 29, 2014 by CTC.
  o New Maintenance building for Caltrans: it will be re-advertising because previous bids were too high.
  o Stare Route 7 will be advertising soon and will have similar pavements to the Brawley Bypass.
  o A project study for the rest area on Hwy 111 is being conducted. Caltrans is working with the County of Imperial.
- Mr. Amen stated that the improvements on Best Road have been made.
- James Madaffer of San Diego has been appointed to the California Transportation Commission. Mr. Baza requested that ICTC be notified of any meetings with Mr. Madaffer.
- Currently there is no construction staffing in Imperial County. They will return in April / May. If anything is needed please notify Mr. Amen.
- Last month there were questions regarding the competitiveness of the HSIP program and its requirements for a competitive application. Mr. Gojuangco had some information to share.
  o The HSIP program had $150 million available
  o There were 6 applications for Imperial Valley submitted with only one selected. The key items missing from those not selected were collision diagrams were not included. 4/5 applications struggled with safety measures.
  o Cost Benefit Analysis in crucial and the benefit cost ration is graded.
  o Mr. Gojuangco welcomes any agency that would like a meeting to assist with a better application next year.
- Ms. Bayon Moore thanked Caltrans for all their help.

D. Committee Member Reports

- Mr. Meyerhoff stated that the City of Holtville will be hosting a few events.
  o Farmers Market - January 9, 2014
  o Rib Cook Off – January 25, 2014 at 10 a.m.
  o League of Cities meeting – January 30, 2014 at Hot Rods
  o Carrot Festival - January 31, 2014
  o Carrot festival parade and 5K– January 8, 2014

VI. ACTION CALENDAR

A. Rotation of Chair and Vice Chair Position

1. It was requested that the Management Committee take any appropriate action in the consideration of the rotation and assignment of the two positions.
Mr. Duran recommended that Alex Meyerhoff be appointed as the Chair and Rosanna Bayon Moore as the Vice-Chair. A motion was made by Medina seconded by Servin, **Motion carried** unanimously.

B. 2013 Gillig Bus Procurement – Draft Contract Agreement

In November 2012, the Imperial County Transportation Commission (ICTC) approved an expenditure plan for the purchase of six new Gillig 40ft. low floor/clean-diesel transit buses. The funds approved under the expenditure plan were allocated to ICTC through the State of California’s Proposition 1B Bond Program’s, Public Transportation Modernization, Improvement and Services Enhancement Account (PTMISEA).

In order to facilitate the procurement of the vehicles, ICTC joined a consortium of 22 public transit agencies throughout California. The lead agency for this consortium is the Central Contra Costa Transit Authority (CCCTA). On August 15, 2013, Gillig LLC was awarded a 5-year contract from the CCCTA for the purchase and delivery of buses based on their Request for Proposal (RFP) # 2012-MA-02. Only two proposals were received by CCCTA. The second proposal was deemed non-responsive.

Participation in the approved consortium allows ICTC to purchase new transit vehicles over a 5-year time frame. Under the proposed contract, ICTC would only be committed to purchase six buses during the 5-year term, but has the option to purchase up to 12 during the life of the contract.

The CCCTA consortium contract provides several benefits for ICTC, including being grandfathered under the AB 1706 axle weight provisions, procuring buses in a large consortium to obtain more competitive pricing, and the purchase of buses without ICTC undertaking a lengthy procurement process. The consortium procurement includes all of the Buy America requirement’s and met the Federal Transit Administration’s procurement policy guidelines.

The purchase of six new buses allows ICTC to replace the five older 40ft. 1988-89 “Phantom Gillig” buses which currently operate on the Imperial Valley Transit (IVT) system. Upon completion of the six new buses this will increase the IVT Gillig fleet with up to 16 total 40ft. low floor/clean-diesel Gillig buses, increasing the fleets efficiency and effectiveness. The cost of each vehicle will be approximately $400,000, depending on the specifications approved for ICTC. The estimated time of delivery is approximately 18 months from the time ICTC finalizes and approves the specifications for the purchase.

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

1. Authorize the Executive Director to sign the contract agreement between Gillig LLC and the Imperial County Transportation Commission (ICTC) for the procurement of a minimum of 6 and up to 12 transit buses using previously approved Prop 1B funding.

A motion was made by **Bayon Moore** seconded by **Picazo**, **Motion carried** unanimously.

II. DISCUSSION CALENDAR


As a recipient of Federal Transit Administration (FTA) dollars, ICTC is required to comply with numerous federal regulations in the administration and operations of the
public transit services. The Triennial Review is less exacting than an audit, it is FTA’s assessment of ICTC’s compliance of regulations that cover 18 areas including but not limited to: Financial Management and Financial Capacity, Maintenance, Procurement, Civil Rights, Drug Free Workplace and Drug and Alcohol Program, Grant Management, and Program Implementation Practices.

The Triennial Review process began in September 2013 with FTA’s request for and review of ICTC’s program files and data. Subsequently in November 2013, FTA staff performed on-site reviews and observations of ICTC, our transit operator’s, and sub-recipients records and operational practices over a two-day period. The FTA staff recently completed the 2013 Triennial Review and provided the attached letter and report, dated December 11, 2013.

In summary, this was the first Triennial Review of the ICTC as an independent organization. Of the 18 areas of compliance, ICTC received a notice of deficiency for seven of these areas. Within these areas there are 11 items that require corrective actions. Additionally, the FTA staff made two advisory recommendations for further program development of ICTC in the areas of Safety and Security. In these two areas, our operator First Transit, Inc. met FTA’s standards for Safety and Security plans and procedures. Following the cover letter we have provided a matrix of the findings and our proposed corrective actions to meet FTA’s required response and implementation.

ICTC staff is actively addressing the items and are confident in our ability to meet the deadline of corrective actions and response to FTA by March 17, 2014. Many of the actions require the amendment or development of procedures to improve our financial controls, and project management reporting to FTA by ICTC and our sub-recipients.

This item is presented to you for information and discussion purposes. Any input is welcome as we plan to present to the Commission later this month on January 24, 2014.

B. Imperial Valley Transit (IVT) Ticket/Fare Media/Bus Passes Vendor Sales Policy

Transit tickets and various fare media are available for purchase at several locations including City Halls, several Chambers of Commerce, Imperial Valley College (IVC) and at the IVT bus operations center on East Ross Road. Due to an increase in the use of the transit system, ICTC staff has been approached about the potential sale of bus passes at commercial vendors, i.e., local stores and retail outlets. To allow for this opportunity, staff proposes to create a vendor sales policy and agreement for adoption by the Commission.

There are several items that should be considered as a policy is developed including but not limited to: Liability and control, cash handling, inventory, administration and oversight by the ICTC Executive Director and staff support. In addition, it is not uncommon in the industry for commercial vendors to receive a commission for such sales.

ICTC staff will be developing a policy and vendor agreement. The goal would be to have each member agency as well as, the commercial and retail outlets also complete the agreement. However, at this time staff does not recommend the use of a sales commission until after approximately one year of implementation. This would allow a complete review of sales and the potential impact of possible commissions to fare box ratios. At that time, ICTC staff can revisit the issue and recommend changes as deemed necessary.
VIII. NEXT MEETING DATE AND PLACE

The next meeting of the Management Committee will be held on February 12, 2014 at the City of El Centro, El Centro, CA.

IX. ADJOURNMENT

A. Meeting adjourned at 11:48 a.m.
IMPERIAL COUNTY TRANSPORTATION COMMISSION
DRAFT MINUTES FOR JANUARY 22, 2014
6:00 p.m.

VOTING MEMBERS PRESENT:
City of Brawley       George A. Nava
City of Calipatria   Maria B Nava-Froelich
City of Calexico     Bill Hodge
City of El Centro    Sedalia Sanders
City of Holtville    Jim Predmore
City of Imperial     Doug Cox (alt.)
City of Westmorland  Larry Ritchie – Vice Chair
County of Imperial   Jack Terrazas – Chair
County of Imperial   Ryan Kelley
Imperial Irrigation District Bruce Kuhn

NON-VOTING MEMBERS PRESENT:
Caltrans District 11  Ross Cather

STAFF PRESENT:     Mark Baza, David Salgado, Kathi Williams, Cristi Lerma, Michelle Bastidas

OTHERS PRESENT:    Sam Amen, Caltrans; Tomas Oliva, SCAG; Krista Daly, IV Press

The following action minutes are listed as they were acted upon by the Imperial County Transportation Commission and as listed on the agenda for the meeting held Wednesday January 22, 2014 together with staff reports and related documents attached thereto and incorporated therein by reference.

I. CALL TO ORDER AND ROLL CALL
Chair Terrazas called the Commission meeting to order at 6:15 p.m. Roll call was taken.

II. EMERGENCY ITEMS
A. There were none.

III. PUBLIC COMMENTS
There were none.

IV. APPROVAL OF CONSENT CALENDAR
A motion was made by Kuhn and seconded by Sanders to approve consent items A through E;
Motion carried.

A. Approval of ICTC Board Draft Minutes: December 11, 2013
B. Receive and File:
   1. ICTC Management Committee Draft Minutes December 11, 2013
   2. ICTC SSTAC Minutes: December 4, 2013
C. ICTC Overall Work Program (OWP) and Budget FY 2013-2014, Amendment #2
   1. Approved the FY 2013-14 Budget Amendment Request #2
D. Federal Transit Administration (FTA) Disadvantaged Business Enterprise (DBE) Goal for FY 2013-14 for Federal Transit Funds
   1. Approved the proposed FY 2013-14 DBE goal of 2%, for distribution for public comment.
2. Directed staff to return with this item for review and adoption of the proposed DBE goal after the public review process has been completed.

E. Imperial County Transportation Commission (ICTC) resolution for Federal Fiscal Year (FFY) 2014/15 – 2019/20 Federal Transportation Improvement Program (FTIP)

1. Authorized the Chairman to sign the resolution that certifies funding has been identified for the projects in the FFY 2014/15-2019/20 FTIP and affirms our commitment to implement all projects in the program.

V. REPORTS

A. ICTC Executive Director

Mr. Baza and staff had the following announcements:

- Imperial-Mexicali Binational Alliance: The next Binational Alliance meeting is scheduled for February 13, 2014 in the City of Mexicali.
- Calexico Intermodal Transportation Center: The Kick off meeting was held on November 5, 2013 at the ICTC offices. An outreach meeting with all transit providers in the City of Calexico was conducted on Tuesday, December 17, 2013. The feasibility study’s scope of work will also include: stakeholder meetings, public workshops, stakeholder surveys, site selection analysis, and financial and operational feasibility reports.
- Pedestrian and Bicycle Transportation Access Study: The Study will focus on the California-Mexico border region, specifically its six Ports of Entry (POEs). ICTC is working with Caltrans and SANDAG to complete a Request for Proposal (RFP) for the study. The RFP was advertised on Friday, November 8, 2013. A non-mandatory pre-bid meeting was held at the ICTC offices on December 6, 2013. On December 20, 2013 a total of 6 proposals were received by ICTC. The review and scoring will take place in January 2014 with anticipated oral interviews during the week of January 13, 2014.
- The IVT Gold Line (City of Brawley) and Brawley Transfer Terminal: The City in partnership with ICTC held a ribbon cutting ceremony to introduce the IVT Gold Line on December 18, 2013. The IVT Gold Line is now in operation. The IVT Gold Line service is free of charge to the public until February 3, 2014.
- El Centro Transfer Terminal: Construction is in progress with completion still on schedule for January 2014. A ribbon cutting ceremony is tentatively scheduled for the end of January.
- Imperial County Aerial Acquisition Project: The Imperial County Aerial Acquisition project is anticipated to cost approximately $200,000 for a consultant to fly and process the aerial imagery in order to be used in GIS or CAD systems for analytical activities. SCAG has already secured $50,000 for this fiscal year and plans to secure another $50,000 for the next fiscal year. This project has a funding shortfall of $100,000.
- Mr. Baza referred to the Executive Report on pages 102-105 for additional information on other projects that ICTC is currently working on.

B. Southern California Association of Governments (SCAG)

Mr. Oliva had the following announcements:

- The next Regional Council Meeting is scheduled for February 6, 2014. There will be a presentation regarding the Salton Sea Restoration project. The General Manager of IID will be in attendance.
- A Blythe/Needles Tour is scheduled for February 27-28, 2014 in which the SCAG Executive team will be present.
- Strategic Growth Council Planning Grant (Round 3) Workshop will be held on January 30, 2014 and available via video conference.
- SCAG’s RTP staff has begun to meet with City Planners beginning with the City of Brawley for the 2016-2040 Regional Transportation Plan.

C. California Department of Transportation (Caltrans)
Mr. Cather had the following announcements:
- The Dogwood project will go for CTC approval on January 29, 2014.
- The signal project at Best Road has been completed. Monitoring of Best Road and Hovley Road will continue in the future. Caltrans will continue to work with the City of Brawley on a phased approach to the signal.
- A full report of Caltrans updates can be found on page 106 of the agenda.

D. Commission Member Report
- Mr. Kuhn stated that there will be maximum enforcement for CHP for the rest of the year.
- Mr. Ritchie stated that Westmorland is working on a few road projects with the help of Caltrans. A new Family Dollar store also is being built in the city.
- Mr. Nava said a meet and greet with the new police chief and new fire chief was held with a tour of new emergency operations facility.
- Mr. Cox invited all to attend the Farmer’s Market on Saturday. A Tri tip cook-off is scheduled for February and the State of the City Address in March.
- Ms. Nava-Froelich invited all to attend the City of Calipatria’s Citrus festival and Niland’s Tomato festival.
- Mr. Hodge stated that Calexico will also be holding their annual Christmas parade on Saturday, December 21, 2013.
- Mr. Predmore stated that the Family Dollar store in Holtville had its grand opening and it’s doing extremely well. A League of California Cities meeting will be held in Holtville on January 30, 2014. There will be a groundbreaking in February for a new housing project in Holtville. The rib cook off and the carrot festival will be held within the next weeks.
- Mr. Terrazas stated that a 99 cent store opened in Heber and is doing well. In regards to the Joint strike fighter effort, a trip to Washington D.C. resulted in meetings with 5 committees. The announcement of the decision was pushed back until March or April. We’re hoping to get positive results. Mr. Hodge stated he’d like to commend all the effort.
- Ms. Sanders announced that Jim McDaffer former President of the League of Cities was recently appointed to the CTC.

VI. ACTION CALENDAR

A. Rotation of Chair and Vice-Chair Positions

1. It was requested that the Management Committee take any appropriate action in the consideration of the rotation and assignment of the two positions.

A Motion was made to nominate Mr. Ritchie as the Chairperson by Nava and seconded by Kelley, Motion Carried unanimously.

A Motion was made to nominate Mr. Kuhn as the Vice-Chair by Terrazas and seconded by Kelley, Motion Carried unanimously.

B. 2013 Gillig Bus Procurement – Draft Contract Agreement
In November 2012, the Imperial County Transportation Commission (ICTC) approved an expenditure plan for the purchase of six new Gillig 40ft. low floor/clean-diesel transit buses. The funds approved under the expenditure plan were allocated to ICTC through the State of California’s Proposition 1B Bond Program’s, Public Transportation Modernization, Improvement and Services Enhancement Account (PTMISEA).

In order to facilitate the procurement of the vehicles, ICTC joined a consortium of 22 public transit agencies throughout California. The lead agency for this consortium is the Central Contra Costa Transit Authority (CCCTA). On August 15, 2013, Gillig LLC was awarded a 5-year contract from the CCCTA for the purchase and delivery of buses based on their Request for Proposal (RFP) # 2012-MA-02. Only two proposals were received by CCCTA. The second proposal was deemed non-responsive.

Participation in the approved consortium allows ICTC to purchase new transit vehicles over a 5-year time frame. Under the proposed contract, ICTC would only be committed to purchase six buses during the 5-year term, but has the option to purchase up to 12 during the life of the contract.

The CCCTA consortium contract provides several benefits for ICTC, including being grandfathered under the AB 1706 axle weight provisions, procuring buses in a large consortium to obtain more competitive pricing, and the purchase of buses without ICTC undertaking a lengthy procurement process. The consortium procurement includes all of the Buy America requirement’s and met the Federal Transit Administration’s procurement policy guidelines.

The purchase of six new buses allows ICTC to replace the five older 40ft. 1988-89 “Phantom Gillig” buses which currently operate on the Imperial Valley Transit (IVT) system. Upon completion of the six new buses this will increase the IVT Gillig fleet with up to 16 total 40ft. low floor/clean-diesel Gillig buses, increasing the fleets efficiency and effectiveness. The cost of each vehicle will be approximately $400,000, depending on the specifications approved for ICTC. The estimated time of delivery is approximately 18 months from the time ICTC finalizes and approves the specifications for the purchase.

ICTC Management Committee met on January 8, 2014 and forwarded this item to the ICTC Commission for review and approval after public comment, if any:

1. Authorized the Executive Director to sign the contract agreement between Gillig LLC and the Imperial County Transportation Commission (ICTC) for the procurement of a minimum of 6 and up to 12 transit buses using previously approved Prop 1B funding.

A motion was made by Kelley and seconded by Hodge, Motion Carried unanimously.

VII. DISCUSSION CALENDAR


As a recipient of Federal Transit Administration (FTA) dollars, ICTC is required to comply with numerous federal regulations in the administration and operations of the public transit services. The Triennial Review is less exacting than an audit, it is FTA’s assessment of ICTC’s compliance of regulations that cover 18 areas including but not limited to: Financial Management and Financial Capacity, Maintenance, Procurement, Civil Rights, Drug Free Workplace and Drug and Alcohol Program, Grant Management, and Program Implementation Practices.
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In summary, this was the first Triennial Review of the ICTC as an independent organization. Of the 18 areas of compliance, ICTC received a notice of deficiency for seven of these areas. Within these areas there are 11 items that require corrective actions. Additionally, the FTA staff made two advisory recommendations for further program development of ICTC in the areas of Safety and Security. In these two areas, our operator First Transit, Inc. met FTA’s standards for Safety and Security plans and procedures. Following the cover letter we have provided a matrix of the findings and our proposed corrective actions to meet FTA’s required response and implementation.

ICTC staff is actively addressing the items and are confident in our ability to meet the deadline of corrective actions and response to FTA by March 17, 2014. Many of the actions require the amendment or development of procedures to improve our financial controls, and project management reporting to FTA by ICTC and our sub-recipients.

B. Imperial Valley Transit (IVT) Ticket/Fare Media/Bus Passes Vendor Sales Policy

Transit tickets and various fare media are available for purchase at several locations including City Halls, several Chambers of Commerce, Imperial Valley College (IVC) and at the IVT bus operations center on East Ross Road. Due to an increase in the use of the transit system, ICTC staff has been approached about the potential sale of bus passes at commercial vendors, i.e., local stores and retail outlets. To allow for this opportunity, staff proposes to create a vendor sales policy and agreement for adoption by the Commission.

There are several items that should be considered as a policy is developed including but not limited to: Liability and control, cash handling, inventory, administration and oversight by the ICTC Executive Director and staff support. In addition, it is not uncommon in the industry for commercial vendors to receive a commission for such sales.

ICTC staff will be developing a policy and vendor agreement. The goal would be to have each member agency as well as, the commercial and retail outlets also complete the agreement. However, at this time staff does not recommend the use of a sales commission until after approximately one year of implementation. This would allow a complete review of sales and the potential impact of possible commissions to fare box ratios. At that time, ICTC staff can revisit the issue and recommend changes as deemed necessary.

VIII. NEXT MEETING DATE AND PLACE

A. The Unmet Transit Needs (UTN) Hearing will take place Thursday, January 23, 2014 at 3:30 p.m. at the IID Board Room in El Centro. At the meeting on December 13, 2013 the following Panel Members were selected:

a) Jack Terrazas
b) Ryan Kelley
c) George Nava
d) Bill Hodge
e) Maria Nava-Froelich
f) Sedalia Sanders
B. The next meeting of the Imperial County Transportation Commission will be held on
Wednesday, February 26, 2014 at 6:00 p.m., at the County of Imperial Board Chambers,
at 940 W. Main Street, El Centro, CA.

IX. ADJOURNMENT

A Motion was made to adjourn by Hodge, seconded by Nava, Motion Carried. Meeting adjourned at
7:20 p.m.
ICTC TAC minutes 01/23/14

TECHNICAL ADVISORY COMMITTEE
MINUTES

January 23, 2014

Present:

Yazmin Arellano  City of Brawley
Gordon Gaste    City of Brawley
Nick Fenley     City of Calexico
Norma Villicana City of El Centro
Abraham Campos  City of El Centro
Nick Wells      City of Holtville
Jesus Villegas  City of Imperial
Joel Hamby      City of Westmorland
Bill Brunet     County of Imperial
John Gay        County of Imperial

 Others:

David Salgado   ICTC
Virginia Mendoza ICTC
Cristi Lerma   ICTC
Kathi Williams  ICTC
Luis Medina    Caltrans
Khaled Mohame Noor Caltrans
Phil Kern       Nolte
Lauren De La Cruz SCAG
Sunghin Cho     SCAG
Kimberly Clark  SCAG
India Brookover SCAG
Javier Aguilar  SCAG
Angel Hernandez The Holt Group
Belen Leon      Imperial County APCD
Linda Cedallo  Imperial County APCD

1. The meeting was called to order by Chair Arellano at 10:08 a.m. A quorum was present. Introductions were made.

2. A motion was made to adopt the minutes for October 24, 2013 (Brunet/Wells) **Motion Carried.**
3. Election of Chair and Vice Chair positions

A motion was made to elect the City of Holtville as the Chair person (Fenley/Villicana) **Motion Carried.**

A motion was made to elect the County of Imperial as the Vice-Chair person (Villicana/Fenley) **Motion Carried.**

4. ICTC Updates / Announcements

   a. Transit Updates
      
      Ms. Williams had the following updates:
      - The Brawley Gold Line had a ribbon cutting and has been in operation since December 2013.
      - A ribbon cutting ceremony is scheduled for January 27, 2014 for the El Centro Transfer Terminal at 10 a.m.
      - Imperial Valley Transit has recently increased its service hours for the IVC Express; reduced 70 minute headways to 35 minutes headways from Calexico to El Centro; expanded Saturday service hours, and most recently added Sunday limited service, for a 23% increase in total service hours.
      - An update to the Coordinated Plan is underway. The updated plan will provide solutions to gaps in services. The consultant team may be contacting individuals from the TAC.
      - The ADA certification study is also underway.
      - TDA audits were due to the State Controller’s Office on December 31, 2013. The County of Imperial and City of Calexico are the only agencies to have their audits turned in at this time.
      - The Consolidated Paratransit (Dial-A-Ride) Requests for Proposal document is being finalized and will be released next week. The document will be available on the ICTC website. For competitive bid purposes the service is being called IVT – Ride. If there are any questions, please let staff know.

   b. 2013 FTIP Amendment #17
      - 2013 FTIP Amendment #17 is due in February. Please notify staff if there will be any modifications to your projects.

   c. 2015 FTIP Submittal.
      - The 2015 FTIP has been submitted to SCAG and is currently under review.

   d. Status Update of FY 2013/14 RFA Submittals
      - Ms. Mendoza reviewed current FY 2013/14 RFA submittals with agencies that were present.

   Other ICTC updates:
      - Buy America waivers pending for Brawley, Calexico and Westmorland still have not been approved by FHWA. In order to qualify for the August redistribution 2013/14 funds need to be fully obligated by the May deadline.
      - The Intermodal Transportation Center (ITC) study in Calexico is in its public outreach phase. A community walk is scheduled for February 8, 2014 in the City of Calexico.
      - The Bike and Peds study is moving forward. One of the goals of the project is to create a list of projects in each Port of Entry (POE) and incorporate the list
into the Border Master Plan.

5. Caltrans Updates / Announcements (by Luis Medina)

a. Buy America Update
   Waivers for the CNG street sweepers have not been approved by FHWA. It is anticipated they will be approved in the March/ April timeframe. Projects for redistribution need to be submitted by May and deliver 100% of programmed projects for FY 13/14 to qualify for the August redistribution.

b. National Highway System (NHS) Update
   The existing National Highway System (NHS) has been expanded to include all Principal Arterials. (i.e. Functional Classifications 1,2 and 3) to the new Enhanced NHS. More detailed information can be found in the Caltrans Local Assistance weblink: http://dot.ca.gov/hq/tsip/hseb/map21_nhs.html


   The only official functional classification for Federal Aid Funding can be found on the California Road System (CRS Maps) displayed on the website below: http://www.dot.ca.gov/hq/tsip/hseb/crs_maps/

   Agencies needing support for removing a principal arterial from being upgraded to NHS standards can get guidance on how to change the functional classification of a principal arterial by contacting: Navneet Singh (Branch Chief) at (916) 654-6585 or navneet.singh@dot.ca.gov.

c. Active Transportation Program (ATP) Update
   The draft Program Guidelines, which includes a list of major milestones, can be viewed at: http://www.catc.ca.gov/programs/ATP.htm

d. Obligation Plan
   The obligation plan is due on April 1, 2014 for FY 13/14. Please coordinate this effort with ICTC.

   Other Caltrans updates:
   - The next Southern California Local Assistance Meeting (SCLAM) meeting will be held in the District 7 District Offices located in Los Angeles, on Thursday, April3, 2014 from 9:00 to 3:00. Regarding the agenda, please send potential subjects you would like to discuss to heather.cheyney@dot.ca.gov by Thursday March 6, 2014, so we may add them to the agenda.

6. SCAG Updates / Announcements
   Mr. Oliva had the following announcements:
   - Strategic Growth Council Planning Grant (Round 3) Workshop will be held on January 30, 2014 and available via video conference.
   - SCAG’s RTP staff was present to discuss the One-on-one meeting with local jurisdictions for stage 2 of the Local Input Process for the 2016 Regional Transportation Plan (RTP). Ms. Clark reviewed the goals of the One-on-One Meetings.
     * Ensure that all local governments are fully informed of the 2016 RTP/SCS Planning process
• Provide an opportunity for jurisdictions to offer local knowledge and input to inform SCAG’s regional datasets
• Improve the overall accuracy and local relevance of the Plan
Ms. Clark discussed the information that will be covered during the One-on-One meetings.
• Data/Map Book – Land Use and Resource data + growth forecast
• Local survey
  o Part 1: 2012-2035 RTP/SCS Local Implementation Survey
  o Part 2: Open Space Conservation Activity – Local Government Questionnaire

7. General Discussion / New Business
   - The Carrot festival will be taking place on February 3-8, 2014 in the City of Holtville, with a rib cook off on Saturday January 25, 2014.

8. Meeting adjourned at 11:14 a.m.
   - The next meeting will be held on February 27, 2014 at 10 a.m. at the ICTC offices.
## Social Services Transportation Advisory Council

**Minutes**

January 9, 2014

### Present
- Leticia Vizcarra
- Griselda Martinez (Vice-Chair)
- Heddy McNeer
- Michael L. Hack
- Erica Martinez
- Kathi Williams
- David Salgado

### Voting Attendees:
- Access to Independence
- Work Training Center
- Consumer
- ARC – Imperial Valley
- CTSA – ICTC
- CTSA – ICTC

### Non-Voting Attendees:
- ICTC
- ICTC
- IVT/IVT Access/Calexico Dial-A-Ride
- IVT/IVT Access/Calexico Dial-A-Ride
- YCPTA – YCAT

### Actions

1. Chair Martinez called the meeting to order at 10:09 a.m. A quorum was present. Introductions were made.


3. CTSA Reports

   - Mr. Salgado stated that the IVT Gold Line began operation on December 18, 2013 in Brawley. A ribbon cutting was held on that same day with operations beginning afterwards. The Gold Line will be running Monday through Friday with 12 trips each day.
   - Sunday transit service began for both IVT and IVT Access on the first Sunday in January on a limited schedule.
   - The Transportation Development Act (TDA-State Funds) Triennial Performance Audit Project is moving forward. The performance audit is a state mandated requirement every three years for all TDA funds received in Imperial County. SSTAC may be contacted for questions. TDA funds are ICTC’s primary fund source.
   - The IVT Bus Stop Safety and Design Standards Guidelines project is in progress. The final product will benefit ICTC, the cities and County in the future to implement bus stop and transfer terminal capital improvements throughout the region.
   - A re-drafting of the consolidated paratransit RFP is underway and is scheduled to be released by end of January or early February.
- The ADA Paratransit Service Certification and Eligibility Process, Demand Management Review and Growth Assessment had its kick off meeting and consultants will be contacting SSTAC for questions.
- The Update to the 2008 Coordinated Public Transit and Human Services Transportation Plan project is also underway. Consultant will also be contacting SSTAC for this project as it moves forward.
- Staff is working on developing a Vendor Policy for non-city hall establishments where businesses will be able to sell bus tickets at their place of business. There was discussion on whether or not a commission would be profited by business, a surcharge would be assessed or not. Most agreed that the sale of bus tickets would bring customers into their establishment. Staff will be recommending that for the first year no commission or surcharge be required.
- A ribbon cutting for the El Centro Transfer Terminal will be held at the end of January.
- The City of Imperial held its Holly Trolley event on December 19, 2013. The event went well.
- The UTN Hearing is scheduled for January 23, 2014 at the IID Board Chambers at 3:30 p.m.

4. Transit Operator Reports

- Brawley Dial-a-Ride: No update.
- Calexico Dial-a-Ride: Service is doing well, no issues.
- El Centro Dial-a-Ride: Service is busy and doing well.
- Imperial Dial-a-Ride: Service is busy and doing well.
- Imperial Valley Transit: Mr. Sanchez had the following update
  o Sundays were implemented on January 5, 2014
    - This past Sunday was the first Sunday in service and there were a total of 140 passengers, the majority Calexico-El Centro-Calexico (People going to the mall).
  o 35 Minutes Headways were implemented in October 2013
    - This service started in October of 2013; before this service was implemented the buses from El Centro to Calexico & Calexico to El Centro were running late due to the overcrowding buses, with buses leaving people behind due to full capacity or 81 passengers per bus. Prior to this implementation there was a bus every 70 minutes transporting an average of 50-60 passengers per bus; now there are buses every 35 minutes with an average of 30-35 passengers per bus. People are not being left behind and we don’t have more overcrowding buses ensuring that every person will get to their destiny safe and on time.
    - From October 2012 to December 2012 we had 72,769 passengers traveling on routes 1 north 1 south and from October 2013 to December 2013 the total passengers increased to 110,160.
  o IVC Express additional routes were implemented in August 2013
    - This service started in August of 2013 due to the overcrowded buses and students were not arriving on time to their classes.
    - From August 2012 to December 2012 (31,072 total passengers) 5 Buses going to Calexico
    - From August 2013 to December 2013 (36,534 total passengers) 9 Buses going to Calexico
    - The increase of passengers was 17%.
    - Last year the average bus transported around 60-65 passengers per bus now the average is around 40.
  o Saturday additional service began in August 2013.
    - This service started the first Saturday of August with 200 more passengers. From August 2013 to December 2013 the average was 1,143 passengers per Saturday when last year the average was around 900 passengers per Saturday (27% increase). Before this service started buses traveled every 2 to 3 hours. With the expansion of service, buses are now traveling every 90 minutes which makes it more convenient for passengers.
- IVT Gold Line:
  o Implemented on December 18, 2013

21
- The first week, average of 24 passengers a day.
- The second week, average of 34 passengers a day.
- The third week, average of 42 passengers a day.
- Passengers are going to Wal-Mart, Pioneers Hospital; and every single stop is being used.
  - IVT Access: Updates were given by Ms. Montemayor
    - For the month of December on time performance was 98%
    - Passenger per revenue hour: 2.4
    - No Shows: 40
    - Late Cancellations: 141
    - Passenger Count: Weekday: 2411, Saturday: 78, total for the month of December: 2489
    - Wheelchairs: 1424
    - First day of Sunday service was January 5, 2014
      - There were 12 passengers scheduled Friday night. 3 passengers canceled in advance on Saturday. On Sunday there were 3 passengers that canceled in the morning which brought the passenger count to 6 passengers for the day. There were two passengers in the local area and 4 passengers in the regional area. Passengers traveled from Imperial to El Centro and Brawley to Calexico. Passengers are very excited and grateful for the Sunday service.
    - Ms. Williams stated that the ADA No-Show Policy will have to be revised due to a recent audit by the FTA.

- Med-Express: Service is well and is busy. About 14-15 passengers daily and no no-shows.
- West Shores Dial-a-Ride: Service is doing well.
- Ms. Williams stated that a 20 year anniversary is coming up for the Med-Express, West Shores Dial-a-Ride and the IVT Access service.
- YCAT Turquoise Line: Mr. Robinson stated that Turquoise Route 10 had 158 passengers in December. He also stated that the passenger per revenue standard is 2.5 and in FY 2012-13 the average was 2.99, with YTD for FY 2013-14 currently at 2.87. He said that the figures are mirroring last year but there are still a few months left this fiscal year.

5. FY 2014-15 UTN Letter to the Hearing Panel
- A draft letter was attached to the agenda with the actions taken at the previous meeting. A motion was made to accept the draft letter as the final letter. (Hak/Martinez) Motion Carried.

6. General Discussion
- Mr. Hack stated that the People’s First Conference will be held on March 22, 2014 at the Barbara Worth Country Club. He is currently the President. He also stated that he received a gold medal at the Special Olympics in bowling.

7. Adjournment
- The next meeting of the SSTAC will be on February 5, 2014 at 10:00 a.m.
- Meeting adjourned at 10:59 a.m.
IV. APPROVAL OF CONSENT CALENDAR

C. TRANSPORTATION DEVELOPMENT ACT (TDA) AND MISCELLANEOUS FISCAL AUDITS FOR FY 2012-13
February 7, 2014

ICTC Management Committee  
Imperial County Transportation Commission  
1405 N. Imperial Avenue, Suite 1  
El Centro, CA 92243

SUBJECT: Transportation Development Act (TDA) and Miscellaneous Fiscal Audits for FY 2012-13

Dear Committee Members:

As required by the State of California, the Commission must conduct independent fiscal audits of its own financial activities on an annual basis. Attached, please find the following financial audits and reports for FY 2012-13, performed by the CPA firm, Hutchinson and Bloodgood:

• Transportation Development Act- receipt and allocation of State funding under Articles 8c, 8e and Article 3 under the TDA, for itself and member agencies for transit programs and services (#7076001)
• State Transit Assistance – receipt and allocation of funding under the State Transit Assistance (STA) Program, the Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) and the California Transit Security Grant Program (CTGSP) (#7079001,7481001,7482001)
• Regional Transit Planning and Programs- receipt and allocation of funding by ICTC for programs and services including transit service contracts, grants, project consultants and program staffing (#7416001)
• Regional Planning and Programming – receipt and allocation of funding by ICTC for planning programs and services including long and short range highway, motorized and non-motorized projects, call for projects, project consultants and program staffing (#7417001)
• SB325 report for the State Controller’s Office
It is requested that the ICTC Management Committee forward this item to the ICTC Commission for their review and approval, after public comment if any:

1. Receive and file the Transportation Development Act and other fiscal audits for the Imperial County Transportation Commission, for FY 2012-13.
2. Direct staff to transmit the fiscal audits to the State Controller's Office.

Sincerely,

m46zr-

MARKBAZA
Executive Director

MB\ksw\cl

Attachments
Imperial County Transportation Commission

Financial Report of the
Transportation Development Act Fund (TDA)
June 30, 2013 and 2012
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT</td>
<td>3 - 4</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Balance Sheets</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Revenues, Expenditures and Changes in Fund Balance</td>
<td>6</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>7 - 8</td>
</tr>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER</td>
<td>9 - 10</td>
</tr>
<tr>
<td>FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS</td>
<td></td>
</tr>
<tr>
<td>BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN</td>
<td></td>
</tr>
<tr>
<td>ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</td>
<td></td>
</tr>
<tr>
<td>SUPPLEMENTARY INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Schedule of Allocations and Disbursements</td>
<td>12 - 13</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Transportation Development Act fund (TDA) of the Imperial County Transportation Commission as of and for the year ended June 30, 2013 and 2012, 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 polices 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 Transportation Development Act fund (TDA) of the Imperial County Transportation Commission as of June 30, 2013 and 2012, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Other Information

As discussed in Note 2, the financial statements present only the Transportation Development Act fund (TDA) 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 15, 2014 on our consideration of the Imperial County Transportation Commission Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, the Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Hutchinson and Bloodgood LLP

January 15, 2014
IMPERIAL COUNTY TRANSPORTATION COMMISSION  
TRANSPORTATION DEVELOPMENT ACT FUND (TDA)  
Balance Sheets  
June 30, 2013 and 2012

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<tr>
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<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td><strong>ASSETS</strong></td>
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<tr>
<td>Cash and Investments</td>
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<td>$4,527,565</td>
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<th>2012</th>
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<td><strong>FUND BALANCE</strong></td>
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<td><strong>Total Fund Balance</strong></td>
<td>$7,558,222</td>
<td>$4,527,565</td>
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The Notes to the Financial Statements are an integral part of these statements
## IMPERIAL COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION DEVELOPMENT ACT FUND (TDA)

### Statements of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
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<td><strong>Total revenues</strong></td>
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<tr>
<td><strong>Expenditures</strong></td>
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<tr>
<td>City of Brawley</td>
<td>443,883</td>
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<tr>
<td>City of Calexico</td>
<td>--</td>
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<td>City of Calipatria</td>
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<td>23,797</td>
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<td>City of El Centro</td>
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<td>City of Holtville</td>
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<td>City of Imperial</td>
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<td>City of Westmorland</td>
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<td>County of Imperial</td>
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<td>IC Transportation Commission</td>
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<td>Fund balance ending, June 30</td>
<td>$7,558,222</td>
<td>$4,527,565</td>
</tr>
</tbody>
</table>

The Notes to the Financial Statements are an integral part of these statements
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The operations of the Transportation Development Act fund (TDA) 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, makes disbursements from the TDA fund to the County of Imperial and the cities, located within the County for projects, which are eligible for TDA funds. The allocation instructions apportion the revenues received by the TDA fund among the eligible projects in the incorporated and unincorporated areas of the County and based on population.

Basis of Accounting

The TDA funds are accounted for in a special revenue fund using using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and expenditures are recognized as soon as they are both measurable and available.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds' financial positions and operations.

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 Transportation Development Act fund (TDA) 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 TDA 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.
Note 4. FUND BALANCE

The TDA fund distributes funds according to the annual regional ICTC Overall Work Plan & Budget and in accordance with the annual disbursements schedule adopted each year by ICTC. Any monies allocated and assigned in the local transportation fund and not authorized for payment within three years after the date of allocation shall cease to be allocated or assigned and shall become and be treated as an unallocated apportionment retained in the fund in accordance with Section 6655.1. Also, allocations for benches and shades made in accordance with PUC Code Section 99400(e) do not carryover, and lapse if not claimed in the year allocated.

Out of the total fund balance for fiscal years 2012-13 and 2011-12 the amounts of $438,911 and $47,598 represent the reserve of the apportioned but unallocated TDA funds as of June 30, 2013 and June 30, 2012, respectively. The assigned funds are for claims that have been submitted by member entities that have not completed the requirements for disbursement.

Note 5. BUDGETED EXPENDITURES

The TDA distributes funds in accordance with the annual disbursements schedule and according to the annual regional ICTC Overall Work Plan & Budget adopted each year by ICTC. Any variance is due to cities not spending their current year's budgeted appropriations or spending prior year's appropriations in the current year.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2014, the report date, and has determined that there are no reportable events.
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act fund (TDA) of the Imperial County Transportation Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Transportation Development Act fund (TDA) of the Imperial County Transportation Commission’s financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Transportation Development Act fund (TDA) of the Imperial County Transportation Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, the Transportation Development Act (TDA) Statutes and the California Code of Regulation Section 6661, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Imperial County Transportation Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hutchinson and Bloodgood LLP

January 15, 2014
## Schedule of Allocations and Disbursements

For the Fiscal Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>ALLOCATIONS</th>
<th>PUC</th>
<th>Section</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
<th>Favorable/Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Brawley</td>
<td>99233.3</td>
<td>$19,211</td>
<td>$19,211</td>
<td>--</td>
<td>5,995</td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>185,435</td>
<td>185,435</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit</td>
<td>245,232</td>
<td>239,237</td>
<td>5,995</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benches and Shades</td>
<td>449,878</td>
<td>443,883</td>
<td>5,995</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total</td>
<td>383,187</td>
<td>347,053</td>
<td>383,187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Calexico</td>
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<td>--</td>
<td>24,362</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
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<td>347,053</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transit</td>
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<td>11,772</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benches and Shades</td>
<td>12,391</td>
<td>12,391</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total</td>
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<td>383,187</td>
<td>383,187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Calipatria</td>
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<td>--</td>
<td>11,314</td>
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<td>Bicycles</td>
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<tr>
<td>Benches and Shades</td>
<td>12,391</td>
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<tr>
<td>Total</td>
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<td>435,737</td>
<td>435,737</td>
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<td></td>
<td></td>
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<tr>
<td>City of El Centro</td>
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<td></td>
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<tr>
<td>Bicycles</td>
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<td>392,518</td>
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</tr>
<tr>
<td>Benches and Shades</td>
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<td></td>
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<tr>
<td>Total</td>
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<td>23,641</td>
<td>(11,438)</td>
<td></td>
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<td>City of Holtville</td>
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<td>23,641</td>
<td>(11,438)</td>
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<tr>
<td>Benches and Shades</td>
<td>14,009</td>
<td>23,641</td>
<td>(9,632)</td>
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<tr>
<td>Total</td>
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<td>117,318</td>
<td>117,318</td>
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</tbody>
</table>
### IMPERIAL COUNTY TRANSPORTATION COMMISSION
TRANSPORTATION DEVELOPMENT ACT FUND (TDA)
Schedule of Allocations and Disbursements
For the Fiscal Year Ended June 30, 2013

<table>
<thead>
<tr>
<th>ALLOCATIONS</th>
<th>PUCSection</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Favorable (Unfavorable)</td>
</tr>
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</tr>
<tr>
<td>Benches and Shades</td>
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<td>--</td>
<td>678</td>
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<tr>
<td>Total</td>
<td></td>
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<td>--</td>
<td>11,505</td>
</tr>
<tr>
<td><strong>County of Imperial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bicycles</td>
<td>99233.3</td>
<td>21,995</td>
<td>21,995</td>
<td>--</td>
</tr>
<tr>
<td>Benches and Shades</td>
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<td>9,832</td>
<td>9,832</td>
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</tr>
<tr>
<td>Total</td>
<td></td>
<td>31,827</td>
<td>31,827</td>
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</tr>
<tr>
<td><strong>IC Transportation Commission</strong></td>
<td></td>
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</tr>
<tr>
<td>SB 325 -County Wide Transit</td>
<td>99400(c)</td>
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</tr>
<tr>
<td>SB 325 - Med Express</td>
<td>99400(c)</td>
<td>174,589</td>
<td>174,589</td>
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<tr>
<td>SB 325 - ADA</td>
<td>99400(c)</td>
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<tr>
<td>SB 325 - ICTC Admin</td>
<td>92233.1</td>
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</tr>
<tr>
<td>SB 325 - ICTC Planning</td>
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<td>400,900</td>
<td>400,900</td>
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<tr>
<td>Total</td>
<td></td>
<td>2,740,932</td>
<td>2,740,932</td>
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</table>

**Grand Total**

$ 4,196,784 $ 3,793,338 $ 403,446
Imperial County Transportation Commission

Financial Report of the
State Transit Assistance Fund
June 30, 2013 and 2012
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT</td>
<td>3-4</td>
</tr>
<tr>
<td>COMBINED FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Combined Balance Sheets</td>
<td>5</td>
</tr>
<tr>
<td>Combined Statements of Revenues, Expenditures and Changes in Fund Balances</td>
<td>6</td>
</tr>
<tr>
<td>Notes to the Combined Financial Statements</td>
<td>7-10</td>
</tr>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE OVER FINANCIAL REPORTING</td>
<td>11-12</td>
</tr>
<tr>
<td>BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION COMMISSION</td>
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<tr>
<td>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</td>
<td>13-14</td>
</tr>
<tr>
<td>SUPPLEMENTARY INFORMATION</td>
<td></td>
</tr>
<tr>
<td>Schedule I - Balance Sheets - STA</td>
<td>16</td>
</tr>
<tr>
<td>Schedule II - Statements of Revenues, Expenditures and Changes in Fund Balances - STA</td>
<td>17</td>
</tr>
<tr>
<td>Schedule III - Balance Sheets - PTMISEA</td>
<td>18</td>
</tr>
<tr>
<td>Schedule IV - Statements of Revenues, Expenditures and Changes in Fund Balances - PTMISEA</td>
<td>19</td>
</tr>
<tr>
<td>Schedule V - Balance Sheets - CTSGP</td>
<td>20</td>
</tr>
<tr>
<td>Schedule VI - Statements of Revenues, Expenditures and Changes in Fund Balances - CTSGP</td>
<td>21</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on the Financial Statements

We have audited the accompanying financial statements of the State Transit Assistance fund of the Imperial County Transportation Commission as of and for the years ended June 30, 2013 and 2012, 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, the Guidelines on Auditing for Conformance, published by the Imperial Valley Association of Governments 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 polices 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 State Transit Assistance fund of the Imperial County Transportation Commission as of June 30, 2013 and 2012, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

As discussed in Note 2, the financial statements present only the State Transit Assistance fund 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 15, 2014 on our consideration of the Imperial County Transportation Commission Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, the Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

We have also issued a report dated January 15, 2014 on our consideration of the State Transit Assistance Fund's compliance over financial reporting based on an audit performed in accordance with statutes, rules and regulations of the California Development Act and the allocation instructions and resolutions of the Transportation Commission. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Hutchinson and Bloodgood LLP

January 15, 2014
# Combined Balance Sheets

## Imperial County Transportation Commission

### State Transit Assistance Fund

**June 30, 2013 and 2012**

### ASSETS

<table>
<thead>
<tr>
<th>Current assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$1,796,317</td>
<td>$2,619,124</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>3,332,677</td>
<td>4,353</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>2,105</td>
<td>4,281</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>5,131,099</strong></td>
<td><strong>2,627,758</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 5,131,099</strong></td>
<td><strong>$ 2,627,758</strong></td>
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</tbody>
</table>

### LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable</td>
<td>$ --</td>
<td>$ 927,433</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$ --</td>
<td>$ 927,433</td>
</tr>
<tr>
<td>Fund balance</td>
<td><strong>5,131,099</strong></td>
<td><strong>1,700,325</strong></td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td><strong>5,131,099</strong></td>
<td><strong>1,700,325</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and fund balance</strong></td>
<td><strong>$ 5,131,099</strong></td>
<td><strong>$ 2,627,758</strong></td>
</tr>
</tbody>
</table>
## IMPERIAL COUNTY TRANSPORTATION COMMISSION

### STATE TRANSIT ASSISTANCE FUND

Combined Statements of Revenues, Expenditures, and Changes in Fund Balance

For the Fiscal Years Ended June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STA Funds</td>
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<tr>
<td>PTMISEA Funds</td>
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<tr>
<td>CTSGP Funds</td>
<td>266,676</td>
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</tr>
<tr>
<td>Interest - STA</td>
<td>6,261</td>
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</tr>
<tr>
<td>Interest - PTMISEA</td>
<td>2,500</td>
<td>11,183</td>
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<tr>
<td>Interest - CTSGP</td>
<td>694</td>
<td>1,679</td>
</tr>
<tr>
<td>Other Refunds &amp; Reimbursements</td>
<td>2,250</td>
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</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>4,626,229</td>
<td>1,471,038</td>
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<tr>
<td><strong>Expenditures</strong></td>
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<tr>
<td>STA Projects</td>
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<tr>
<td>PTMISEA Projects</td>
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<td>923,080</td>
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<td>CTSGP Projects</td>
<td>120,000</td>
<td>136,584</td>
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<tr>
<td><strong>Total expenditures</strong></td>
<td>1,195,455</td>
<td>1,761,664</td>
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<tr>
<td><strong>Changes in fund balance</strong></td>
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</tr>
<tr>
<td>Fund balance, beginning</td>
<td>1,700,325</td>
<td>1,990,951</td>
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<tr>
<td>Fund balance, ending</td>
<td>$5,131,099</td>
<td>$1,700,325</td>
</tr>
</tbody>
</table>

The Notes to the Financial Statements are an integral part of these statements.
Note 1.  SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The State Transit Assistance fund (STAF) of the County of Imperial, California, an agency fund was created pursuant to SB 620 to supplement existing funding sources for public transit services. The Imperial County Transportation Commission (ICTC) administers the STAF.

The revenues of the fund are derived from a portion of the sales tax on gasoline, and are subject to appropriation by the legislature. Disbursements from the fund are made by the Imperial County Auditor-Controller based upon allocation instructions received from ICTC.

Basis of Accounting

The accounting policies of the State Transit Assistance fund of the County of Imperial conform to generally accepted accounting principles as applicable to governments.

The State Transit Assistance fund of the County of Imperial, California, is accounted for by the Imperial County Transportation Commission in a special revenue fund using using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and expenditures are recognized as soon as they are both measurable and available.

Combination Policy

The accompanying combined balance sheets and combined statements of revenues, expenditures and changes in fund net assets referred to as "State Transit Assistance Fund," include the account balances of:

  STA
  PTMISEA
  CTSGP

Interfund balances and transactions are eliminated in the combination. There were no interfund balances per fiscal years 2013 and 2012.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the fund’s financial positions and operations.

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 the State Transit Assistance Fund of the County of Imperial.
Note 3. CASH AND INVESTMENTS

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 based upon monthly average cash balances. Information regarding categorization of investments and risk can be found in the County of Imperial's financial statements. The financial statements for the County of Imperial may be obtained by contacting the Auditor-Controller's office in El Centro, California.

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

Note 4. PTMISEA

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements or for rolling stock procurement, rehabilitation or replacement

Each year the State of California solicits grant requests for projects meeting the necessary criteria and then finances the programs through the sale of bonds.

During the fiscal year ended June 30, 2008, the County of Imperial applied for and received proceeds of $1,337,071 from the State's PTMISEA account for Phase I of the design and construction of the bus transfer terminal at the Imperial Valley College.

During the fiscal year ended June 30, 2009, the County of Imperial applied for $750,957 from the State's PTMISEA account for Phase II of the design and construction of the bus transfer terminal at the Imperial Valley College. The proceeds were received in FY 2009-10.

During the fiscal year ended June 30, 2011, ICTC applied for $754,290 from the State's PTMISEA account for the various right of way acquisition, design and construction phases for the Brawley and Imperial bus transfer terminals. The proceeds were received in FY 2011-12.

During the fiscal year ended June 30, 2013, ICTC applied for $3,332,677 from the State's PTMISEA account for bus purchases for the IVT and IVT Access systems. The proceeds were received in FY 2012-13.

As of June 30, 2013, the remaining balance of the proceeds is $4,068,521 which includes; the remainder of the proceeds from the Brawley and Imperial projects of $733,344, the amount accrued for the purchases of buses, $3,332,677 and interest earned in the amount of $2,500. 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 5.  

CTSGP

In November 2006, California Voters passed a bond measure (Proposition 1B) enacting the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006. Of the $19.925 billion of state general obligation bonds authorized, $1 billion was set aside by the State as instructed by statute as the Transit System Safety, Security and Disaster Response Account.

Sixty percent of this set aside ($600 million) is available to agencies and transit operators eligible to receive State Transit Assistance (STA) funds through the California Transit Security Grant Program (CTSGP). These funds are to be used for capital expenditures to provide increased protection against security or safety threats or to increase the capacity of transit operators to develop disaster response transportation systems.

During FY 07-08 and FY 08-09, the County of Imperial successfully applied for CTSGP grants of $133,338 each year for the procurement and installation of security infrastructure at the bus transfer terminals at Imperial Valley College. Delivery of these funds was delayed pending bond sales by the state, but during the fiscal year ended June 30, 2010, the STA fund of the County of Imperial received proceeds of $266,676 from the State’s CTSGP account.

During the fiscal year ended June 30, 2010 ICTC applied for CTSGP funds of $133,338 for the procurement and installation of solar lighting facilities at the Brawley transfer terminal. The proceeds were received in FY 2010-11.

During the fiscal year ended June 30, 2012 ICTC applied for FY 2010-11 CTSGP funds of $133,338 for the procurement and installation of security camera systems for the IVT Access bus system, and FY 2011-12 funds of $133,338 for the procurement and installation of security camera systems for the IVT bus system. The proceeds were received in FY 2012-13.

As of June 30, 2013, the remaining balance is $282,958 which includes; the remainder of the Brawley solar lighting project in the amount of $15,588, the remaining funds for the security camera systems of $266,676, with interest earned in the amount of $694. 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.  

RESTATEMENT OF PRIOR PERIOD

CTSGP funds remained in the STA fund and were not recognized which resulted in the following changes on financial statement line items as of June 30, 2012.

<table>
<thead>
<tr>
<th>Account</th>
<th>As Previously Reported</th>
<th>As Restated</th>
<th>Effect of Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Sheet at June 30, 2012:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$</td>
<td>--</td>
<td>$4,353</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$923,080</td>
<td>$927,433</td>
<td>$(4,353)</td>
</tr>
</tbody>
</table>

See independent auditors’ report
Note 7. RECLASSIFICATIONS

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 financial statement presentation. Such reclassifications had no effect on reported fund balance.

Note 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2014, the report date, and has determined that there are no reportable events.
REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION
DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION
COMMISSION

INDEPENDENT AUDITORS’ REPORT

We have audited the financial statements of the State Transit Assistance fund of the Imperial County
Transportation Commission as of and for the year ended June 30, 2013 and have issued our report therein dated
January 15, 2014. 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.

As part of obtaining reasonable assurance about whether the State Transit Assistance fund of the Imperial County
Transportation Commission's financial statements are free of material misstatement we performed tests of its
compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a
direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to
determine that allocations made and expenditures paid by the State Transit Assistance Fund of the Imperial County
Transportation Commission were made in accordance with allocation instructions and resolutions of the Imperial
County Transportation Commission and in conformance with the Transportation Development Act (TDA) Statutes and
California Code of Regulation 6751. In connection with our audit, nothing came to our attention that caused us to
believe the State Transit Assistance Fund of the Imperial County Transportation Commission failed to comply with the
Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and the allocation
instructions and resolutions of the Imperial County Transportation Commission. However, providing an opinion on
compliance with those provisions was not an objective of our audit and accordingly, we do not express such an
opinion

Also as part of our audit we performed tests of compliance to determine whether certain state funds were received
and expended in accordance with the PTMISEA guidelines and state accounting requirements.

In November 2006, California Voters passed a bond measure enacting the Highway Safety, Traffic reduction, Air
Quality and Port Security Bond Act of 2006. This Bond Act set aside funds for two categories of transportation
improvement programs:

1. The Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) to
   fund capital projects that relate to infrastructure improvement

2. The California Transit Security Grant Program-California Transit Assistance Fund (CTSGP) for transit system
   safety, security and disaster response capital projects

Each year the State of California solicits grant requests for projects meeting the necessary criteria and then finances
the programs through the sale of bonds.
The Imperial County Transportation Commission has successfully applied and received proceeds from the State’s PTMISEA account for the design and construction of several bus transfer terminals projects in the Imperial County.

As of June 30, 2013, the PTMISEA funds received, interest earned and expended were verified in the course of our audits as follows:

<table>
<thead>
<tr>
<th>PTMISEA Funds Current Year Activity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 821,185</td>
</tr>
<tr>
<td>Additional Funds Accrued this Year</td>
<td>3,332,677</td>
</tr>
<tr>
<td>Interest earned</td>
<td>2,500</td>
</tr>
<tr>
<td></td>
<td>$ 4,156,362</td>
</tr>
</tbody>
</table>

Expenditures Incurred this Year:

| Bus Transfer Terminal Projects      | 87,841 |

Unexpended proceeds as of June 30, 2013 $ 4,068,521

The Imperial County Transportation Commission has successfully applied for CTSGP grants each year for the procurement and installation of security infrastructure for several bus transfer terminals projects in the Imperial County.

As of June 30, 2013, CTSGP funds received, interest earned and funds expended were verified in the course of our audits as follows:

<table>
<thead>
<tr>
<th>CTSGP Funds Current Year Activity:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$ 135,588</td>
</tr>
<tr>
<td>Additional Funds Received this Year</td>
<td>266,676</td>
</tr>
<tr>
<td>Interest earned</td>
<td>694</td>
</tr>
<tr>
<td></td>
<td>$ 402,958</td>
</tr>
</tbody>
</table>

Expenditures Incurred this Year:

| Brawley Bus Transfer Terminal      | 120,000 |

Unexpended proceeds as of June 30, 2013 $ 282,958

This report is intended solely for the information and use of the State Transit Assistance Fund of the Imperial County Transportation Commission’s management, the California Department of Transportation, and the State Controller’s Office and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

January 15, 2014
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the State Transit Assistance fund of the Imperial County Transportation Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the State Transit Assistance fund of the Imperial County Transportation Commission’s financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State Transit Assistance fund of the Imperial County Transportation Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, the Transportation Development Act (TDA) Statutes and the California Code of Regulation Section 6751, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Imperial County Transportation Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hutchinson and Bloodgood LLP

January 15, 2014
SUPPLEMENTARY INFORMATION
## Schedule I - Balance Sheets - STA

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments - STA</td>
<td>$778,775</td>
<td>$746,680</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on STA</td>
<td>845</td>
<td>1,225</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$779,620</strong></td>
<td><strong>$747,905</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due to Other Funds</td>
<td>--</td>
<td>$4,353</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>--</td>
<td>4,353</td>
</tr>
<tr>
<td>Fund Balance - Unreserved - STA</td>
<td>779,620</td>
<td>743,552</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>779,620</td>
<td>743,552</td>
</tr>
<tr>
<td><strong>Total liabilities and fund balance</strong></td>
<td><strong>779,620</strong></td>
<td><strong>747,905</strong></td>
</tr>
</tbody>
</table>
## Schedule II - Statements of Revenues, Expenditures and Changes in Fund Balances - STA

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STA Funds</td>
<td>$1,015,171</td>
<td>$699,961</td>
</tr>
<tr>
<td>Interest - STA</td>
<td>6,261</td>
<td>3,925</td>
</tr>
<tr>
<td>Other Refunds &amp; Reimbursements</td>
<td>2,250</td>
<td>--</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>1,023,682</td>
<td>703,886</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADA Paratransit Service</td>
<td>987,614</td>
<td>702,000</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>987,614</td>
<td>702,000</td>
</tr>
<tr>
<td><strong>Changes in fund balance</strong></td>
<td>36,068</td>
<td>1,886</td>
</tr>
<tr>
<td><strong>Fund balance, beginning</strong></td>
<td>743,552</td>
<td>741,666</td>
</tr>
<tr>
<td><strong>Fund balance, ending</strong></td>
<td>$779,620</td>
<td>$743,552</td>
</tr>
</tbody>
</table>
Schedule III - Balance Sheets - PTMISEA

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments - PTMISEA</td>
<td>$734,928</td>
<td>$1,741,424</td>
</tr>
<tr>
<td>Accounts Receivable - PTMISEA</td>
<td>3,332,677</td>
<td>--</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on PTMISEA</td>
<td>916</td>
<td>2,841</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$4,068,521</td>
<td>$1,744,265</td>
</tr>
</tbody>
</table>

| LIABILITIES AND FUND BALANCE                |          |          |
| Liabilities                                 |          |          |
| Due to other funds                          | $--      | $923,080 |
| Total liabilities                           | $--      | 923,080  |

| Fund balance                                |          |          |
| Fund Balance - Restricted PTMISEA           | 4,068,521| 821,185  |
| Total fund balance                          | 4,068,521| 821,185  |
| Total liabilities and fund balance          | $4,068,521| $1,744,265 |
Schedules of Supplementary Information
June 30, 2013 and 2012

Schedule IV - Statements of Revenues, Expenditures and Changes in Fund Balances - PTMISEA

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTMISEA Funds</td>
<td>$3,332,677</td>
<td>$754,290</td>
</tr>
<tr>
<td>Interest - PTMISEA</td>
<td>2,500</td>
<td>11,183</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>3,335,177</td>
<td>765,473</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brawley Bus Transfer Terminal - PTMISEA</td>
<td>32,129</td>
<td>--</td>
</tr>
<tr>
<td>IVC Bus Transfer Terminal - PTMISEA</td>
<td>55,712</td>
<td>923,080</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>87,841</td>
<td>923,080</td>
</tr>
<tr>
<td><strong>Changes in fund balance</strong></td>
<td>3,247,336</td>
<td>(157,607)</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td>821,185</td>
<td>978,792</td>
</tr>
<tr>
<td><strong>Fund balance, ending</strong></td>
<td>$4,068,521</td>
<td>$821,185</td>
</tr>
</tbody>
</table>
## Schedule V - Balance Sheets - CTSGP

### ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments - CTSGP</td>
<td>$282,614</td>
<td>$131,020</td>
</tr>
<tr>
<td>Accounts Receivable - Interest on CTSGP</td>
<td>344</td>
<td>215</td>
</tr>
<tr>
<td>Accounts Receivable - CTSGP</td>
<td>--</td>
<td>4,353</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$282,958</td>
<td>$135,588</td>
</tr>
</tbody>
</table>

### FUND BALANCE

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance - Restricted CTSGP</td>
<td>$282,958</td>
<td>$135,588</td>
</tr>
<tr>
<td>Total fund balance</td>
<td>$282,958</td>
<td>$135,588</td>
</tr>
</tbody>
</table>
Schedule VI - Statements of Revenues, Expenditures and Changes in Fund Balances - CTSGP

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTSGP Funds</td>
<td>$266,676</td>
<td>$--</td>
</tr>
<tr>
<td>Interest - CTSGP</td>
<td>694</td>
<td>1,679</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>267,370</td>
<td>1,679</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brawley Bus Transfer Terminal - CTSGP</td>
<td>120,000</td>
<td>--</td>
</tr>
<tr>
<td>IVC Bus Transfer Terminal - CTSGP</td>
<td>--</td>
<td>136,584</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>120,000</td>
<td>136,584</td>
</tr>
<tr>
<td><strong>Changes in fund balance</strong></td>
<td>147,370</td>
<td>(134,905)</td>
</tr>
<tr>
<td>Fund balance, beginning</td>
<td>135,588</td>
<td>270,493</td>
</tr>
<tr>
<td>Fund balance, ending</td>
<td>$282,958</td>
<td>$135,588</td>
</tr>
</tbody>
</table>

IMPERIAL COUNTY TRANSPORTATION COMMISSION
STATE TRANSIT ASSISTANCE FUND
Schedules of Supplementary Information
June 30, 2013 and 2012
Imperial County Transportation Commission

Financial Report of the
Transit Planning and Programs Management Fund
June 30, 2013 and 2012
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDEPENDENT AUDITORS’ REPORT</strong></td>
<td>3-4</td>
</tr>
<tr>
<td><strong>FINANCIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Statements of Net Position</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position</td>
<td>6</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>7</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>8-11</td>
</tr>
<tr>
<td><strong>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</strong></td>
<td>12-13</td>
</tr>
<tr>
<td><strong>SUPPLEMENTARY INFORMATION</strong></td>
<td></td>
</tr>
<tr>
<td>Schedule I - State Transit Revenue</td>
<td>15</td>
</tr>
<tr>
<td>Schedule II - ICTC Reimbursements</td>
<td>15</td>
</tr>
<tr>
<td>Schedule III - Purchased Transportation Services</td>
<td>15</td>
</tr>
<tr>
<td>Schedule IV - Professional Services</td>
<td>15</td>
</tr>
<tr>
<td>Schedule V - General Administration</td>
<td>16</td>
</tr>
<tr>
<td>Schedule VI - Capital Project Expenses</td>
<td>17</td>
</tr>
<tr>
<td><strong>SINGLE AUDIT SECTION</strong></td>
<td></td>
</tr>
<tr>
<td><strong>INDEPENDENT AUDITORS’ REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133</strong></td>
<td>18-19</td>
</tr>
<tr>
<td>Schedule of Expenditures of Federal Awards</td>
<td>20</td>
</tr>
<tr>
<td>Schedule of Findings and Responses</td>
<td>21-23</td>
</tr>
<tr>
<td>Notes to Schedule of Expenditures of Federal Awards</td>
<td>24</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Transit Planning and Programs Management fund of the Imperial County Transportation Commission as of and for the years ended June 30, 2013 and 2012, 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 Transit Planning and Programs Management fund of the Imperial County Transportation Commission as of June 30, 2013 and 2012, and the results of its operations and the cash flow of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.
Other Matters

Other Information

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

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 15, 2014 on our consideration of the Imperial County Transportation Commission Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, the Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Hutchinson and Bloodgood LLP

January 15, 2014
IMPERIAL COUNTY TRANSPORTATION COMMISSION
TRANSIT PLANNING AND PROGRAMS MANAGEMENT FUND
Statements of Net Position
June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$4,789,855</td>
<td>$3,654,115</td>
</tr>
<tr>
<td>Federal Grant 5311 receivable</td>
<td>524,775</td>
<td>411,399</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>12,403</td>
<td>14,006</td>
</tr>
<tr>
<td>Due from other funds</td>
<td>--</td>
<td>923,080</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>5,389</td>
<td>4,523</td>
</tr>
<tr>
<td>Total current assets</td>
<td>5,332,422</td>
<td>5,007,123</td>
</tr>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>41,454</td>
<td>41,454</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>(11,874)</td>
<td>(6,050)</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>29,580</td>
<td>35,404</td>
</tr>
<tr>
<td>Total assets</td>
<td>5,362,002</td>
<td>5,042,527</td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>449,386</td>
<td>1,308,720</td>
</tr>
<tr>
<td>Encumbrances payable</td>
<td>994,446</td>
<td>649,947</td>
</tr>
<tr>
<td>Due to other funds</td>
<td>1,943</td>
<td>4,773</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,445,775</td>
<td>1,963,440</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>680,773</td>
<td>686,199</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>3,235,454</td>
<td>2,392,888</td>
</tr>
<tr>
<td>Total net position</td>
<td>$3,916,227</td>
<td>$3,079,087</td>
</tr>
</tbody>
</table>
### Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State transit revenues</td>
<td>$3,452,009</td>
<td>$3,575,226</td>
</tr>
<tr>
<td>STIP-PPM revenues</td>
<td>--</td>
<td>100,000</td>
</tr>
<tr>
<td>Federal Grant 5307 revenue</td>
<td>3,008,078</td>
<td>1,440,680</td>
</tr>
<tr>
<td>Federal Grant 5311 revenue</td>
<td>488,098</td>
<td>682,394</td>
</tr>
<tr>
<td>Passenger fares</td>
<td>651,532</td>
<td>682,343</td>
</tr>
<tr>
<td>ICTC reimbursements</td>
<td>639,378</td>
<td>648,049</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>8,239,095</strong></td>
<td><strong>7,128,692</strong></td>
</tr>
</tbody>
</table>

| **Operating expenses:** |            |            |
| Purchased transportation services | 5,161,265 | 4,163,108 |
| Professional services         | 313,714    | 268,888    |
| General administration        | 354,157    | 184,289    |
| Capital projects              | 1,602,190  | 1,330,659  |
| **Total operating expenses**  | **7,431,326** | **5,946,944** |

| **Operating income** | 807,769 | 1,181,748 |

| **Nonoperating revenues:** |            |            |
| Interest revenue          | 22,952    | 22,713     |
| Other refunds and reimbursements | 6,419     | 576        |
| **Total nonoperating revenues** | **29,371** | **23,289** |

| **Change in net position** | 837,140 | 1,205,037 |

| **Net position - beginning** | 3,079,087 | 1,874,050 |
| **Net position - ending**    | $3,916,227 | $3,079,087 |

The Notes to the Financial Statements are an integral part of these statements
### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger fares</td>
<td>$651,532</td>
<td>$682,343</td>
</tr>
<tr>
<td>Receipts from transit services</td>
<td>7,757,889</td>
<td>5,923,726</td>
</tr>
<tr>
<td>Other receipts</td>
<td>640,981</td>
<td>654,207</td>
</tr>
<tr>
<td>Payment for transportation services</td>
<td>(7,275,296)</td>
<td>(5,870,091)</td>
</tr>
<tr>
<td>Payment for general administration</td>
<td>(354,157)</td>
<td>(184,289)</td>
</tr>
<tr>
<td>Payment for professional services</td>
<td>(313,714)</td>
<td>(268,888)</td>
</tr>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>1,107,235</td>
<td>937,008</td>
</tr>
</tbody>
</table>

### CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest earned</td>
<td>28,505</td>
<td>22,802</td>
</tr>
<tr>
<td>Net cash provided by investing activities</td>
<td>28,505</td>
<td>22,802</td>
</tr>
</tbody>
</table>

### Net increase (decrease) in cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents July 1</td>
<td>3,654,115</td>
<td>2,694,305</td>
</tr>
<tr>
<td>Cash and cash equivalents June 30</td>
<td>4,789,855</td>
<td>3,654,115</td>
</tr>
</tbody>
</table>

### Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>$807,769</td>
<td>$1,181,748</td>
</tr>
</tbody>
</table>

### Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation expense</td>
<td>5,824</td>
<td>3,241</td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>(111,773)</td>
<td>845,124</td>
</tr>
<tr>
<td>(Increase) decrease in due from other funds</td>
<td>923,080</td>
<td>(763,420)</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable</td>
<td>(859,334)</td>
<td>276,541</td>
</tr>
<tr>
<td>(Decrease) increase in encumbrances payable</td>
<td>344,499</td>
<td>(592,431)</td>
</tr>
<tr>
<td>(Decrease) increase in due to other funds</td>
<td>(2,830)</td>
<td>(13,795)</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>299,466</td>
<td>(244,740)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Cash Provided by (Used for) Operating Activities</td>
<td>$1,107,235</td>
<td>$937,008</td>
</tr>
</tbody>
</table>
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The Transit Planning and Programs Management Section of the Imperial County Transportation Commission was established in order to effectively administer the various transit programs, grants and services provided either in house or under contract with various providers. The program utilizes various State and federal grants including the Federal Transportation Administration “FTA” Sections 5307 and 5311. The specific federal funds received are programmed to be utilized for the Imperial Valley Transit (IVT), the IVT Blue and Green Lines, IVT Access, the ADA paratransit system and the transfer terminals.

The Imperial County Auditor-Controller’s office acts as a trustee for the funds received and disbursed. The FTA Section 5307 and 5311 funds are not accessed until a scope of work is approved. The FTA Section 5307 and 5311 grants are developed based on estimates for each fiscal year, which are not available until October of each year.

Basis of Accounting

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

Cash Equivalents

For purposes of the statement of cash flows, the Imperial County Transportation Commission considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds’ financial positions and operations.

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 the Imperial County Transportation Commission Transit Planning and Programs Management fund only.

Note 3. CASH AND INVESTMENTS

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 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
Note 4. ACCOUNTS RECEIVABLE

During fiscal years ended June 30, 2013 and 2012 there was an amount of $12,403 and $14,006, respectively, to recognize the ICTC membership revenues accrued for the year that were received in the subsequent year.

Note 5. DUE FROM OTHER FUNDS

During fiscal years ended June 30, 2013 and 2012 there was an amount of $0 and $923,080, respectively, to recognize revenues for the year that were received in the subsequent year.

Note 6. ACCOUNTS PAYABLE

During fiscal years ended June 30, 2013 and 2012 there was an amount of $449,386 and $1,308,720, respectively, to recognize operational expenses for the year that were paid in the following fiscal year.

Note 7. DUE TO OTHER FUNDS

During fiscal years ended June 30, 2013 and 2012 there was an amount of $1,943 and $4,773, respectively, to recognize amounts due to other funds that were paid in the following fiscal year.

Note 8. ENCUMBRANCES PAYABLE

During fiscal years ended June 30, 2013 and 2012 the encumbrance payable amounts of $994,446 and $649,947 consists of purchased services for the contract period not yet paid.

Note 9. NET POSITION - RESTRICTED

During the fiscal years ended June 30, 2013 and 2012 the restricted net position amount of $680,773 and $686,199, respectively, which represents the portion of the local match for federal grant CA-90-Y469-00 for the bus terminal project for the City of El Centro.

Note 10. FEDERAL TRANSIT FORMULA GRANTS

The following consists of the Activity of the U.S. Department of Transportation Federal Transit Grant (Urbanized Area Formula Program - Federal Grant 5307):

<table>
<thead>
<tr>
<th>Program number CA-90-Y469-00</th>
<th>50% Federal Reimbursement Operations</th>
<th>80% Federal Reimbursement Capital</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 06/07 Requested</td>
<td>Construction Capital</td>
<td>$2,798,409</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Per grant</td>
<td>$44,168</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Available Grant</td>
<td>$2,948,114</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balance at 6/30/13</td>
<td>$2,754,241</td>
<td></td>
</tr>
</tbody>
</table>

See independent auditors' report
### Note 10. FEDERAL TRANSIT FORMULA GRANTS (Continued)

<table>
<thead>
<tr>
<th>Program number</th>
<th>CA-96-X064-00 ARRA</th>
<th>50% Federal Reimbursement</th>
<th>100% Federal Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal year 09/10</td>
<td>Construction</td>
<td>$ -- $</td>
<td>$ 1,221,911 $</td>
<td>$ 1,221,911</td>
</tr>
<tr>
<td>Requested</td>
<td>6/30/13</td>
<td></td>
<td>882,922 $</td>
<td>882,922</td>
</tr>
<tr>
<td>Per grant</td>
<td>$ 1,221,911 $</td>
<td></td>
<td></td>
<td>$ 1,221,911</td>
</tr>
<tr>
<td>Available Grant</td>
<td>$ 338,989 $</td>
<td></td>
<td></td>
<td>$ 338,989</td>
</tr>
<tr>
<td>Balance at 6/30/13</td>
<td>$ -- $</td>
<td></td>
<td></td>
<td>$ -- $</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program number</th>
<th>CA-90-Z025-00</th>
<th>50% Federal Reimbursement</th>
<th>80% Federal Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal year 12/13</td>
<td>Operations</td>
<td>$ 2,095,989 $</td>
<td>$ -- $</td>
<td>$ 2,095,989</td>
</tr>
<tr>
<td>Requested</td>
<td>6/30/13</td>
<td></td>
<td></td>
<td>$ 2,095,989</td>
</tr>
<tr>
<td>Per grant</td>
<td>$ 2,095,989 $</td>
<td></td>
<td></td>
<td>$ 2,095,989</td>
</tr>
<tr>
<td>Available Grant</td>
<td>$ -- $</td>
<td></td>
<td></td>
<td>$ -- $</td>
</tr>
<tr>
<td>Balance at 6/30/13</td>
<td>$ -- $</td>
<td></td>
<td></td>
<td>$ -- $</td>
</tr>
</tbody>
</table>

The following consists of the Activity of the U.S. Department of Transportation Federal Transit Grant (Rural Area Formula Program - Federal Grant 5311):

<table>
<thead>
<tr>
<th>Program number</th>
<th>649835 ARRA</th>
<th>50% Federal Reimbursement</th>
<th>100% Federal Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal year 09/10</td>
<td>Construction</td>
<td>$ -- $</td>
<td>$ 290,212 $</td>
<td>$ 290,212</td>
</tr>
<tr>
<td>Requested</td>
<td>6/30/13</td>
<td></td>
<td></td>
<td>$ 290,212</td>
</tr>
<tr>
<td>Per grant</td>
<td>$ 290,212 $</td>
<td></td>
<td></td>
<td>$ 290,212</td>
</tr>
<tr>
<td>Available Grant</td>
<td>$ 806,899</td>
<td></td>
<td></td>
<td>$ 806,899</td>
</tr>
<tr>
<td>Balance at 6/30/13</td>
<td>$ -- $</td>
<td></td>
<td></td>
<td>$ -- $</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Program number</th>
<th>643128</th>
<th>50% Federal Reimbursement</th>
<th>80% Federal Reimbursement</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Operations</td>
<td>Capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal year 12/13</td>
<td>Operations</td>
<td>$ 79,894 $</td>
<td>$ -- $</td>
<td>$ 79,894</td>
</tr>
<tr>
<td>Requested</td>
<td>6/30/13</td>
<td></td>
<td></td>
<td>$ 79,894</td>
</tr>
<tr>
<td>Per grant</td>
<td>$ 79,894 $</td>
<td></td>
<td></td>
<td>$ 79,894</td>
</tr>
<tr>
<td>Available Grant</td>
<td>$ 79,894 $</td>
<td></td>
<td></td>
<td>$ 79,894</td>
</tr>
<tr>
<td>Balance at 6/30/13</td>
<td>$ -- $</td>
<td></td>
<td></td>
<td>$ -- $</td>
</tr>
</tbody>
</table>
Note 11.  

RESTATEMENT OF PRIOR PERIOD

A failure to capitalize a purchase of fixed assets and record related annual depreciation resulted in the following changes on financial statement line items as of June 30, 2012.

<table>
<thead>
<tr>
<th></th>
<th>As Previously Reported</th>
<th>As Restated</th>
<th>Effect of Correction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement of Net Position at June 30, 2012:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>$68,863</td>
<td>$4,523</td>
<td>$(64,340)</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>$(6,759)</td>
<td>$41,454</td>
<td>$48,213</td>
</tr>
<tr>
<td>Net position- unrestricted</td>
<td>$2,419,588</td>
<td>$2,392,888</td>
<td>$26,700</td>
</tr>
<tr>
<td>Statement of Revenues, Expenses, and Changes in Net Position for year ended June 30, 2012:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General administration expense</td>
<td>$184,998</td>
<td>$184,289</td>
<td>$(709)</td>
</tr>
<tr>
<td>Net income</td>
<td>$1,204,328</td>
<td>$1,205,037</td>
<td>$709</td>
</tr>
</tbody>
</table>

Note 12.  

RECLASSIFICATIONS

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 financial statement presentation. Such reclassifications had no effect on net position reported.

Note 13.  

SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2014, the report date, and has determined that there are no reportable events.
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Transit Planning and Programs Management fund of the Imperial County Transportation Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Transit Planning and Programs Management fund of the Imperial County Transportation Commission’s financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Transit Planning and Programs Management fund of the Imperial County Transportation Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, the Transportation Development Act (TDA) Statutes and the California Code of Regulation Section 6667, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Imperial County Transportation Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hutchinson and Bloodgood LLP

January 15, 2014
SUPPLEMENTARY INFORMATION
# Schedule I - State Transit Revenue

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Transit Revenue - TDA/LTF/STA</td>
<td>$3,244,168</td>
<td>$2,515,562</td>
</tr>
<tr>
<td>State Transit Revenue - PMISEA</td>
<td>87,841</td>
<td>923,080</td>
</tr>
<tr>
<td>State Transit Revenue - CTSGP</td>
<td>120,000</td>
<td>136,584</td>
</tr>
<tr>
<td><strong>State Transit Revenue - Total</strong></td>
<td><strong>$3,452,009</strong></td>
<td><strong>$3,575,226</strong></td>
</tr>
</tbody>
</table>

# Schedule II - ICTC Reimbursements Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer from Admin, Plans and Programs funds</td>
<td>$484,378</td>
<td>$502,336</td>
</tr>
<tr>
<td>Membership revenues</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>LTA transit 2% allocation</td>
<td>80,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Miscellaneous revenue</td>
<td>--</td>
<td>40,713</td>
</tr>
<tr>
<td><strong>ICTC Reimbursement Revenues - Total</strong></td>
<td><strong>$639,378</strong></td>
<td><strong>$648,049</strong></td>
</tr>
</tbody>
</table>

# Schedule III - Purchased Transportation Services

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countywide Transit System</td>
<td>$2,178,410</td>
<td>$1,859,146</td>
</tr>
<tr>
<td>IVT - Blue/Green Line</td>
<td>599,917</td>
<td>576,696</td>
</tr>
<tr>
<td>ADA Paratransit</td>
<td>1,227,398</td>
<td>1,328,489</td>
</tr>
<tr>
<td>Med Express</td>
<td>167,554</td>
<td>156,291</td>
</tr>
<tr>
<td>West Shores - Dial-a-Ride</td>
<td>60,510</td>
<td>57,958</td>
</tr>
<tr>
<td>Transportation Reserves &amp; Fare Adjustments</td>
<td>927,476</td>
<td>184,528</td>
</tr>
<tr>
<td><strong>Purchased Transportation Services - Total</strong></td>
<td><strong>$5,161,265</strong></td>
<td><strong>$4,163,108</strong></td>
</tr>
</tbody>
</table>

# Schedule IV - Professional Services

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; Special Services</td>
<td>$78,013</td>
<td>$335,339</td>
</tr>
<tr>
<td>Prof &amp; Spec Svs Data Pro</td>
<td>1,332</td>
<td>4,629</td>
</tr>
<tr>
<td>Prof &amp; Spec Svs - Audit Services</td>
<td>163,883</td>
<td>21,355</td>
</tr>
<tr>
<td>Adm-Legal &amp; Accounting Fees</td>
<td>1,931</td>
<td>--</td>
</tr>
<tr>
<td>Professional Services Reserves Adjustments</td>
<td>68,555</td>
<td>(92,435)</td>
</tr>
<tr>
<td><strong>Professional Services - Total</strong></td>
<td><strong>$313,714</strong></td>
<td><strong>$268,888</strong></td>
</tr>
</tbody>
</table>

See independent auditors' report
### Schedule V - General Administration

#### General Administration - Salaries & Benefits

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Salaries</td>
<td>$165,385</td>
<td>$93,464</td>
</tr>
<tr>
<td>Extra Help</td>
<td>$789</td>
<td>--</td>
</tr>
<tr>
<td>Social Security - Medicare</td>
<td>2,379</td>
<td>1,337</td>
</tr>
<tr>
<td>County Contr Retirement</td>
<td>29,694</td>
<td>9,639</td>
</tr>
<tr>
<td>Ins-Workers Comp</td>
<td>4,572</td>
<td>2,470</td>
</tr>
<tr>
<td>Ins-Unemployment</td>
<td>1,800</td>
<td>880</td>
</tr>
<tr>
<td>Group Insurance</td>
<td>45,574</td>
<td>11,467</td>
</tr>
<tr>
<td>Retirement-Pension Bond</td>
<td>13,122</td>
<td>4,467</td>
</tr>
<tr>
<td>Retirement - Health Plan</td>
<td>9,860</td>
<td>4,735</td>
</tr>
<tr>
<td>Redemption of Benefits</td>
<td>2,862</td>
<td>--</td>
</tr>
<tr>
<td>Ins- Dental/Vision</td>
<td>5,961</td>
<td>--</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>2,417</td>
<td>--</td>
</tr>
<tr>
<td>Insurance - Voluntary Life</td>
<td>187</td>
<td>--</td>
</tr>
</tbody>
</table>

**General Administration - Salaries & Benefits Total**  
284,602 128,459

#### General Administration - Other

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications - Phone Charge</td>
<td>1,568</td>
<td>1,316</td>
</tr>
<tr>
<td>Communications - Services</td>
<td>98</td>
<td>393</td>
</tr>
<tr>
<td>Communications - Cell Phones</td>
<td>2,378</td>
<td>1,767</td>
</tr>
<tr>
<td>Insurance Liability</td>
<td>14,262</td>
<td>17,959</td>
</tr>
<tr>
<td>Memberships</td>
<td>1,615</td>
<td>1,865</td>
</tr>
<tr>
<td>Office Expenses</td>
<td>5,462</td>
<td>3,598</td>
</tr>
<tr>
<td>Fuel Expense</td>
<td>433</td>
<td>--</td>
</tr>
<tr>
<td>Publications and Legal Notices</td>
<td>5,088</td>
<td>5,548</td>
</tr>
<tr>
<td>Rents &amp; Leases</td>
<td>16,847</td>
<td>--</td>
</tr>
<tr>
<td>Travel In County Car</td>
<td>--</td>
<td>300</td>
</tr>
<tr>
<td>Travel Out of Cnty Misc</td>
<td>9,437</td>
<td>11,608</td>
</tr>
<tr>
<td>Special Dept Expense</td>
<td>496</td>
<td>145</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,357</td>
<td>--</td>
</tr>
<tr>
<td>Equipment</td>
<td>3,690</td>
<td>10,271</td>
</tr>
<tr>
<td>Depreciation Equipment</td>
<td>5,824</td>
<td>3,241</td>
</tr>
<tr>
<td>General Administration Reserves Adjustments</td>
<td>--</td>
<td>(2,181)</td>
</tr>
</tbody>
</table>

**General Administration - Other Total**  
69,555 55,830

**General Administration - Grand Total**  
354,157 184,289

See independent auditors’ report
### Schedule VI - Capital Project Expenses

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVC Transfer Terminal</td>
<td>$55,712</td>
<td>$1,059,664</td>
</tr>
<tr>
<td>El Centro Transfer Terminal</td>
<td>918,136</td>
<td>--</td>
</tr>
<tr>
<td>Brawley Transfer Terminal</td>
<td>628,342</td>
<td>270,995</td>
</tr>
<tr>
<td><strong>Capital Project Expenses - Total</strong></td>
<td><strong>$1,602,190</strong></td>
<td><strong>$1,330,659</strong></td>
</tr>
</tbody>
</table>
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on Compliance for Each Major Federal Program

We have audited the Imperial County Transportation Commission’s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of the Imperial County Transportation Commission’s major federal programs for the year ended June 30, 2013. The Imperial County Transportation Commission’s major federal programs are identified in the summary of auditors’ results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Imperial County Transportation Commission’s major federal programs based on our audit of these types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Imperial County Transportation Commission’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Imperial County Transportation Commission’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Imperial County Transportation Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.
Management of the Imperial County Transportation Commission is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Imperial County Transportation Commission's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the Imperial County Transportation Commission's as of and for the year ended June 30, 2013, and have issued our report thereon dated January 15, 2014, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the management, Commission Board, the California State Controller's Office and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Hutchinson and Bloodgood LLP

January 15, 2014
<table>
<thead>
<tr>
<th>Federal Grant/Pass-Through Grantor</th>
<th>Federal C.F.D.A. Number</th>
<th>Pass-Through Grantor's Number</th>
<th>Program Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. DEPARTMENT OF TRANSPORTATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA Section 5307 - Urban Funding **</td>
<td>20.507</td>
<td>CA-90-Z025</td>
<td>$2,095,989</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Subtotal 20.507</td>
</tr>
<tr>
<td><strong>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</strong></td>
<td></td>
<td></td>
<td>2,095,989</td>
</tr>
<tr>
<td><strong>TOTAL FEDERAL ASSISTANCE</strong></td>
<td></td>
<td></td>
<td>$2,095,989</td>
</tr>
</tbody>
</table>

** Major Fund
### SECTION I - SUMMARY OF AUDITORS' RESULTS

**Financial Statements**

**Type of auditors' report issued:** Unmodified

**Internal control over financial reporting:**

- Material weakness(es) identified? yes [X] no
- Significant deficiency(ies) identified not considered to be material weaknesses? yes [X] none reported

**Noncompliance material to financial statements noted?** yes [X] no

**Federal Awards**

**Internal Control over major programs:**

- Material weakness(es) identified? yes [X] no
- Significant deficiency(ies) identified not considered to be material weaknesses? yes [X] none reported

**Type of auditors' report issued on compliance** Unmodified

**Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?** yes [X] no

**Identification of major programs:**

<table>
<thead>
<tr>
<th>CFDANumber(s)</th>
<th>Name of Federal Program or Cluster</th>
</tr>
</thead>
<tbody>
<tr>
<td>20.507</td>
<td>Department of Transportation</td>
</tr>
</tbody>
</table>

**Dollar threshold used to distinguish between Type A and Type B programs:** $300,000

**Auditee qualified as low-risk auditee?** yes [X] no
There are no current year findings.
There are no prior year findings.
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2013

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Imperial County Transportation Commission and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.
Imperial County Transportation Commission

Financial Report of the
Regional Planning and Programs
June 30, 2013 and 2012
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT</td>
<td>3 - 4</td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS</td>
<td></td>
</tr>
<tr>
<td>Balance Sheets</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Revenues, Expenditures and Changes in Fund Balance</td>
<td>6</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>7 - 9</td>
</tr>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL</td>
<td>10 - 11</td>
</tr>
<tr>
<td>REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF</td>
<td></td>
</tr>
<tr>
<td>FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING</td>
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<td>STANDARDS</td>
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<td>SUPPLEMENTARY INFORMATION</td>
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<td>Schedule I - General Administration</td>
<td>13</td>
</tr>
<tr>
<td>Schedule II - Professional Services</td>
<td>13</td>
</tr>
<tr>
<td>Schedule III - STIP-PPM Category A</td>
<td>13</td>
</tr>
<tr>
<td>Schedule IV - STIP-PPM Category B</td>
<td>13</td>
</tr>
<tr>
<td>Schedule V - STIP-PPM Category C</td>
<td>14</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Regional Planning and Programs fund of the Imperial County Transportation Commission as of and for the years ended June 30, 2013 and 2012, 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 polices 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 Regional Planning and Programs fund of the Imperial County Transportation Commission as of June 30, 2013 and 2012, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.
Other Matters

Other Information

As discussed in Note 2, the financial statements present only the Regional Planning and Programs fund 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 15, 2014 on our consideration of the Imperial County Transportation Commission Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, the Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Hutchinson and Bloodgood LLP

January 15, 2014
### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$223,616</td>
<td>$207,000</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>--</td>
<td>4,438</td>
</tr>
<tr>
<td>Interest receivable</td>
<td>85</td>
<td>520</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$223,701</strong></td>
<td><strong>$211,958</strong></td>
</tr>
</tbody>
</table>

### LIABILITIES AND FUND BALANCE

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$2,805</td>
<td>$66,718</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>2,805</td>
<td>66,718</td>
</tr>
<tr>
<td>Fund balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fund balance - unassigned</td>
<td>193,487</td>
<td>117,831</td>
</tr>
<tr>
<td>Fund balance - assigned</td>
<td>27,409</td>
<td>27,409</td>
</tr>
<tr>
<td><strong>Total fund balance</strong></td>
<td>220,896</td>
<td>145,240</td>
</tr>
<tr>
<td><strong>Total liabilities and fund balance</strong></td>
<td><strong>$223,701</strong></td>
<td><strong>$211,958</strong></td>
</tr>
</tbody>
</table>
IMPERIAL COUNTY TRANSPORTATION COMMISSION
REGIONAL PLANNING AND PROGRAMS
Statements of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Years Ended June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>$306,559</td>
<td>$200,000</td>
</tr>
<tr>
<td>Membership revenue</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Interest revenue</td>
<td>531</td>
<td>1,847</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>382,090</td>
<td>276,847</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STIP-PPM Category A</td>
<td>71,603</td>
<td>78,331</td>
</tr>
<tr>
<td>STIP-PPM Category B</td>
<td>137,234</td>
<td>85,903</td>
</tr>
<tr>
<td>STIP-PPM Category C</td>
<td>19,795</td>
<td>--</td>
</tr>
<tr>
<td>General and administrative expenditures</td>
<td>54,844</td>
<td>24,911</td>
</tr>
<tr>
<td>Professional services</td>
<td>22,958</td>
<td>4,637</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>306,434</td>
<td>193,782</td>
</tr>
<tr>
<td>Changes in fund balance</td>
<td>75,656</td>
<td>83,065</td>
</tr>
<tr>
<td>Fund balance beginning, July 1</td>
<td>145,240</td>
<td>62,175</td>
</tr>
<tr>
<td>Fund balance ending, June 30</td>
<td>$220,896</td>
<td>$145,240</td>
</tr>
</tbody>
</table>
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The Imperial County Transportation Commission (ICTC) Regional Planning and Programs fund was established by ICTC in order to administer regional transportation programs and services.

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 State and federal funds received and disbursed.

Basis of Accounting

The Regional Planning and Programs funds are accounted for in a special revenue fund using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and expenditures are recognized as soon as they are both measurable and available.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds' financial positions and operations.

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.
Note 4. ACCOUNTS PAYABLE

During fiscal year ended June 30, 2013 there was an amount of $2,805 in accounts payable that is the total of accrued expenditures for the year related to day to day operations. For fiscal year ended June 30, 2012 the amount of accrued expenditures was $66,718.

Note 5. FUND BALANCE - ASSIGNED

The amount of $27,409 which represents the assigned fund balance amount for fiscal years 2011-12 and 2012-13, respectively. This amount represents the total purchase price of a vehicle acquired during fiscal year 2011-12 which is part of this fund’s general capital assets.

Note 6. 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 to 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.

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

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

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

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

During the fiscal year ended June 30, 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. As of June 30, 2011 the remaining funds of the Category A proceeds in the amount of $19,648, and remainder of Category B proceeds in the amount of $37,144 have been fully expended.

During the fiscal year ended June 30, 2012, 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 September 28, 2011. As of June 30, 2012, the remaining funds of the Category A proceeds in the amount of $41,316, and remainder of Category B proceeds in the amount of $51,241 have been fully expended.
Note 6.  STIP-PLANNING, PROGRAMMING & MONITORING PROGRAM (Continued)

During the fiscal year ended June 30, 2013, the Imperial County Transportation Commission applied for and received proceeds of $300,000 from the State of California STIP-PPM Program based on an agreement entered into on April 23, 2013. As of June 30, 2013, the remaining balance of the total in STIP-PPM proceeds received for the year is of $163,925 which includes; the remaining funds of the Category A proceeds in the amount of $69,713, the remainder of Category B proceeds in the amount of $14,007 and $80,205 for Category C.

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 7.  RECLASSIFICATIONS

Certain amounts in the 2012 financial statements have been reclassified to conform with the 2013 financial statement presentation. Such reclassifications had no effect on reported fund balance.

Note 8.  SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2014, the report date, and has determined that there are no reportable events.
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Regional Planning and Programs fund of the Imperial County Transportation Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Regional Planning and Programs fund of the Imperial County Transportation Commission’s financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Regional Planning and Programs fund of the Imperial County Transportation Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, the Transportation Development Act (TDA) Statutes and the California Code of Regulation Section 6662, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Imperial County Transportation Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hutchinson and Bloodgood LLP

January 15, 2014
SUPPLEMENTARY INFORMATION
### Schedule I - General Administration

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications - Phone Charges</td>
<td>$1,545</td>
<td>$1,313</td>
</tr>
<tr>
<td>Communications - Cell Phone/Pager</td>
<td>3,401</td>
<td>4,171</td>
</tr>
<tr>
<td>Communications - Services</td>
<td>85</td>
<td>--</td>
</tr>
<tr>
<td>Insurance Liability</td>
<td>14,308</td>
<td>4,273</td>
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<tr>
<td>Memberships</td>
<td>4,229</td>
<td>4,693</td>
</tr>
<tr>
<td>Fuel Expense</td>
<td>696</td>
<td>--</td>
</tr>
<tr>
<td>Publications and Legal Notices</td>
<td>642</td>
<td>293</td>
</tr>
<tr>
<td>Rents &amp; Leases</td>
<td>16,847</td>
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</tr>
<tr>
<td>Special Dept expenditure</td>
<td>2,246</td>
<td>1,683</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,357</td>
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</tr>
<tr>
<td>Office expenditures</td>
<td>5,179</td>
<td>--</td>
</tr>
<tr>
<td>Equipment</td>
<td>3,309</td>
<td>8,485</td>
</tr>
<tr>
<td><strong>General Administration - Total</strong></td>
<td><strong>$54,844</strong></td>
<td><strong>$24,911</strong></td>
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</table>

### Schedule II - Professional Services

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional &amp; Special Service</td>
<td>$20,618</td>
<td>$1,662</td>
</tr>
<tr>
<td>Professional &amp; Special Services - Legal and Accounting</td>
<td>1,626</td>
<td>--</td>
</tr>
<tr>
<td>Professional &amp; Special Services - Data Pro</td>
<td>714</td>
<td>2,975</td>
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<tr>
<td><strong>Professional Services - Total</strong></td>
<td><strong>$22,958</strong></td>
<td><strong>$4,637</strong></td>
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</table>

### Schedule III - STIP-PPM Category A

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$59,386</td>
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</tr>
<tr>
<td>Professional &amp; Special Services</td>
<td>3,290</td>
<td>74,906</td>
</tr>
<tr>
<td>Travel</td>
<td>8,927</td>
<td>3,425</td>
</tr>
<tr>
<td><strong>STIP-PPM Category A - Total</strong></td>
<td><strong>$71,603</strong></td>
<td><strong>$78,331</strong></td>
</tr>
</tbody>
</table>

### Schedule IV - STIP-PPM Category B

<table>
<thead>
<tr>
<th>Item</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$118,772</td>
<td>--</td>
</tr>
<tr>
<td>Professional &amp; Special Services</td>
<td>12,510</td>
<td>77,252</td>
</tr>
<tr>
<td>Office expenditures</td>
<td>--</td>
<td>2,262</td>
</tr>
<tr>
<td>Travel</td>
<td>5,952</td>
<td>6,389</td>
</tr>
<tr>
<td><strong>STIP-PPM Category B - Total</strong></td>
<td><strong>$137,234</strong></td>
<td><strong>$85,903</strong></td>
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</table>
## Schedule V - STIP-PPM Category C

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
<td>$ 19,795</td>
<td>--</td>
</tr>
<tr>
<td>STIP-PPM Category C - Total</td>
<td>$ 19,795</td>
<td>--</td>
</tr>
</tbody>
</table>
Imperial County Transportation Commission

Financial Report of the
SB 325 Funds for Article 8(c)
June 30, 2013 and 2012
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT</td>
<td>3-4</td>
</tr>
<tr>
<td><strong>FINANCIAL STATEMENTS</strong></td>
<td></td>
</tr>
<tr>
<td>Statements of Net Position - Article 8(c)</td>
<td>5</td>
</tr>
<tr>
<td>Statements of Revenues, Expenses and Changes in Net Position</td>
<td>6</td>
</tr>
<tr>
<td>Statements of Cash Flows</td>
<td>7</td>
</tr>
<tr>
<td>Notes to the Financial Statements</td>
<td>8-9</td>
</tr>
<tr>
<td>INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</td>
<td>10-11</td>
</tr>
</tbody>
</table>
INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

Report on the Financial Statements

We have audited the accompanying financial statements of the SB 325 Funds for Article 8(c) of the Imperial County Transportation Commission as of and for the years ended June 30, 2013 and 2012, 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 polices 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 SB 325 Funds for Article 8(c) of the Imperial County Transportation Commission as of June 30, 2013 and 2012, and the results of its operations and the cash flow of its proprietary fund types for the years then ended in conformity with accounting principles generally accepted in the United States of America.
Other Matters

Other Information

As discussed in Note 2, the financial statements present only the SB 325 Funds for Article 8(c) and are not intended to present fairly the financial position of the Imperial County Transportation Commission and the results of its operations and the cash flows of its proprietary fund types in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of allocations and disbursements listed as supplementary information in the table of contents has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated January 15, 2014 on our consideration of the Imperial County Transportation Commission Management’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, the Transportation Development Act (TDA) Statutes and California Codes of Regulation (CCR) and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Hutchinson and Bloodgood LLP

January 15, 2014
IMPERIAL COUNTY TRANSPORTATION COMMISSION  
SB 325 FUND ARTICLE 8(c)  
PERTAINING TO SECTION 994000(c) OF THE PUBLIC UTILITIES CODE  
Statements of Net Position  
June 30, 2013 and 2012

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$--</td>
<td>$--</td>
</tr>
<tr>
<td>Total assets</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td><strong>NET POSITION</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net position:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total net position</td>
<td>$--</td>
<td>$--</td>
</tr>
</tbody>
</table>

The Notes to the Financial Statements are an integral part of these statements.
# Statements of Revenues, Expenses, and Changes in Net Position

For the Fiscal Years Ended June 30, 2013 and 2012

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenues:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SB 325 Article 8(c)</td>
<td>$2,256,554</td>
<td>$1,813,562</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$2,256,554</td>
<td>$1,813,562</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchased transportation services</td>
<td>2,256,554</td>
<td>1,813,562</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>2,256,554</td>
<td>1,813,562</td>
</tr>
<tr>
<td>Operating income</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Change in net position</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net position - beginning</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net position - ending</td>
<td>$--</td>
<td>$--</td>
</tr>
</tbody>
</table>

The Notes to the Financial Statements are an integral part of these statements.
### CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from transit services</td>
<td>$2,256,554</td>
<td>$1,813,562</td>
</tr>
<tr>
<td>Payment for transportation services</td>
<td>(2,256,554)</td>
<td>(1,813,562)</td>
</tr>
<tr>
<td>Net cash provided by (used for) operating activities</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

Cash and cash equivalents
- July 1: --
- June 30: --

#### Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income (loss)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) decrease in accounts receivable</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>(Decrease) increase in accounts payable</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Total Adjustments</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Net Cash Provided by (Used for) Operating Activities</td>
<td>$--</td>
<td>$--</td>
</tr>
</tbody>
</table>
Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entities

The operations of the SB 325 Fund of the Imperial County Transportation Commission, “the ICTC,” are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenses.

Article 8(c) of the SB 325 Fund is provided by the Imperial County Transportation Commission through five contracts with outside vendors. Three contracts are held with First Transit, Inc. to provide the Imperial Valley Transit Service, including the IVT-ACCESS which provides paratransit service exclusively for disabled persons. Two contracts are held with the ARC-Imperial Valley to provide: Med-Express which provides non-emergency transportation to medical facilities in San Diego, and Westshores Dial-a-Ride, a community based paratransit service.

Basis of Accounting

The Public Service Transit Fund, Article 8(c), is accounted for in a proprietary fund using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Comparative Data

Comparative data for the prior year is presented in the accompanying financial statements in order to provide an understanding of changes in the funds’ financial positions and operations.

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 Public Service Transit Fund of the Imperial County Transportation Commission.

Note 3. CASH AND INVESTMENTS

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 SB 325 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.
Note 4. TRANSPORTATION DEVELOPMENT ACT COMPLIANCE REQUIREMENTS

In accordance with Section 99400(c) of the Public Utilities Code, funds received pursuant to this section may only be used for public transportation services. The Imperial County Transportation Commission has complied with the guidelines in respect to the use of funds.

The Imperial County Transportation Commission is subject to provisions pursuant to Section 6634 and 6637 of the California Administrative Code (CAC) and Sections 99268.3, 99268.4, and 99268.5 of the Public Utilities Code.

Section 6634

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

Section 6637

Pursuant to Section 6637, the claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records adopted by the State Controller. The Imperial County Transportation Commission did maintain its accounts and records in accordance with the Uniform System of Accounts and Records.

Section 99268.3, 99268.4 and 99268.5

The Imperial County Transportation Commission's fare box recovery ratio was approximately 15.86% and 14.88% for the fiscal years ending June 30, 2013 and 2012, respectively. The blended fare box recovery minimum ratio requirement is 14.5%, as stated in the letter of approval from the State of California Department of Transportation. For this year this fare box recovery ratio requirement was met.

Note 5. NET POSITION

The net position represents restricted funds for use in the TDA programs for which these funds have been authorized.

Note 6. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 15, 2014, the report date, and has determined that there are no reportable events.
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

INDEPENDENT AUDITORS’ REPORT

To the Commission Board Members
County of Imperial, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the SB 325 Funds for Article 8(c) of the Imperial County Transportation Commission as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the SB 325 Funds for Article 8(c) of the Imperial County Transportation Commission’s financial statements, and have issued our report thereon dated January 15, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Imperial County Transportation Commission’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SB 325 Funds for Article 8(c) of the Imperial County Transportation Commission’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, the Transportation Development Act (TDA) Statutes and the California Code of Regulation Section 6667, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Imperial County Transportation Commission’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Imperial County Transportation Commission’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hutchinson and Bloodgood LLP

January 15, 2014
V. REPORTS

A. ICTC EXECUTIVE DIRECTOR REPORT
Memorandum

Date: February 3, 2014

To: ICTC Management Committee

From: Mark Baza, Executive Director

Re: Executive Director’s Report

The following is a summary of the Executive Director’s Report for the Management Committee meeting of February 12, 2014.

1. **Consolidated Paratransit (Dial-A-Ride) Requests for Proposal:** The document has been finalized and released for a competitive bid process. The document is available on the ICTC website. Fourteen firms and individuals were contacted regarding its availability due to their stated interest in bidding the project. Bids are due on March 21, 2014. A scoring and evaluation committee is being developed and coordinated by ICTC staff and it is requested that a member from each City with paratransit services participate in this process. A contract award recommendation is expected to be forwarded to the participating City Councils in April for a decision on continuing the participation in the bid process. The results of the process would then be forwarded to the Commission for a final decision on contracting. A service start date is targeted for September 2, 2014.

2. **Long Range Transportation Plan:** Caltrans released a call for projects for Fiscal Year 2014/2015 Transportation Planning Grants. A complete update of the Imperial County Long Range Transportation Plan has been identified as a regional priority by ICTC. Both the Southern California Association of Governments (SCAG) and ICTC agreed to submit a grant application to update the Imperial County Long Range Transportation Plan (LRTP) through the pursuit of a Caltrans’ Partnership Planning for Sustainable Transportation Grant. The applicant for the grant is SCAG and ICTC is a sub-applicant. The estimated total project cost is $312,500, with a grant fund request of $250,000 and local in-kind match of $62,500.

The 2015 LRTP update will build on existing transportation, land-use and general plans. The LRTP will examine current transportation conditions, forecast future conditions, establish performance standards, evaluate and recommend policies and develop implantation strategies. A 20 year vision for both transit and active transportation will also be an important component of the LRTP update. In addition, the transportation analysis will build upon the existing border and goods movement planning studies that are underway with regional and State partners such as the Southern California Association of Governments, San Diego Association of Governments and Caltrans. The transit, active transportation, and border goods movement elements of the LRTP will be incorporated into SCAG's 2016 RTP/SCS as well as the Caltrans/FHWA sponsored California/Baja California Border Master Plan.
3. **El Centro Transfer Terminal:** Construction is complete, a ribbon cutting ceremony was conducted on January 20, 2014 and the terminal is operational. Schedule information is available at [www.ivtransit.com](http://www.ivtransit.com) and in printed form. Transit services are in operation and bus bay assignments are being observed for effectiveness.

4. **The IVT Gold Line (City of Brawley) and Brawley Transfer Terminal:** The IVT Gold Line is now in operation. The Transfer terminal is in operation. The IVT Gold Line service started to charge a regular fare on February 3, 2014 after approximately 45 days of free service to the public. Schedule information is available at [www.ivtransit.com](http://www.ivtransit.com) and in printed form.

5. **2014 Road Closures and Bus Delays:** It has been brought to the attention of ICTC staff that road closures will occur on Dogwood Rd. between Willoughby and McCabe Rd. This will affect IVT Routes 1S and 1N on time performance. The delays will occur from Early February through March. IVT will run riders alerts in order to allow riders to plan for delays. Routes 2N and 2S will also be affected beginning in March due to a street rehab project in Westmorland off North Center St. The only bus stop in Westmorland is located directly on North Center St. A detour will take place and a temporary bus stop identified. Rider’s alerts will also be posted of the future changes. The work will begin in Mid-March and is expected to last 30 to 60 days.

6. **Calexico Intermodal Transportation Center:** The Kick off meeting was held on November 5, 2013 at the ICTC offices. An outreach meeting with all transit providers in the City of Calexico was conducted on Tuesday, December 17, 2013. Currently the public outreach efforts are taking place. A community walk is scheduled for Saturday, February 8, 2014 at 10:00am at the Historic Customs building on 1st Street in Calexico. In addition, a community forum is scheduled for February 27, 2014. The feasibility study’s scope of work will also include: stakeholder meetings, public workshops, stakeholder surveys, site selection analysis, and financial and operational feasibility reports. See attached fact sheet.

7. **Imperial-Mexicali Binational Alliance:** The next Binational Alliance meeting is scheduled for February 13, 2014 in the City of Mexicali.

8. **Pedestrian and Bicycle Transportation Access Study:** The Study will focus on the California-Mexico border region, specifically its six Ports of Entry (POEs). ICTC is working with Caltrans and SANDAG to complete a Request for Proposal (RFP) for the study. The RFP was advertised on Friday, November 8, 2013. A non-mandatory pre-bid meeting was held at the ICTC offices on December 6, 2013. On December 20, 2013 a total of 6 proposals were received by ICTC. The review committee completed the scoring as well as conducted interviews of the top three consultants on January 17, 2014. A recommendation from the evaluation committee was submitted to the Executive Director and is anticipated to be presented to Management Committee on February 12, 2014.

9. **IVT Bus Stop Safety and Design Standards Guidelines Project:** The final product will benefit ICTC, the cities and County in the implementation of future bus stop and terminal capital improvements throughout the region. This project is the second phase of the multi-year Four Phase Bus Stop Improvement Program. A draft is expected to be available for member agency review by May 1, 2014.

10. **Transportation Development Act (TDA-State Funds) Triennial Performance Audit Project:** A kick off meeting was conducted on December 10th at ICTC offices. Requests for information have been emailed to member agency staff. The audit is a State mandated requirement every three years for all TDA funds received in Imperial County. A draft is expected to be available for member agency review by April 30, 2014.

11. **ADA Paratransit Service Certification and Eligibility Process, Demand Management Review and Growth Assessment.** The stakeholders’ meeting was held on February 4, 2014 at the ICTC offices. The consultant will evaluate our certification and eligibility process for the ADA paratransit service; provide an assessment of the growth and subsequent demand for future years.
12. **Update to the 2008 Coordinated Public Transit and Human Services Transportation Plan.** The stakeholders’ meeting was held on February 4, 2014 at the ICTC offices. In addition, additional stakeholders are meeting on an individual basis with the consultants through the end of the week. The primary purpose of the Coordinated Plan is to continue to meet the Federal Transit Administration’s (FTA) and other funding agency’s requirements for eligibility for various grants, including but not limited to the FTA Section 5310 program. The update to the Coordinated Plan will include a reassessment of all available public and private transportation services in Imperial County, a reassessment of public and social services transportation needs, development of strategies and/or activities to address gaps in service, identification of coordination actions to eliminate or reduce duplication in services where they exist, and a prioritization of implementation strategies.

13. **The San Diego State University / Imperial Valley College Transit Shuttle Analysis.** A Memorandum of Understanding between SCAG and ICTC was executed on December 19, 2013. The Transit Shuttle Analysis will assess the feasibility of an inter-college shuttle service in Imperial County. ICTC and SCAG staff will work together to draft the RFP for the project.

14. **Imperial County Aerial Acquisition Project.** The Imperial County Aerial Acquisition project is anticipated to cost approximately $200,000 for a consultant to fly and process the aerial imagery in order to be used in GIS or CAD systems for analytical activities. SCAG has already secured $50,000 for this fiscal year and plans to secure another $50,000 for the next fiscal year. Hence, this project has a funding shortfall of $100,000. See attached summary and status.

15. **Quarterly Review Meeting with YCAT and the Quechan Tribe regarding Turquoise Route 10:** ICTC Staff met with YCAT (Yuma County Area Transit) management and Quechan Tribal members on Tuesday January 14th to conduct the regularly scheduled quarterly review meeting for the YCAT Turquoise Route 10. The route continues to provide increased opportunities for eastern Imperial County residents and passengers from Yuma and Imperial Valley. The Turquoise Route 10 has time transfers with IVT (Imperial Valley Transit) routes at 14th and State St. in El Centro (soon to be 7th and State) to facilitate travel to other areas of the county as needed. The Turquoise Route 10 operates Monday, Wednesday and Saturday, with 1 morning round trip originating in Yuma and an afternoon round trip originating in Yuma. ICTC will continue the quarterly meetings to monitor any changes and continue to share current information.

16. **Meetings attended and presented on behalf of ICTC:**

   California Transportation Commission (CTC), Jan. 27, 2014 – Active Transportation Program (ATP) Hearing; and Final Action that authorized Caltrans to proceed with I-8 Dogwood Ave. Overcrossing Project (Construction is scheduled to begin June 2014). Discussion on State of Oregon's pilot user based fee as an alternative to the current gas tax. See attached handout

   SANDAG Borders Committee, Jan. 31, 2014 – ICTC Executive Director presented an overview of our Border Planning activities, including the creation of our national Alliance; and update of our border infrastructure proposals for Imperial/Mexicali region.

   CTC State Transportation Implementation Program (STIP) Hearing presented Imperial County’s 2014 STIP proposal. See attached fact sheet that was presented to the Commission.

   SCAG Transportation Committee, Feb. 6, 2014 – ICTC Executive Director presented our transit planning and non-motorized or active transportation planning studies and projects that help us implement our current Long Range Transportation Plan and prepare for our next update scheduled for FY 2015-16.

17. **SCAG Regional Council presentation by Kevin Kelley, General Manager for the IID, regarding the Salton Sea Restoration Project:**

   Mr. Kelley presented at the SCAG Regional Council Meeting on February 6, 2014 on behalf of the Salton Sea Restoration and Renewable Energy Initiative. See attached handout.
CALEXICO’S PORT OF ENTRY IS ONE OF THE THREE BUSIEST PORTS in the nation. The Department of Homeland Security (DHS) has identified Calexico as a strategic location for the establishment of an Intermodal Transportation Center (ITC). According to the DHS, Calexico is one of the busiest ports of entry in the United States, with an estimated 20,000 daily pedestrians crossing the border. This number is expected to increase as the border area experiences growth.

The study will examine alternate locations that can potentially serve multi-transportation services to accommodate the region’s unique needs. The study will also review designs and locations that compliment and leverage investments in the new POE planned by U.S. General Services Administration and U.S. Department of Homeland Security, as well as reviewing traffic circulation, passenger security, comfort and amenities, environment and economic impacts. Crucial to the study will be the community’s input.

Upcoming events:

>> Community Walk - February 8, 2014
Community will be invited to take an interactive walking tour and discussion of all study locations.

>> Community Forum - February 27, 2014
Community will be invited share, review and discuss all study locations.

For more information on community participation opportunities visit:
www.IMPeRIALICTC.ORG

Project Contact:
Gregory A Walker, AICP
Vice President | Huitt-Zolliars
602.952.9123
The Study Area includes a range of alternative sites that will provide the basis for initial comparison and evaluation and will lead to selection of a maximum of three alternatives for a detailed evaluation. The community will be invited to take part in reviewing and providing comment for each site through a community walk, a community forum and a survey. The detailed evaluation will include developing a site plan for the final selected alternatives to determine the level of accommodation that can be achieved in providing a safe, comfortable, and convenient organization of transportation services and customer amenities.
Oregon Road Usage Charge Program

California Transportation Commission
January 29, 2014

Oregon’s Second Pilot (2012-2013)
Road Use Charge Pilot Program

Open System with taxpayer choices for mileage reporting

- 44 volunteer participants from Oregon
  - 8 state legislators
  - Others with policy interest

Paid road usage charge of 1.5 cents per mile and received fuel tax credit

Private sector firms provided
- Mileage reporting technologies
- Tax processing and account management

Washington DOT and Nevada DOT managed 44 additional participants
Oregon Department of Transportation

Senate Bill 810
Oregon Per-Mile Road Use Charge Law

Implement permanently operational RUC program
- 1.5 cents per mile
- Rebate of fuel tax paid
- Mileage reporting choices
- Vehicle location technology *not* required
- Open system
- Private sector administration option
- Penalties for false statements, non-payment and tampering
- Protection of personally identifiable information

First application: 5,000 voluntary taxpayers
Start date: July 1, 2015

Oregon Department of Transportation

Oregon Road Usage Charge Summit

November 13-15, 2013
- Seminar for 15 state DOTs
- Workshop for 38 vendors
- Policy and technical tracks
- Oregon legislative panel
- Two days of one-on-one meetings with vendors
Oregon’s Platform for Per-mile Charge

Machine to machine communications via standard mileage message

DOT certifies private sector entities under an open system for:

- Mileage reporting technologies
- Tax processing
- Account management

Scalable, flexible and geographically unlimited
### Standard mileage message

<table>
<thead>
<tr>
<th>Message</th>
<th>Description</th>
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<tbody>
<tr>
<td>Vehicle identification number</td>
<td>Reporting device identification number</td>
</tr>
<tr>
<td>Timestamp for installations and removals</td>
<td>Total mileage during reporting period</td>
</tr>
<tr>
<td>Fuel consumption during reporting period</td>
<td>For advanced plans, mileage by zone</td>
</tr>
</tbody>
</table>
What’s Occurring Now in Oregon

Establishing
- Mileage reporting methods
- Administrative practices
- Business rules
- Standards for reporting and accounting
- Certification processes

Communications
- Marketing plan for voluntary taxpayers
- Develop geographically relevant messages supporting RUC policy

What’s Next in Oregon

Two procurements (April/May 2014)
- #1: RFP for government system
- #2: RFQ for commercial market opportunity

Contracting (February 2015)
- Through private sector account managers

Certification of vendor services (ongoing)
- Reporting technologies
- Tax processing and account management
What Voluntary Taxpayers Will See

1\textsuperscript{st} Marketing materials
2\textsuperscript{nd} RUC Website explaining system
3\textsuperscript{rd} Choose Your Plan matrix
4\textsuperscript{th} MRD activation instructions
5\textsuperscript{th} Invoice with payment instructions

Always available: Help Desk

Expected Categories of Mileage Reporting Plans

- Report all miles driven \textit{(Basic)}
- Report miles by location \textit{(Advanced)}
- Report miles by preference \textit{(Switchable)}
Choosing Mileage Reporting Plan

Mileage Reporting Device Activation

1. Activate device built into vehicle, or

2. Install device into vehicle
Invoicing and Payment

Invoice
- Receive by mail, email or automatic account access
- Summarized totals

Options for payment
- Cash
- Check
- Credit
- Debit
- Electronic Funds Transfer

Recommendations to State of California

Access Oregon Platform for a RUC Pilot Program
- Use Oregon’s standard mileage message
- Access vendors hired by Oregon DOT
- Access back end capabilities of Oregon consulting team

Advantages:
1) Save time
2) Save money
3) Design program elements acceptable in California
There is currently no vehicle or pedestrian access south of Interstate 8 at Imperial Avenue. The advance of STIP-RIP fund will allow this vital reconstruction project to be completed about 6 years ahead of schedule.
The project will reconstruct the existing interchange on I-8 at Imperial Avenue in the City of El Centro from two lanes to four lanes. The project will provide a new connection south of the freeway by extending Imperial Avenue 7,000 feet to McCabe Road as a 4-lane arterial roadway. Construction of the Imperial Avenue extension will immediately follow the interchange reconstruction. The project will also realign the westbound exit and entrance ramps to I-8, and reconstruct the eastbound exit and entrance ramps.

Mobility & Accessibility: The project is expected to save an annual average of 351,000 person-hours based on the Cal-B/C model analysis, with a total of 7 million person-hours saved over 20-years.

Reliability: Anticipated travel-time savings from the project is $3.2 million annually, and $63.1 million over 20 years based on the Cal B/C analysis.

Productivity /Sustainability: Current two-way annual average daily traffic (AADT) on I-8 at Imperial Avenue is 32,000, and is expected to increase to 56,500 by 2025. The two extra lanes will accommodate the expected increase in traffic. The existing interchange and overcrossing were constructed in 1967 as a trumpet-type or modified L-12 design with the purpose of providing access to developed areas north of I-8 in El Centro.

Environmental Quality & Safety: The project would reduce 3,741 tons in CO₂ emissions annually, and over 7 million tons of CO₂ over 20 years from reduced vehicle miles traveled based on the Cal-B/C analysis. Emission cost savings from reduction of all pollutants amounts to $0.2 million annually, and $4.2 million over 20 years. The project would improve travel safety by upgrading the overcrossing and entrance and exit ramps and replacing the existing ramps with new ramps, which incorporate current design standards. Accident cost savings $0.5 million are anticipated during the life of the project.
The Salton Sea is the largest inland lake in California, totaling more than 375 square miles in Imperial and Riverside counties. The Sea supports a diverse wildlife habitat for over 400 species of birds and serves as a critical link on the 5,000-mile international Pacific Flyway for bird migration.

CRISIS AT THE SALTON SEA

Today, the Salton Sea faces a crisis. In recent years, it has developed increasing salinity and other water quality problems that have made it inhospitable to wildlife, recreation and other human uses. The sea elevation has also been receding due to reduced inflows resulting from changing hydrological conditions on the Colorado River system.

After 2017, mitigation Rows to the Salton Sea to offset the impact of water transfers will cease, causing the sea to shrink dramatically and hastening its decline in water quality. In addition, a receding sea will expose more than 50,000 acres of lakebed made up of silt and ne-grain soil particles that contain farm-eld sediments. This exposure poses an urgent threat to air quality for residents in the Imperial and Coachella valleys, as desert winds moving across the “playa” will cause ne dust and toxins to become airborne.

Together, these water and air quality issues present imminent public health and environmental risks that must be addressed.

PLAYA EXPOSURE: 2012-2030

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TOTAL EXPOSED PLAYA ACRES</th>
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<tbody>
<tr>
<td>2017</td>
<td>7,184</td>
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<tr>
<td>2020</td>
<td>17,068</td>
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<tr>
<td>2030</td>
<td>50,797</td>
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A BOLD NEW VISION FOR ACTION

After a decade during which commitments made by the State of California to restore the Salton Sea have not been fulfilled, a new vision has emerged: a smaller but sustainable Salton Sea that enables restoration through harnessing its vast renewable energy potential.

The Salton Sea Restoration & Renewable Energy Initiative, launched by the Imperial Irrigation District in partnership with Imperial County, will leverage funds generated by new
renewable energy projects located at the sea to help finance activities for air quality management and habitat restoration. Projects sited on exposed lakebed will serve a dual purpose: producing renewable energy while doubling as groundcover to mitigate air emissions. Under legislation enacted in 2013, planning and implementing projects at the sea will be driven locally by the Salton Sea Authority, with support from the State of California.

The Initiative will first focus on developing up to 1,000 megawatts of new geothermal energy at the Sea – enough to power more than one million homes. Not only is there more geothermal generating capacity in the Imperial Valley than anywhere else in the U.S., but geothermal energy can be produced with minimal impact on landscape and habitat. It also provides a steady, reliable source of energy to the state electricity grid that is not subject to weather or seasonal fluctuations.

Core components of the Salton Sea Restoration & Renewable Energy Initiative include:

- Designating the Salton Sea as a renewable energy development area
- Pledging LiD’s land holdings and mineral assets, as well as potentially those of the federal government, for generation projects such as utility-scale geothermal, solar and wind, subsurface mining operations and emerging resources (algae and solar gradient ponds)
- Pursuing public-private partnerships and environmental alliances to develop new renewable energy resources
- Continuing to work with state and federal regulatory agencies and investor-owned utilities to execute power purchase agreements and plan for the development of new transmission lines, such as a new 500 kilovolt line from eastern Riverside County to LiD’s Imperial Valley substation

**KNOW GEOTHERMAL RESOURCE AREA AT THE SALTON SEA**

**COLLABORATING FOR SOLUTIONS**

Implementing the initiative will require actions from numerous local, state and federal government agencies, as well as private companies that can invest their capital and experience in developing renewable energy projects. The initiative will also require engagement by community stakeholders committed to restoring the Salton Sea to protect local communities and wildlife species from the consequences of its unchecked demise.

Working together, the initiative can help assure the future of the Salton Sea, protect public health, conserve vital species habitat and create stability for meeting California’s water supply and energy needs.
A. AMERICANS WITH DISABILITIES ACT (ADA) PARATRANSIT SERVICES NO SHOW/ LATE CANCELLATION POLICY—REVISION
February 7, 2014

ICTC Management Committee  
Imperial County Transportation Commission  
1405 N. Imperial Avenue, Suite 1  
El Centro, CA 92243

SUBJECT: Americans with Disabilities Act (ADA) Paratransit Services No Show/Late Cancellation Policy-Revision

Dear Committee Members:

An increase in reservations and passenger ridership beginning July 1, 2011 has helped to create a lack of seating capacity on the ADA Paratransit Services known as fVT ACCESS. In addition, the fVT ACCESS service has experienced an increase in "no shows" and "late cancellations". This has created a negative impact to our daily fleet capacity and availability for other clients in need of service.

A "no show" occurs when a certified rider fails to appear, fails to board the vehicle, and/or use his/her scheduled transportation within the standard 5 minute wait period a driver offers a passenger to board. A "late cancellation" occurs when a passenger fails to cancel the appointment for pick-up at least four (4) hours before the scheduled pick-up time.

As a result of the 2013 Federal Transit Administration (FTA) Triennial Review the current no show policy was found to be not sufficient. The current policy may affect riders disproportionately in relation to the frequency of their use of the service. The new policy will track both no-shows and frequency of use so not to effect any riders adversely.

On January 30, 2014, an ad-hoc committee composed of social service provider agency representatives who participate on the ICTC Social Services Technical Advisory Committee (SSTAC), met with ICTC staff and the operator of N7 ACCESS to modify the currently approved policy. The new policy will also include language identifying a "late-cancellation" as a "no-show" if the passenger fails to call dispatch thirty (30) minutes prior to cancel a scheduled trip. Currently, riders are canceling trips upon the bus arrival, which is counted as a "late cancellation." Due to the large number of late cancellations occurring on IVT ACCESS, the revised policy will also include language which will count three (3) late cancellations as one (1) no-show. Currently, there are no repercussions for any amount of late cancellations and some riders are incurring multiple late cancellations in a day.

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

T: Projects\ICTC\ADA no show policy and appeal 2014 MC 128
Attached is a Draft Policy for your review and consideration.

The Ad-hoc Committee would recommend approval of the policy after which the policy will be mailed directly to current riders and posted on all IVT ACCESS vehicles and the IVT ACCESS website.

The SSTAC also reviewed the policy and appeals process on February 5th and forward comments for consideration by ICTC staff and Commission, if any.

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

1. Review and approve the ICTC ADA Paratransit Services Revised No Show/Late Cancellation Policy and Appeals Process.
2. Direct staff to promulgate the ADA Paratransit Services Revised No Show/Late Cancellation Policy and Appeals Process in English and Spanish between March 3, 2014 and March 31, 2014.

Sincerely,

MARKBAZA
Executive Director

MB/ksw/ds

attachments
Imperial County Transportation Commission ADA-
Paratransit No Show/Late Cancellation Policy
January 2014

Background

The Americans with Disabilities Act (ADA) Comparable Complementary Paratransit Service is a
federally mandated service requiring equal access to the public fixed route bus system for
individuals with disabilities. The service operates eight (8) wheelchair accessible, mini-buses as a
demand response service in tandem with the fixed route bus system for certified eligible disabled
passengers. The service area and hours are the same as the fixed route bus system discussed above.
The service is available to “certified as eligible” disabled passengers.

IVT ACCESS is the ADA paratransit service within Imperial County. The Imperial County
Transportation Commission (ICTC) has developed the following policy and administrative
process for addressing no-shows and late cancellations.

Subpart F, Section 37.125 of the ADA Complementary Paratransit Guidelines provides that a
public transit service provider entity may suspend the provision of paratransit service to ADA
eligible individuals who establish a pattern or practice of excessive no shows and/or late
cancellations.

Definitions

No Show

A “No-show” shall be recognized as an ADA eligible person who fails to appear, fails to board
the vehicle, and/or use his/her scheduled transportation within the standard “ready window.” The
ready window is the 30 minute time frame the passenger has been advised by dispatchers to be
ready for their trip. The bus is required to wait up to 5 minutes for an individual upon arrival
within the ready window. If a rider calls within 30 minutes of a scheduled pickup time to cancel
his or her trip, the cancellation will be counted as a “no-show.”

Late Cancellation

A “Late Cancellation” shall be recognized as an ADA eligible person who fails to cancel the
appointment for pick-up at least two (2) hours before the scheduled pick-up time.

In the event of a “no show,” IVT ACCESS will automatically cancel any previously
scheduled return trips for that rider for that day.
**Policy**

Individuals with No-Show/Late Cancellations shall be sanctioned or suspended from service according to the following guidelines. Because the service provided by IVT ACCESS is so important to many people, we must enforce a suspension policy to ensure that trip resources are available to everyone.

ANY passenger who has three (3) or more unexcused no shows or no shows 10% of their scheduled trips (whichever is greater) within a calendar month will be suspended from using these services for two weeks (14 days).

Any passenger who incurs a no show may contact IVT ACCESS management in order to have any no-show removed due to a circumstance which was beyond the rider’s control. The appeals process policy is also available to any person wishing to formally appeal any no-shows incurred.

After the 1st occurrence IVT Staff will contact the rider and document the phone call notifying the rider of their 1st incurred no show. Staff will also explain further now shows could result in temporary suspension of services.

After the second occurrence a letter will be mailed to the rider notifying them of their second incurred no-show. IVT ACCESS will also contact the rider by phone to explain the consequences of a third no show.

The third no show occurrence incurred in a calendar month will result in a two week (14 Day) suspension of services for the rider. ICTC will send a letter of notification to include all no-show dates.

**Method**

During suspension of ADA Paratransit Service, ICTC shall take the following steps:

1. Notify the individual in writing that ICTC is suspending their service
2. The suspension will cite with specificity the basis of the proposed suspension and setting forth the proposed sanction.
3. Provide written notification and guidance on the ICTC ADA Paratransit No Show and Late Cancellation Policy Appeals Process
B. PEDESTRIAN AND BICYCLE TRANSPORTATION ACCESS STUDY OF THE CALIFORNIA / MEXICO LAND PORTS OF ENTRY—AWARD RECOMMENDATION
February 7, 2014

ICTC Management Committee
Imperial County Transportation Commission
1405 N. Imperial Ave Suite 1
El Centro, CA 92243

SUBJECT: Pedestrian and Bicycle Transportation Access Study of the California/Mexico Land Ports of Entry – Award Recommendation

Dear Committee Members:

ICTC staff recently completed a competitive bid process to acquire a consultant firm for the completion of a pedestrian and bicycle transportation access study of the California/Mexico land ports of entry. This project is funded by a State Planning and Research (SPR) grant from the California Department of Transportation (Caltrans).

The study will identify opportunities to increase connectivity and improve services for both pedestrians and bicyclists who cross international POEs between California and Mexico. Currently six POEs are located along the 150 mile long California-Mexico border: three in San Diego County (San Ysidro, Otay Mesa, and Tecate), and three in Imperial County (Calexico West, Calexico East, and Andrade). The project area is defined as an approximate one-mile radius from each of the six individual California-Mexico POEs.

Ultimately, the Study will use existing and new data (surveys, counts) to carry out the following:

1. Describe existing conditions for pedestrians and bicyclists at each of the California-Mexico POEs
2. Identify travel patterns at each POE
3. Identify opportunities to improve conditions for non-motorized users at each of the six POEs
4. Propose future infrastructure and/or operational improvements based on current non-motorized policies, such as the California Department of Transportation (Caltrans) Complete Streets

A proposal evaluation committee was coordinated to complete the review of proposals and interviews of qualified firms. The evaluation committee was comprised of staff from Caltrans, City of Calexico, San Diego Association of Governments (SANDAG), Southern California Association of Governments (SCAG), the Secretariat of Infrastructure and Development of the State of Baja California (SIDUE), and ICTC.
The committee met on January 8, 2014 to review and rank all six (6) proposals received. Based on the proposal rankings the top three (3) firms were then called back for oral interviews conducted on January 17, 2014.

The final ranking of the consultants teams listed below was based on the following criteria: Technical qualifications; Prior experience; Methodology; Project team/staff qualifications; Attainment of Disadvantage Business Enterprise (DBE) goal of 3.73%; Project cost; and Completion of response and references.

The ranking is listed as follows:

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<tr>
<th>NAME</th>
<th>RANKING</th>
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<tr>
<td>KOA Corporation</td>
<td>1</td>
</tr>
<tr>
<td>IBI Group</td>
<td>2</td>
</tr>
<tr>
<td>Alta Planning and Design</td>
<td>3</td>
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The SPR grant is for $300,000 with no cash local match from ICTC other than staff time dedicated for project management.

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

1. Approve the award of the Consultant Agreement for the Pedestrian and Bicycle Transportation Access Study of the California/Mexico Land Ports of Entry to KOA Corporation in the amount of $300,000.
2. Authorize the Chairperson to sign the consultant agreement.

Sincerely,

MARK BAZA
Executive Director

MB/vm
AGREEMENT FOR SERVICES
KO A CORPORATION, Pedestrian & Bicycle Transportation Access Study of the
California/Mexico Land Ports of Entry

THIS AGREEMENT FOR SERVICES (“Agreement”), made and entered into this ______ day
of ______________, 2014, by and between the IMPERIAL COUNTY TRANSPORTATION
COMMISSION (“ICTC”) and KOA CORPORATION (“CONSULTANT”).

WITNESSETH

WHEREAS ICTC desires to retain a qualified individual, firm or business entity to provide
professional services for the Pedestrian and Bicycle Transportation Access Study (“the Project”); and

WHEREAS ICTC desires to engage CONSULTANT to provide services by reason of its
qualifications and experience for performing such services, and CONSULTANT has offered to provide
the required services for the Project on the terms and in the manner set forth herein;

NOW, THEREFORE, ICTC and CONSULTANT have and hereby agree to the following:

1. DEFINITION.

1.1. “Request for Proposal” (RFP) shall mean ICTC’s RFP titled “Pedestrian and Bicycle
Transportation Access Study of the California/Mexico Land Ports of Entry” dated November 8, 2013. The
RFP is attached as “Exhibit A” and incorporated herein by this reference.

1.2. “Proposal” shall mean CONSULTANT’s proposal for “Imperial County Transportation
Commission Pedestrian and Bicycle Transportation Access Study for the California/Mexico Land Ports of
Entry” dated December 20, 2013. The Proposal is attached as “Exhibit B” and incorporated herein by
this reference.

2. CONTRACT COORDINATION.

CONSULTANT shall assign a single Contract Manager to have overall responsibility for the
progress and execution of this Agreement. Seth Torma, AICP, PTP is hereby designated as the Contract
Manager for CONSULTANT. Should circumstances or conditions subsequent to the execution of this
Agreement require a substitute Contract Manager for any reason, the Contract Manager designee shall be
subject to the prior written acceptance and approval of ICTC.

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3. **DESCRIPTION OF WORK.**

3.1. CONSULTANT shall provide all materials and labor to perform this Agreement as described in the Scope of Work attached as “**Exhibit C**” and incorporated herein by this reference. In the event of a conflict among this Agreement, the RFP and the Proposal, the RFP shall take precedence over the Proposal and this Agreement shall take precedence over both.

3.2. CONSULTANT shall perform additional or extra work if required, utilizing the per hour rate set forth in the Rate Schedule attached as “**Exhibit D**” and incorporated herein by this reference.

4. **WORK TO BE PERFORMED BY CONSULTANT.**

4.1. CONSULTANT shall comply with all terms, conditions and requirements of the Proposal and this Agreement.

4.2. CONSULTANT shall perform such other tasks as necessary and proper for the full performance of the obligations assumed by CONSULTANT hereunder.

4.3. CONSULTANT shall:

4.3.1. Procure all permits and licenses, pay all charges and fees, and give all notices that may be necessary and incidental to the due and lawful prosecution of the services to be performed by CONSULTANT under this agreement;

4.3.2. Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders and decrees which may affect those engaged or employed under this Agreement, any materials used in CONSULTANT’s performance under this Agreement or the conduct of the services under this Agreement;

4.3.3. At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders and decrees mentioned above; and

4.3.4. Immediately report to ICTC in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders and decrees mentioned above in relation to any plans, drawings, specifications or provisions of this Agreement.

4.4. Any videotape, reports, information, data or other material given to, or prepared or assembled by, CONSULTANT under this Agreement shall be the property of ICTC and shall not be made
available to any individual or organization by CONSULTANT without the prior written approval of ICTC.

5. REPRESENTATIONS BY CONSULTANT.

5.1. CONSULTANT understands and agrees that ICTC has limited knowledge in the area or areas specified in the Proposal. CONSULTANT has represented itself to be expert in these fields and understands that ICTC is relying upon such representation.

5.2. Subject to 5.2.1, CONSULTANT represents and warrants that it is a lawful entity possessing all required licenses and authorities to do business in the State of California and perform all aspects of this Agreement.

5.2.1. CONSULTANT shall not commence any work under this Agreement or provide any other services, or materials, in connection therewith until CONSULTANT has received written authorization from ICTC to do so.

5.3. CONSULTANT represents and warrants that the people executing this Agreement on behalf of CONSULTANT have the authority of CONSULTANT to sign this Agreement and bind CONSULTANT to the performance of all duties and obligations assumed by CONSULTANT herein.

5.4. CONSULTANT represents and warrants that any employee, contractor and/or agent who will be performing any of the duties and obligations of CONSULTANT herein possess all required licenses and authorities, as well as the experience and training, to perform such tasks.

5.5. CONSULTANT represents and warrants that the allegations contained in the Proposal are true and correct.

5.6. CONSULTANT understands that ICTC considers the representations made herein to be material and would not enter into this Agreement with CONSULTANT if such representations were not made.

6. COMPENSATION.

The total compensation payable under this Agreement shall not exceed three hundred thousand dollars and zero cents ($300,000.00) unless otherwise previously agreed to by ICTC.
7. PAYMENT.

CONSULTANT will bill ICTC on a time and material basis upon completion of the project or as set forth in “Exhibits C and E”. ICTC shall pay CONSULTANT for completed and approved services upon presentation of its itemized billing. Notwithstanding the foregoing, ICTC shall retain 10% of the total compensation until the work to be performed has been completed in accordance with this Agreement, as determined by ICTC, and payment in full of all subcontractors of CONSULTANT.

8. METHOD OF PAYMENT.

CONSULTANT shall at any time prior to the 15th day of any month, submit to ICTC a written claim for compensation for services performed. The claim shall be in a format approved by ICTC. CONSULTANT may expect to receive payment within a reasonable time thereafter and in any event in the normal course of business within thirty (30) days after the claim is submitted.

9. TIME FOR COMPLETION OF THE WORK.

Project scheduling shall be as described in the Scope of Work “Exhibit C” and the Project Schedule attached as “Exhibit E” and incorporated herein by this reference, except for the time for completion of work, and unless revisions to Exhibits E & C are approved by both ICTC and CONSULTANT’s Contract Manager. The time for completion of work is set for February 28, 2015. Time extensions may be allowed for delays caused by ICTC, other governmental agencies, or factors not directly brought about by the negligence or lack of due care on the part of CONSULTANT.

10. SUSPENSION OF AGREEMENT.

ICTC has the authority to suspend this Agreement, wholly or in part, for such period as deemed necessary due to unfavorable conditions or to the failure on the part of CONSULTANT to perform any provision of this Agreement. CONSULTANT will be paid the compensation due and payable to the date of suspension.

11. SUSPENSION AND/OR TERMINATION.

11.1. ICTC retains the right to terminate this Agreement for any reason by notifying CONSULTANT in writing seven (7) days prior to termination and by paying the compensation due and payable to the date of termination; provided, however, if this Agreement is terminated for fault of CONSULTANT, ICTC shall be obligated to compensate CONSULTANT only for that portion of
CONSULTANT’S services which are of benefit to ICTC. Said compensation is to be arrived at by mutual agreement between ICTC and CONSULTANT; should the parties fail to agree on said compensation, an independent arbitrator shall be appointed and the decision of the arbitrator shall be binding upon the parties.

11.2. Upon such termination, CONSULTANT shall immediately turn over to ICTC any and all copies of videotapes, studies, sketches, drawings, computations and other data, whether or not completed, prepared by CONSULTANT in connection with this Agreement. Such materials shall become the permanent property of ICTC.

12. **INSPECTION.**

  CONSULTANT shall furnish ICTC with every reasonable opportunity for ICTC to ascertain that the services of CONSULTANT are being performed in accordance with the requirements and intentions of this Agreement. All work done and materials furnished, if any, shall be subject to ICTC’s inspection and approval. The inspection of such work shall not relieve CONSULTANT of any of its obligations to fulfill its Agreement as prescribed.

13. **OWNERSHIP OF MATERIALS.**

  All original drawings, videotapes and other materials prepared by or in possession of CONSULTANT pursuant to this Agreement shall become the permanent property of ICTC and shall be delivered to ICTC upon demand.

14. **INTEREST OF CONSULTANT.**

  14.1. CONSULTANT covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder.

  14.2. CONSULTANT covenants that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed.

  14.3. CONSULTANT certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of ICTC.

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15. **INDEMNIFICATION.**

15.1. CONSULTANT agrees to the fullest extent permitted by law to indemnify, defend, protect and hold ICTC and its representatives, officers, directors, designees, employees, agents, successors and assigns harmless from any and all claims, expenses, liabilities, causes of action, demands, losses, penalties, attorneys fees and costs, in law or equity, of every kind and nature whatsoever arising out of or in connection with CONSULTANT’S negligent acts and omissions or willful misconduct under this Agreement ("Claims"), whether or not arising from the passive negligence of ICTC, but does not include Claims that are finally determined to be the result of the sole negligence or willful misconduct of ICTC.

15.2. CONSULTANT agrees to defend with counsel acceptable to ICTC, indemnify and hold ICTC harmless from all Claims, including but not limited to:

15.2.1. Personal injury, including but not limited to bodily injury, emotional injury, sickness or disease or death to persons including but not limited to ICTC’s representatives, officers, directors, designees, employees, agents, successors and assigns, subcontractors and other third parties and/or damage to property of anyone (including loss of use thereof) arising out of CONSULTANT’s negligent performance of, or willful misconduct surrounding, any of the terms contained in this Agreement, or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.2. Liability arising from injuries to CONSULTANT and/or any of CONSULTANT’s employees or agents arising out of CONSULTANT’s negligent performance of, or willful misconduct surrounding, any of the terms contained in this Agreement, or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.3. Penalties imposed upon account of the violation of any law, order, citation, rule, regulation, standard, ordinance or statute caused by the negligent action or inaction, or willful misconduct of CONSULTANT or anyone directly or indirectly employed by CONSULTANT or anyone for whose acts CONSULTANT may be liable;

15.2.4. Infringement of any patent rights which may be brought against ICTC arising out of CONSULTANT’s work;
15.2.5. Any violation or infraction by CONSULTANT of any law, order, citation, rule, regulation, standard, ordinance or statute in any way relating to the occupational health or safety of employees; and

15.2.6. Any breach by CONSULTANT of the terms, requirements or covenants of this Agreement.

15.3. The indemnification provisions of Paragraphs 15.2.1 through 15.2.6 above shall extend to Claims occurring after this Agreement is terminated, as well as while it is in force.

16. INDEPENDENT CONTRACTOR.

In all situations and circumstances arising out of the terms and conditions of this Agreement, CONSULTANT is an independent contractor, and as an independent contractor, the following shall apply:

16.1. CONSULTANT is not an employee or agent of ICTC and is only responsible for the requirements and results specified by this Agreement or any other Agreement.

16.2. CONSULTANT shall be responsible to ICTC only for the requirements and results specified by this Agreement and except as specifically provided in this Agreement, shall not be subject to ICTC’s control with respect to the physical actions or activities of CONSULTANT in fulfillment of the requirements of this Agreement.

16.3. CONSULTANT is not, and shall not be, entitled to receive from, or through, ICTC, and ICTC shall not provide, or be obligated to provide, CONSULTANT with Worker’s Compensation coverage or any other type of employment or worker insurance or benefit coverage required or provided by any Federal, State or local law or regulation for, or normally afforded to, an employee of ICTC.

16.4. CONSULTANT shall not be entitled to have ICTC withhold or pay, and ICTC shall not withhold or pay, on behalf of CONSULTANT, any tax or money relating to the Social Security Old Age Pension Program, Social Security Disability Program, or any other type of pension, annuity, or disability program required or provided by any Federal, State or local law or regulation.

16.5. CONSULTANT shall not be entitled to participate in, or receive any benefit from, or make any claim against any ICTC fringe program, including, but not limited to, ICTC’s pension plan,
medical and health care plan, dental plan, life insurance plan, or any other type of benefit program, plan, or coverage designated for, provided to, or offered to ICTC’s employee.

16.6. ICTC shall not withhold or pay, on behalf of CONSULTANT, any Federal, State, or local tax, including, but not limited to, any personal income tax, owed by CONSULTANT.

16.7. CONSULTANT is, and at all times during the term of this Agreement, shall represent and conduct itself as an independent contractor, not as an employee of ICTC.

16.8. CONSULTANT shall not have the authority, express or implied, to act on behalf of, bind or obligate ICTC in any way without the written consent of ICTC.

17. INSURANCE.

17.1. CONSULTANT hereby agrees at its own cost and expense to procure and maintain during the entire term of this Agreement, and any extended term thereof, commercial general liability insurance (bodily injury and property damage), employer’s liability insurance, commercial automobile liability insurance (bodily injury and property damage) and professional liability insurance in a sum acceptable to ICTC and adequate to cover potential liabilities arising in connection with the performance of this Agreement and in any event not less than the minimum limit set forth as follows:

<table>
<thead>
<tr>
<th>Insurance</th>
<th>Minimum Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Errors &amp; Omissions Coverage</td>
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</tr>
<tr>
<td>Worker’s Compensation, Coverage A</td>
<td>Statutory</td>
</tr>
<tr>
<td>Employers Liability, Coverage B</td>
<td>1,000,000.00 per Occurrence</td>
</tr>
<tr>
<td>Commercial General Liability</td>
<td></td>
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<tr>
<td>(Including Contractual Liability):</td>
<td></td>
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<tr>
<td>Bodily Injury</td>
<td>1,000,000.00 per Occurrence</td>
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<tr>
<td>Property Damage</td>
<td>1,000,000.00 Occurrence</td>
</tr>
<tr>
<td>Commercial Automobile Liability</td>
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<tr>
<td>(owned, hired &amp; non-owned vehicles)</td>
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<tr>
<td>Bodily Injury</td>
<td>1,000,000.00 per Occurrence</td>
</tr>
</tbody>
</table>
17.2. **Special Insurance Requirements.** All insurance required under paragraph 17 shall:

17.2.1. Be procured from an insurer authorized to do business in California.

17.2.2. Be primary coverage as respects ICTC and any insurance or self-insurance maintained by ICTC shall be in excess of CONSULTANT’s insurance coverage and shall not contribute to it.

17.2.3. Name ICTC as an additional insured on all policies, except Workers’ Compensation, and provide that ICTC may recover for any loss suffered by ICTC by reason of CONSULTANT’s negligence.

17.2.4. State that it is primary insurance and regards ICTC as an additional insured and contains a cross-liability or severability of interest clause.

17.2.5. Not be canceled, non-renewed or reduced in scope of coverage until after thirty (30) days written notice has been given to ICTC. However, CONSULTANT may not terminate such coverage until it provides ICTC with proof that equal or better insurance has been secured and is in place. Cancellation or change without the prior written consent of ICTC shall, at the option of ICTC, be grounds for termination of this Agreement.

17.3. **Additional Insurance Requirements.**

17.3.1. Complete copies of certificates of insurance for all required coverages including additional insured endorsements and 30-day notice of cancellation clause endorsements shall be attached hereto as “**Exhibit F**” and incorporated herein.

17.3.2. ICTC is to be notified immediately of all insurance claims. ICTC is also to be notified if any aggregate insurance limit is exceeded.

17.3.3. The comprehensive or commercial general liability shall contain a provision of endorsements stating that such insurance:

A. Includes contractual liability;

B. Does not contain any exclusions as to loss or damage to property caused by explosion or resulting from collapse of buildings or structures or damage to property underground, commonly referred to by insurers as the “XCU Hazards;”
C. Does not contain a “pro rata” provision which looks to limit the insurer’s liability to the total proportion that its policy limits bear to the total coverage available to the insured; and

D. Does not contain an “excess only” clause which require the exhaustion of other insurance prior to providing coverage.

17.4. Deposit of Insurance Policy. Promptly on issuance, reissuance, or renewal of any insurance policy required by this Agreement, CONSULTANT shall, if requested by ICTC, cause to be given to ICTC satisfactory evidence that insurance policy premiums have been paid together with a duplicate copy of the policy or a certificate evidencing the policy and executed by the insurance company issuing the policy or its authorized agent.

17.5 Additional Insurance. Nothing in this, or any other provision of this Agreement, shall be construed to preclude CONSULTANT from obtaining and maintaining any additional insurance policies in addition to those required pursuant to this Agreement.

18. ASSIGNMENT.

Neither this Agreement nor any duties or obligations hereunder shall be assignable by CONSULTANT without the prior written consent of ICTC. CONSULTANT may employ other specialists to perform services as required with prior approval by ICTC.

19. NON-DISCRIMINATION.

During the performance of this Agreement, CONSULTANT shall not unlawfully discriminate against any employee or applicant for employment or employee of ICTC or member of the public because of race, religion, color, national status, age, or sex. CONSULTANT shall ensure that the evaluation and treatment of its employees and applicants for employment and employees and members of the public are free of such discrimination. CONSULTANT shall comply with all provisions of the Fair Employment and Housing Act (Government Code §12900, et seq.). The applicable regulations of the Fair Employment Housing Commission implementing Government Code §12900 set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this Agreement by reference and made a part hereof as if set forth in full. CONSULTANT shall abide by the Federal Civil Rights Act of 1964 and all amendments thereto, and all administrative rules and
regulations issued pursuant to said Act. CONSULTANT shall also abide by the American Disabilities Act and all amendments thereto, and all administrative rules and regulations issued pursuant to said Act. CONSULTANT shall give written notice of its obligations under this clause to labor organizations with which it has a collective bargain or other agreement. CONSULTANT shall include the non-discrimination and compliance provision of this paragraph in all subcontracts to perform work under this Agreement.

20. **NOTICES AND REPORTS.**

20.1. All notices and reports under this Agreement shall be in writing and may be given by personal delivery or by mailing by certified mail, addressed as follows:

**ICTC:**
Attn: Mark Baza, Executive Director
Imperial County Transportation Commission
940 W Main Street, Suite 204
El Centro, CA 92243

**CONSULTANT:**
Attn: Seth Torma, Project Manager
KOA Corporation
5095 Murphy Canyon Rd., Suite 330
San Diego, CA 92123

20.2. All notices and reports under this Agreement may be given by personal delivery or by mailing by certified mail at such other address as either party may designate in a notice to the other party given in such manner.

20.3. Any notice given by mail shall be considered given when deposited in the United State Mail, postage prepaid, addressed as provided herein.

21. **ENTIRE AGREEMENT.**

This Agreement contains the entire Agreement between ICTC and CONSULTANT relating to the transactions contemplated hereby and supersedes all prior or contemporaneous agreements, understandings, provisions, negotiations, representations, or statements, either written or oral.

22. **MODIFICATION.**

No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by both parties.

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23. **PARTIAL INVALIDITY.**

If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

24. **GENDER AND INTERPRETATION OF TERMS AND PROVISIONS.**

As used in this Agreement and whenever required by the context thereof, each number, both singular or plural, shall include all numbers, and each gender shall include a gender. CONSULTANT as used in this Agreement or in any other document referred to in or made a part of this Agreement shall likewise include both singular and the plural, a corporation, a partnership, individual, firm or person acting in any fiduciary capacity as executor, administrator, trustee or in any other representative capacity or any other entity. All covenants herein contained on the part of CONSULTANT shall be joint and several if more than one person, firm or entity executes the Agreement.

25. **WAIVER.**

No waiver of any breach or of any of the covenants or conditions of this Agreement shall be construed to be a waiver of any other breach or to be a consent to any further or succeeding breach of the same or any other covenant or condition.

26. **CHOICE OF LAW.**

This Agreement shall be governed by the laws of the State of California. This Agreement is made and entered into in Imperial County, California. Any action brought by either party with respect to this agreement shall be brought in a court of competent jurisdiction within said county.

27. **ATTORNEY’S FEES.**

If either party brings an action to enforce the terms thereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney’s fees and actual costs to be paid by the losing party as fixed by the court.

28. **AUTHORITY.**

Each individual executing this Agreement on behalf of CONSULTANT represents and warrants that:
28.1. He/She is duly authorized to execute and deliver this Agreement on behalf of CONSULTANT;

28.2. Such execution and delivery is in accordance with the terms of the Articles of Incorporation or Partnership, any by-laws or Resolutions of CONSULTANT and;

28.3. This Agreement is binding upon CONSULTANT accordance with its terms.

29. COUNTERPARTS.

This Agreement may be executed in counterparts.

30. REVIEW OF AGREEMENT TERMS.

This Agreement has been reviewed and revised by legal counsel for both ITC and CONSULTANT, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of the same or any subsequent amendments thereto

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

IMPERIAL COUNTY
TRANSPORTATION COMMISSION:

By: __________________________
Lawrence D. Ritchie, Chairman

ATTEST:

By: __________________________
Cristi Lerma, Secretary to the Commission

CONSULTANT:

KOA Corporation, Planning & Engineering

By: __________________________
Joel Falter, CEO
APPROVED AS TO FORM:

MICHAEL L. ROOD
COUNTY COUNSEL

By:
Kendra A. Martinez
ICTC Counsel