



**BRAWLEY CITY COUNCIL AND
SUCCESSOR AGENCY TO BRAWLEY COMMUNITY
REDEVELOPMENT AGENCY AGENDA
Regular Meeting
Tuesday, April 17, 2012 @ 6:00 PM**

**City Council Chambers
383 Main Street
Brawley, California 92227**

George A. Nava, Mayor
Sam Couchman, Mayor Pro-Tempore
Miguel C. Miranda, Council Member
Ryan E. Kelley, Council Member
Don C. Campbell, Council Member

Alma Benavides, City Clerk
Jim Hamilton, City Treasurer
Dennis H. Morita, City Attorney
Rosanna Bayon Moore City Manager/
Executive Director

CALL TO ORDER

ROLL CALL

INVOCATION

PLEDGE OF ALLEGIANCE

APPROVAL OF AGENDA

1. PUBLIC APPEARANCES/COMMENTS (Not to exceed 4 minutes) *this is the time for the public to address the Council on any item not appearing on the agenda that is within the subject matter jurisdiction of the City Council. The Mayor will recognize you and when you come to the microphone, please state your name for the record. You are not allowed to make personal attacks on individuals or make comments which are slanderous or which may invade an individual's personal privacy. Please **direct your questions and comments to the City Council.***

- a. Imperial Valley Film Commission Update and letter of support Supporting Bill AB 2026 – Charla Teeters, Manager

2. DEPARTMENTAL REPORTS

- a. Monthly Building Permit Report – Francisco Soto, Building Official
- b. Imperial Valley Reads Update, Friday April 27, 2012 6:00 PM Brawley Public Library – Marjo Mello, Library Director
- c. Police Department and Imperial Valley Housing Authority, Thursday April 26, 2012 4:00 – 8:00 PM 1250 North Imperial Avenue – Mark Gillmore, Police Chief
- d. Skating Demonstration – Karin Morgan, Parks & Recreation Director
- e. Spring Clean-Up Allied Waste, Saturday April 28, 2012 7:00 am – 2:00 pm Brawley Airport Jones and Ken Bemis Drive – Public Works Director

3. CONSENT AGENDA Items are approved by one motion. Council Members or members of the public may request consent items be considered separately at a time determined by the Mayor.

- a. Approve City Council Minutes for: March 20, 2012
- b. Approve Accounts Payable for: March 29, 2012
April 5, 2012
- c. Caltrans Maintenance Agreement for Street Sweeping – Yazmin Arellano, Public Works Director

4. REGULAR BUSINESS

- a. 2010/2011 Audited Financial Statements – Ruby Walla, Finance Director
- b. Appointment of Planning Commissioner to Brawley Planning Commission

- c. Discussion regarding Appointment Process for Anticipated City Council Vacancy

5. COUNCIL MEMBER REPORTS

6. CITY MANAGER REPORT

7. CLOSED SESSION

- a. Conference with Legal Counsel – Anticipated Litigation Initiation of Litigation pursuant to Subdivision (c) of Section 54956.9 two (2) potential case
- b. Conference with Labor Negotiator
Agency designated representative: Rosanna Bayon Moore, City Manager
Employee organizations:
 - (a) Brawley Public Safety Employees Association
 - (b) Brawley Police Sergeants Association
 - (c) Brawley Firefighters Local No. 1967
 - (d) Teamsters Local 542
 - (e) Management, Confidential & Unrepresented Employees
- c. Conference with Legal Counsel – Existing Litigation (Government Code Section 54956.9(a)):
 - 1. City of Brawley vs. La Paloma
 - 2. City of Brawley vs. Springhouse et al.
 - 3. City of Brawley vs. Luckey Ranch et al.
 - 4. Jupiter Ventures vs. City of Brawley

ADJOURNMENT Adjourn to ***Tuesday, May 1, 2012 @ 6:00 PM***, City Council Chambers, 383 Main Street, Brawley, California. Supporting Documents are available for public review in the Office of the City Clerk, 383 Main Street, Brawley, California 92227 - Monday through Friday during Regular Business Hours; Individuals who require special accommodations are requested to give 48 hours prior notice. Contact: Alma Benavides, City Clerk @ 760-351-3080.

Alma Benavides, City Clerk



Imperial County Film Commission

Program Manager -Charla Teeters

P.O Box 1467
El Centro, CA 92244-1467

Phone: 760.337.4155

Fax: 760.337.4144

Email: filmhere@sbcglobal.net

Website: www.filmimperialcounty.com

April, 4, 2012

The Honorable Felipe Fuentes
California State Assembly, 39th District
State Capitol, Room 2114
Sacramento, CA 95814

Re: AB 2026-- SUPPORT

Dear Assembly Member Fuentes:

On behalf of the Imperial County Film Commission, and as a member of the FLICS organization, I am writing to you in support of AB 2026, the film and television incentive extension.

The ICFC, as well as the FLICS organization, are staunch supporter of AB1069 and you can count on our support this time around however I do feel strongly about wanting to see in this bill a bump in the tax credit for productions which shoot outside the Los Angeles region. With the CFC Board Chair Keith Weaver noting at a recent board meeting how critical a role FLICS will play in garnering support, especially from the northern and central state legislators this time around, I think this adds another strong point to its inclusion in the bill. Legislators in these traditional non-production areas may be more inclined to support this bill if there is a better chance of their constituents seeing the economic benefit dispersed in their direction.

Over the past decade, my region has seen the amount of film and television production decline as traditionally California centric productions have left the state to seek incentives offered elsewhere. Today over 40 U.S. states and many countries offer meaningful financial incentives to the film industry and are successfully luring production and post-production jobs and spending away from California. Thanks to the creation of this incentive in 2009, California is starting to gain lost ground.

The data on the current program is clear: the California Film and Television Incentive Program is a success. Since the program two and a half years ago, eligible productions have generated \$2.9 billion in direct spending. These retained productions are employing over 31,000 cast and crew members. Thousands of local businesses throughout the state reap the economic benefit from these productions – such as hotels, dry cleaners, building suppliers and caterers. Without the California incentive, we know that many of these productions would have shot in other states or abroad—and the revenue generated and jobs created would have gone elsewhere. While most of the filming activity occurs in Los Angeles County, several incentive program productions have filmed in Alameda, Inyo, Kern, San Bernardino, San Diego, and San Francisco counties. When productions film outside of Los Angeles, they typically spend \$50,000 per day in the local community. These productions stressed that the state incentive was a significant factor in why they opted to shoot here. *And critically - no matter where they shot in the state - the payroll dollars and sales taxes they generated are redistributed throughout the state!*

Again, in order to encourage even more filming around our state, we respectfully suggest another improvement to this successful program: offer an additional 5% tax credit to eligible productions that film in regions outside of Los Angeles. This will help to keep more productions filming in California and allow them to take advantage of the diverse locations available statewide. This suggestion was brought to Ben Golembeck's attention when he addressed our FLICS Board in Sacramento in January.

We support your legislative effort to extend the program an additional five years. AB2026 builds on a solid piece of legislation and provides continuity that will allow California to retain its competitive edge and keep more productions filming in state. We urge state lawmakers to pass this important piece of legislation but with an increase offered to productions who shoot further afield in this great state.

Sincerely,

Charla Teeters
Co-Chair, FLICS
Film Commissioner – Imperial County California

cc: Amy Lemisch, CFC Director



RECORD OF BUILDING PERMITS

March 2012

Prepared by: Francisco Soto, Building Official

Prepared As of: 04/05/12

DATE ISSUED	PERMIT NUMBER	PERMIT DESCRIPTION	ASSESSOR PARCEL NUMBER	ADDRESS	OWNER	ISSUED TO	COST OF IMPROVEMENTS
03/01/12	24347	Electrical	049-021-05	530 & 536 Main Street	I.V. Real Estate	Stills Electric	N/A
03/07/12	24348	Electrical	046-301-017	347 W. Duarte Street	Shireen Kissel	Home Pro, Inc.	N/A
03/08/12	24349	Patio	048-310-009-000	225 Riverpark Lane	Kathryn A. Martin	Owner	3,500.00
03/08/12	24350	Mechanical	048-123-004	549 Marilyn Avenue	Linda Moiola	Artic Air Conditioning & Heating	N/A
03/09/12	24351	Mechanical	049-212-023	685 S. 11th Street	David & Liz Martinez	Desert Air Conditioning	N/A
03/09/12	24352	Mechanical	048-351-015	1013 Calle de Vida	David & Liz Martinez	Desert Air Conditioning	N/A
03/09/12	24353	Mechanical	048-340-010	717 Rodeo Drive	David & Liz Martinez	Desert Air Conditioning	N/A
03/12/12	24354	Remodel House	048-123-08	590 Willard Avenue	Kathy & Jim Duggins	Owner	6,000.00
03/13/12	24355	Demo House-Partial	047-292-023	1005 "D" Street	Mark Gaddis Construction	Owner	N/A
03/13/12	24356	Demo House	049-192-060	905 Martin Place	Mark Gaddis Construction	Owner	N/A
03/13/12	24357	Remodel House	048-131-003	352 W. "J" Street	Sue Kappeler	Ocejo Construction	114,000.00
03/13/12	24358	Slab	046-335-031	1174 Ash Avenue	Murad Masad	Trade Mark Construction	5,760.00
03/14/12	24359	Reroof	048-111-029	317 "H" Street	All Saints Episcopal Church	Berryman Roofing	900.00
03/14/12	24360	Remodel House	049-161-025	1005 "K" Street	Maria Navarro	Owner	500.00
03/14/12	24361	Electrical	047-440-019	1536 Jones Street	Symbol Mining	Omega Electric, Inc.	N/A
03/14/12	24362	Mechanical	046-152-033	441 W. "D" Street	Miguel Arguelles	Desert Air Conditioning	N/A
03/15/12	24363	Plumbing	047-371-008-000	1230 "D" Street	Isabel E. Jimenez	Campeanos Unidos	N/A
03/16/12	24364	Reroof	049-012-020	214 S. Imperial Avenue	Brandi Pratt	Barajas Roofing	4,700.00
03/16/12	24365	House Addition	048-275-039	101 McKenzie Place	Alejandro Gaytan	Advanced Construction Experts	11,600.00
03/20/12	24366	Slab	049-224-017	1257 Ivy Street	Liliana Rubio	Owner	6,160.00
03/20/12	24367	Signs	046-191-034	395 W. "E" Street	MJ Markets, Inc.	Taylor Signs	10,000.00
03/21/12	24368	Mechanical	049-192-061	924 Martin Place	Rosa Montecinos	Desert Air Conditioning	N/A
03/22/12	24369	Reroof	049-171-011	1298 "J" Street	Fernando Noriega	Owner	1,500.00
03/23/12	24370	Remodel House	048-082-002	333 Andrita Place	John Elmore	George Mitchell Construction	3,000.00
03/26/12	24371	Remodel Bathroom	049-150-032	955 "K" Street	Shine Investments, LLC	Owner	6,000.00
03/26/12	24372	Electrical	046-294-015-000	229 W. River Drive	Mary Flanders	Stills Electric	N/A
03/27/12	24373	Patio	048-112-003	312 "H" Street	Adrianna Verlugo	Owner	12,696.00
03/28/12	24374	Right of Way	048-084-001	290 W. "I" Street	Howard Elmore	George Mitchell Construction	N/A
03/29/12	24375	Enclose Patio	046-243-009	309 W. "A" Street	Antonio Flores	Owner	27,779.00
03/29/12	24376	Patio	047-222-039	1175 "B" Street	Irene C. Mendez	Owner	11,193.00
03/29/12	24377	Carport	047-083-032	1419 Trail Street	Raymond Ramos	Owner	3,795.00
03/30/12	24378	Mechanical	047-461-039	676 Christina Najar Street	Jeanie L. Williams	Desert Air Conditioning	N/A
03/30/12	24379	Plumbing	048-093-019-000	147 "I" Street	Andrea Durazo	Owner	N/A



Reads...

"CONNECTING COMMUNITIES THROUGH READING"

Wet Desert by Gary Hansen

Grant Stevens must use his skills and knowledge as a mid-level manager at the Bureau of Reclamation to help the FBI stop an eco-terrorist who is blowing up dams along the Colorado River.

Meet the Author

Friday, April 27th @ 6:00 pm

Brawley Public Library

400 Main Street

Brawley, CA

(760) 344-1891

Saturday, April 28th @ 11:00 am

Imperial Public Library

200 W. 9th Street

Imperial, CA

(760) 355-1332

Check out IV Reads on Facebook

Colorado River Sponsors (over \$250): IID

Glen Canyon Dam Sponsors (\$250): Elmore Farms

Parker Dam Sponsors (\$100):

Alvin & Dixie Smith

Otis Kramer Ranch

Rubin Seeds, LLC

Benton Wilson Ranches

Rolling R. Enterprises

Stella Mendoza

Free Event *You are invited...!!* **Free Event**

Come Join the Brawley Police Department, Imperial Housing Valley Authority for a special night of food music and fun with your neighbors.



"Hotdogs El Unico" will be providing Free Hotdogs for residents who attend. We will also have refreshments and other snacks. (While supplies last)

Topics of Discussion

The Brawley Police Department will be discussing and providing information reference Community Watch Programs, Proper use of 911, Safety Tips and more.



Activities

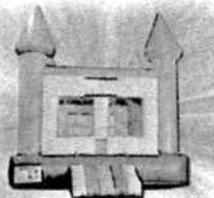
50/50 raffle, 3 tickets for a \$1 Dollar... proceeds will benefit the Brawley Police Explorer Program.



Date: Thursday, April 26
Time: 4:00 – 8:00 pm
Location: 1250 N. Imperial



Cotton Candy



Jumper



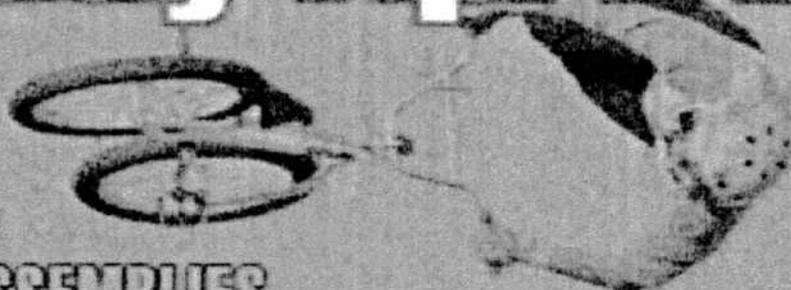
Face Painting



Music



Friday April 27th



SCHOOL ASSEMBLIES

Brawley X Fest

401 MAIN ST. BRAWLEY, CA. 92227

6pm-9pm

Community Event

Brawley Plaza

FREE

• Hip Hop

• BMX

• Skateboarding

• Arm Wrestling

• Give-aways

Driscoll's
Skate Shop

Autograph Session. Driscoll's Skate Shop, 1470 State St. El Centro, CA. 92243. April 27. 3-5 pm.

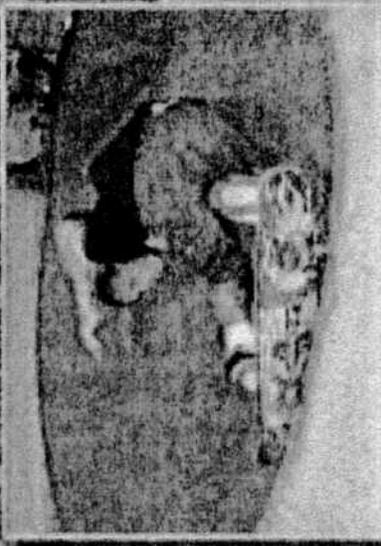
FREE Friday April 27th

6pm-9pm

Community Event

Brawley Plaza

Brawley X-Fest



2012 Brawley SPRING CLEANUP



PLEASE BRING A CURRENT CITY OF BRAWLEY
UTILITY BILL AND A VALID ID FOR ADMITTANCE

April 28, 2012 7:00 a.m. - 2:00 p.m.



Location: Brawley Airport
Jones Street and Eastern Avenue

Please call Allied Waste Services at
760-355-0004

if you have any questions or if you have
any special solid waste or recycling needs!

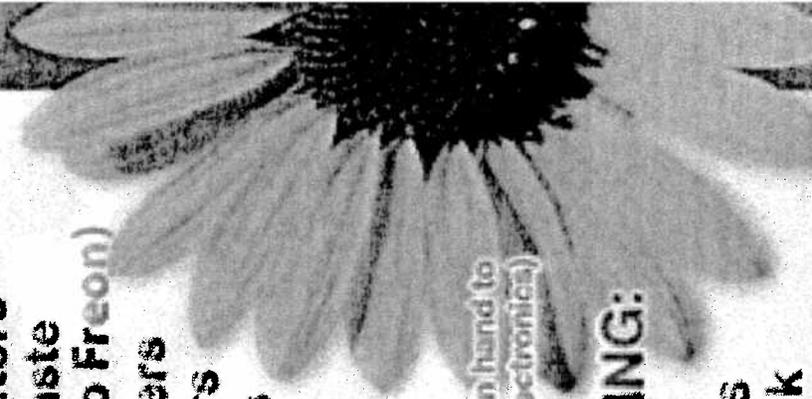
WHAT YOU CAN BRING:

- Automotive or light truck tires*
- Appliances without Freon
- General solid waste
- Computer monitors
- Green yard waste
- Air conditioners (No Freon)
- Washers/Dryers
- Refrigerators
- Televisions
- Couches
- Chairs
- Tables

*The IVHMA will also be on hand to
take tires and e-waste (electronics)

DO NOT BRING:

- Stucco
- Explosives
- Sheet Rock
- Ammunitions
- Medical Waste
- Roofing Materials
- Radioactive Materials
- Construction Materials
- Hazardous Waste (Paints or oil)



Check Register Report

Date: 03/29/2012

Time: 1:51 PM

Page: 1

City of Brawley

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
18093	03/29/2012	Printed	A242	A T & T	Telephone Services	36.47
18094	03/29/2012	Printed	A368	AFLAC INC.	Flex One Service March 2012	66.00
18095	03/29/2012	Printed	P120	AIRGAS-WEST, INC.	Oxygen Cylinder Rental	58.14
18096	03/29/2012	Printed	A414	AIRWAVE COMMUNICATIONS ENT INC	Repair Siren #909 P.D.	312.35
18097	03/29/2012	Printed	A554	ALLIED WASTE SERVICES #467	Solid Waste Services Mar 2012	170,255.41
18098	03/29/2012	Printed	A126	ALSCO AMERICAN LINEN DIV.	Cleaning Services	318.19
18099	03/29/2012	Printed	A311	AMERICAN SOCIETY OF CIVIL	ASCE/APWA Meeting	48.00
18100	03/29/2012	Printed	A134	ARAMARK UNIFORM SERVICES, INC.	Cleaning Services	33.84
18101	03/29/2012	Printed	A784	AT&T	Teen Center Phone Service	82.71
18102	03/29/2012	Printed	A592	AUTO ZONE, INC. #2804	Halogen Lamp #15 Streets	70.97
18103	03/29/2012	Printed	A930	AVAYA FINANCIAL SERVICES	City Hall Phone Sytem	150.54
18104	03/29/2012	Printed	B578	BRAWLEY MASONIC TEMPLE ASSO	Office Space Rent April 2012	500.00
18105	03/29/2012	Printed	B270	BRAWLEY TRAILER SUPPLY	Fuel - Fork Lift #21 Streets	30.01
18106	03/29/2012	Printed	C312	CA PUBLIC EMP. RETIREMENT SYST	April 2012 Health Insurance	80,061.69
18107	03/29/2012	Printed	C739	CALIFORNIA ENVIRONMENTAL	Check Valve, Gaskets	925.49
18108	03/29/2012	Printed	C376	CALIFORNIA FLOWERS & GIFTS	Flowers - Ramirez	81.19
18109	03/29/2012	Printed	C926	CENTURY MFG CORP	Weed Destroyer	131.35
18110	03/29/2012	Printed	C300	ALAN CHAN	Travel Adv. Springhouse	353.12
18111	03/29/2012	Printed	C005	COSTCO WHOLESALE #121	Easter Egg Baskets, Candies	1,075.22
18112	03/29/2012	Printed	D171	D & M WATER COMPANY	Bulk Water	47.13
18113	03/29/2012	Printed	D402	DAPPER TIRE CO., INC.	Truck Tires - Stock	1,440.58
18114	03/29/2012	Printed	D123	DESERT AIR CONDITIONING, IN	AC Maintenance	354.00
18115	03/29/2012	Printed	D602	DESERT AUTO PLAZA	Repair #101 Graffiti P.D.	343.69
18116	03/29/2012	Printed	D397	DION INTERNATIONAL TRUCKS, LLC	Motor - #104 Sewer	53.85
18117	03/29/2012	Printed	D898	DUFLOCK & ASSOCIATES	Refund Deposit 122 I Street	188.58
18118	03/29/2012	Printed	E298	EL CENTRO ANIMAL CLINIC, IN	Vet Services	373.77
18119	03/29/2012	Printed	E216	EL CENTRO MOTORS	A/C Hose #930 P.D.	735.75
18120	03/29/2012	Printed	E147	ELECTRIC MOTOR SPECIALISTS, IN	Repair Motor Pump	1,100.00
18121	03/29/2012	Printed	E145	ELMS EQUIPMENT	Autocut Head, Cable	55.36
18122	03/29/2012	Printed	E398	EMPIRE SOUTHWEST LLC	Perform Level 1 WWTP	402.00
18123	03/29/2012	Printed	F450	MARIA FAUDOA	Refund Deposit - Rental	100.00
18124	03/29/2012	Printed	F105	FEDERAL EXPRESS CORP.	Mailings Police Dept	103.72
18125	03/29/2012	Printed	G501	JOSEPH GALVAN	Reimb Class B License	141.00
18126	03/29/2012	Printed	G466	ESTEBAN GARCIA	Travel Adv Fire Mechanic Acad	832.40
18127	03/29/2012	Printed	G008	MARTHA T GARCIA	Travel Adv Recs Clerk Course	964.25
18128	03/29/2012	Printed	H105	HI-WAY SAFETY INC.	Tubing, Anchors	6,917.04
18129	03/29/2012	Printed	H089	SANDRA HOSKINS	Refund Dep/Overpy 590 Willard	192.10
18130	03/29/2012	Void			Void Check	0.00
18131	03/29/2012	Void			Void Check	0.00
18132	03/29/2012	Printed	I301	IMPERIAL HARDWARE CO., INC.	Key	987.53
18133	03/29/2012	Printed	I103	IMPERIAL IRRIGATION DISTRIC	Power Bill Feb 7 To Mar 6	48,895.54
18134	03/29/2012	Printed	I608	IMPERIAL TRUSS & LUMBER CO	Nails, Nuts, Horse Shoe Pits	229.05
18135	03/29/2012	Printed	I241	INSTITUTE FOR SOCIO ECONOMI	Refund Dep/Overpy 365 K Street	191.87
18136	03/29/2012	Printed	J099	DAVID JACOBS	Refund Dep/OvrPy 224 Driftwood	159.38
18137	03/29/2012	Printed	K711	PAUL H & LORENE KELLOGG	Refund Dep/Overpym 1055 B St	191.39
18138	03/29/2012	Printed	K114	ANDREW KRUTZSCH	Refund Deposit 811 Edgley Dr	134.34
18139	03/29/2012	Printed	L005	LEONEL LEAL	Refund Deposit 889 Flammang	36.37
18140	03/29/2012	Printed	L501	MARK LIMON	Reimb Travel/CORBS Training	51.00
18141	03/29/2012	Printed	M069	MACHWELD SHOP SERVICE	Cylinder Heads #925 P.D.	30.00
18142	03/29/2012	Printed	M979	REFUGIO MARTINEZ	Reimb Travel Animal Care Conf	45.00
18143	03/29/2012	Printed	M004	MCNEECE BROS OIL COMPANY	Fuel	9,347.03
18144	03/29/2012	Printed	M318	MOON BLINK	On-Site Engineering Support	4,800.00
18145	03/29/2012	Printed	M333	KARIN MORGAN	Reimb Sign Purchase	125.00
18146	03/29/2012	Printed	N418	NEXTEL COMMUNICATIONS, INC.	Cell Phone Charges/Council	247.12

Check Register Report

Date: 03/29/2012
 Time: 1:51 PM
 Page: 2

City of Brawley

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
18147	03/29/2012	Printed	N045	NORTHEAD AUTOPARTS, INC.	Impact Air Gun	451.48
18148	03/29/2012	Printed	O233	O'REILLY AUTO PARTS	Tire Shin	7.10
18149	03/29/2012	Printed	O880	OFFICE DEPOT, INC.	Copy Paper, Tape, Note Pads	175.58
18150	03/29/2012	Printed	O125	OFFICE SUPPLY CO.	Data Binders	176.91
18151	03/29/2012	Printed	O901	ORANGE COMMERCIAL CREDIT	Effluent Analysis WWTP	3,825.00
18152	03/29/2012	Printed	A871	ARTURO PEREZ	Refund Dep/OvPm 741 S Imperial	176.38
18153	03/29/2012	Printed	P109	PETTY CASH -BRAWLEY P D	Brawley P.D. - Petty Cash	116.83
18154	03/29/2012	Printed	P257	PITNEY BOWES	Postage Machine Lease P.D.	1,197.24
18155	03/29/2012	Printed	P342	PSOMAS & ASSOCIATES, INC.	Services Transfer Station	15,223.78
18156	03/29/2012	Printed	P104	PUBLIC EMPLOYEES RETIREMENT	3/3/12-3/19/12 PERS	92,784.66
18157	03/29/2012	Printed	R225	R. HOMES LLC	Refund Over Pym 1114 Willow Ct	100.71
18158	03/29/2012	Printed	R651	R.J. SAFETY SUPPLY CO., INC	Nitrile Gloves	412.25
18159	03/29/2012	Printed	R107	RAIN FOR RENT	Nipples, PVC, Sprinklers	54.92
18160	03/29/2012	Printed	R814	RANEY PLANNING & MANAGEMENT IN	2011 Annual HOME Monitoring	1,808.94
18161	03/29/2012	Printed	S119	SHELBURNE REFRIGERATION, IN	Service Air Conditioner	152.50
18162	03/29/2012	Printed	S871	SIGMANET, INC.	Laptop Battery	189.64
18163	03/29/2012	Printed	S495	SOUTHERN CALIFORNIA GAS CO.	187 525 6200 1	89.48
18164	03/29/2012	Printed	S566	SPARKLETTS	Water, Cooler Rentals	1,365.76
18165	03/29/2012	Printed	S710	SPECTRUM AQUATICS INC.	Video Tape Council Mtg 3/6/12	400.00
18166	03/29/2012	Printed	S689	STAPLES ADVANTAGE	Tape, Ribbon, Stapler, Glue	254.19
18167	03/29/2012	Printed	S750	STAPLES, INC.	Wireless Keyboards	150.27
18168	03/29/2012	Printed	S712	STIFF EQUIPMENT INC.	Washington Electrode	96.80
18169	03/29/2012	Printed	S180	JAMES D STRANG JR	Refund Deposit 655 S 3rd	159.65
18170	03/29/2012	Printed	U404	UNIFIRST CORPORATION	Uniforms/V Leon	176.51
18171	03/29/2012	Printed	U630	UNITED PARCEL SERVICE, INC	Mailing/Engineering, WWTP	56.05
18172	03/29/2012	Printed	U602	USA BLUEBOOK, INC	Windsock	126.69
18173	03/29/2012	Printed	V452	VISION SERVICE PLAN (CA), I	April Vision Insurance	2,793.31
18174	03/29/2012	Printed	W221	WAL-MART STORES, INC. #01-1555	8 GB USB	281.04
18175	03/29/2012	Printed	W833	WATER TECH	Marking Flags	1,041.25
18176	03/29/2012	Printed	W482	WOLTERS KLUWER LAW & BUSINESS	Wage & Hour Compliance Handbk	412.83
18177	03/29/2012	Printed	Z125	ZEP MANUFACTURING CO, INC.	Graffiti Remover/Rust Arrestr	629.03

85

Checks Total (excluding void checks): 459,293.31



Check Register Report

Date: 04/05/2012

Time: 3:33 PM

Page: 1

City of Brawley

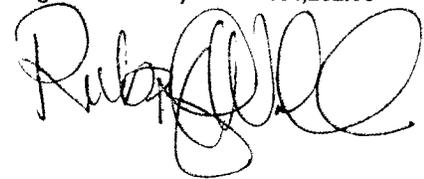
Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
18178	04/05/2012	Printed	A371	ADT SECURITY SERVICES INC.	Alarm Monitoring Admn.	135.59
18179	04/05/2012	Printed	A645	ALLIANT INSURANCE SERVICES	Crime Insurance Policy	1,285.00
18180	04/05/2012	Printed	A126	ALSCO AMERICAN LINEN DIV.	Uniform Cleaning Service	202.45
18181	04/05/2012	Printed	A461	AT&T-CALNET 2	Telephone Services 2/20-3/19	4,456.05
18182	04/05/2012	Printed	A592	AUTO ZONE, INC. #2804	Oil and Oil Filter	177.43
18183	04/05/2012	Printed	A277	AVAYA INC.	Equipment Maintenance P.W.	341.28
18184	04/05/2012	Printed	B534	TERRY BARRETT	Refund Deposit Hangar 28	60.00
18185	04/05/2012	Printed	B185	DANIEL BERTHEAUD	Refund Over/Pynt 979 Arroyo Ct	67.16
18186	04/05/2012	Printed	B627	BIG J FENCING INC	Posts, Barbed Wire, Toprail	660.00
18187	04/05/2012	Printed	B971	SHIRLEY BONILLAS	Reimb Digital Camera USB Cable	9.74
18188	04/05/2012	Printed	B210	BRAWLEY CHAMBER OF COMMERCE	April 2012 Allocation	2,793.81
18189	04/05/2012	Printed	B411	BSN SPORTS	Easton Softball	215.15
18190	04/05/2012	Printed	C803	CAL-TEST	Drug Prevention Fee April 2012	337.95
18191	04/05/2012	Printed	C718	MAGHEN CAUDILL	Travel Adv. CARPOS Training	25.50
18192	04/05/2012	Printed	D144	DANIELS TIRE SERVICE	Repair Tire Sweeper 15 Streets	1,054.90
18193	04/05/2012	Printed	D307	DDC ELECTRIC SUPPLY, INC.	MOG Lamp, Photo Control	53.77
18194	04/05/2012	Printed	D103	DELTA DENTAL	Dental Insurance April 2012	9,301.83
18195	04/05/2012	Printed	D602	DESERT AUTO PLAZA	Tail Lamp #929 P.D.	150.15
18196	04/05/2012	Printed	D935	DESERT TINT SHOP	Window Tint #914	165.00
18197	04/05/2012	Printed	E145	ELMS EQUIPMENT	Fuel Tank Repair	158.97
18198	04/05/2012	Printed	F266	FIRE ETC., INC.	Hose Gaskets	53.10
18199	04/05/2012	Printed	F633	ANA MARINA FLORES	Refund Deposit 1271 Adler	165.56
18200	04/05/2012	Printed	G371	GORDON GASTE	Relmb. Belkin KVM Connect	53.88
18201	04/05/2012	Printed	H104	HOLMAN PROFESSIONAL COUNSELING	Employee Assistance April 2012	633.65
18202	04/05/2012	Printed	I327	IACP	IACP Membership M. Gllmore	120.00
18203	04/05/2012	Printed	I220	IMPERIAL COUNTY AIR POLLUTI	APCD Hot Spot Fee 2011-2012	35.00
18204	04/05/2012	Void			Void Check	0.00
18205	04/05/2012	Void			Void Check	0.00
18206	04/05/2012	Printed	I301	IMPERIAL HARDWARE CO., INC.	Battery	769.49
18207	04/05/2012	Printed	I608	IMPERIAL TRUSS & LUMBER CO	Duplex Nail	3.86
18208	04/05/2012	Printed	I218	INTERSTATE BATTERY	Battery 922, 921/Generator 800	831.39
18209	04/05/2012	Printed	J152	J & M TOWING, LLC	Tow Sweeper #15 Streets	225.00
18210	04/05/2012	Printed	J309	JONES & STOKES, INC.	COB Service Area Plan	4,748.75
18211	04/05/2012	Printed	K155	REGINA KIM	Travel Adv. CARPOS Training	25.50
18212	04/05/2012	Printed	K017	RICK & DENISE KLIKA	Refund Over/Pynt 1120 Panno	67.16
18213	04/05/2012	Printed	K542	KNORR POOL SYSTEMS, INC.	Fiber Glass & Telescoping Pole	11,843.12
18214	04/05/2012	Printed	L603	LIEBERT CASSIDY WHITMORE	Update Personnel Policies	2,508.00
18215	04/05/2012	Printed	M714	MANPOWER	Temp Services Thru 3/18/2012	1,194.40
18216	04/05/2012	Printed	M136	PENNEY D MATHIS	Refund Dep 1361 La Valencia Dr	0.82
18217	04/05/2012	Printed	M004	MCNEECE BROS OIL COMPANY	Fuel	8,234.31
18218	04/05/2012	Printed	N045	NORTHEND AUTOPARTS, INC.	Switch #21 Streets	657.78
18219	04/05/2012	Void			Void Check	0.00
18220	04/05/2012	Printed	0567	JIM O'MALLEY PLUMBING	M1550RAF, Hose Barb	188.85
18221	04/05/2012	Printed	O123	OCE	Copler Maintenance March 2012	242.91
18222	04/05/2012	Printed	O125	OFFICE SUPPLY CO.	Presenter, Copy Paper	309.76
18223	04/05/2012	Printed	O901	ORANGE COMMERCIAL CREDIT	Coliform Analysis	1,540.00
18224	04/05/2012	Printed	P344	PADRE JANITORIAL SUPPLIES, INC	Janitorial Supplies	287.61
18225	04/05/2012	Printed	P810	VIVIANA PENSON	Refund Deposit 1138 Elm Ct	114.45
18226	04/05/2012	Printed	P110	PESTMASTER SERVICES	Pest Control/City Hall	150.00
18227	04/05/2012	Printed	P167	PETE'S AUTO PARTS	Window Handle Knob	2.97
18228	04/05/2012	Printed	P113	PETTY CASH -CITY CLERK	Petty Cash - City Clerk	99.34
18229	04/05/2012	Printed	P521	PETTY CASH-RECREATION DEPARTME	Petty Cash	82.80
18230	04/05/2012	Printed	P988	PLUGGED IN ELECTRIC, INC.	Fixtures - Copper Room P.W.	890.00
18231	04/05/2012	Printed	P903	PRINCIPAL FINANCIAL GROUP	Life Insurance April 2012	4,068.14
18232	04/05/2012	Printed	R651	R.J. SAFETY SUPPLY CO., INC	Respirator, Cartridges - Shop	53.38

City of Brawley

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
18233	04/05/2012	Printed	U551	RAILROAD MGT. CO. LLC	12" Water Distribution Pipe Ln	848.62
18234	04/05/2012	Printed	R462	REDDY ICE, CORPORATION	Ice	393.87
18235	04/05/2012	Printed	R387	MONICA RODGERS	Refund Girls Softball Fee	35.00
18236	04/05/2012	Printed	S574	SHARP ELECTRONICS CORPORATI	Copler Maint. January F.D.	271.18
18237	04/05/2012	Printed	S921	SOUTHERN CALIFORNIA GAS CO.	Gas Line Damage Meserve Park	1,378.02
18238	04/05/2012	Printed	S495	SOUTHERN CALIFORNIA GAS CO.	015 325 6300 2	3,557.76
18239	04/05/2012	Printed	S760	SPECTRUM	Video Tape Council Mtg 3/6/12	400.00
18240	04/05/2012	Printed	S712	STIFF EQUIPMENT INC.	Hot Roll Flat	52.59
18241	04/05/2012	Printed	T150	THE ECLIPSE GROUP, LLP	Attorney Services Luckey Ranch	27,544.66
18242	04/05/2012	Printed	T808	TIME WARNER CABLE	Internet 8448 42 002 0055391	139.90
18243	04/05/2012	Printed	T306	TIMEPAYMENT CORP.	Drinking Water Service P.D.	65.79
18244	04/05/2012	Printed	U790	U.S. BANK CORPORATE	Credit Card Charges R. Walla	2,073.00
18245	04/05/2012	Printed	U167	UNDERGROUND SERVICE ALERT, INC	Dig Alert Tickets December	28.50
18246	04/05/2012	Printed	U404	UNIFIRST CORPORATION	Uniforms/Y Arellano	122.05
18247	04/05/2012	Printed	U630	UNITED PARCEL SERVICE, INC	Mailings/F.D.	13.36
18248	04/05/2012	Printed	U156	UNITED ROTARY BRUSH CORP.	Gutter Brooms, #15, #16, #110	738.33
18249	04/05/2012	Printed	U901	UNITED STATES POSTAL SERVIC	City Hall Postage Refill	3,258.10
18250	04/05/2012	Printed	V079	VERIZON WIRELESS SERVICES L	Ipads Mobile Broadband/Council	190.05
18251	04/05/2012	Printed	W221	WAL-MART STORES, INC. #01-1555	Kleenex	251.05
18252	04/05/2012	Printed	W833	WATER TECH	Sprinkler	150.09
18253	04/05/2012	Printed	W135	WAXIE SANITARY SUPPLY	Janitorial Supplies	734.91
18254	04/05/2012	Printed	Z421	CHRISTINA ZAVALA	Refund Deposit 1091 Jones St	133.48

77

Checks Total (excluding void checks): 104,232.98



Check Register Report

04/06/2012

3:43 AM

1

City of Brawley

Check Number	Check Date	Status	Vendor Number	Vendor Name	Check Description	Amount
18255	04/06/2012	Printed	A388	AFLAC INC.	Cancer, Disability Withheld	3,046.62
18256	04/06/2012	Void			Void Check	0.00
18257	04/06/2012	Printed	C889	CALIFORNIA STATE DISBURSEME	Deductions	3,134.71
18258	04/06/2012	Printed	C110	COLUMBUS BANK & TRUST COMPA	Unreimbursed Medical Decductio	561.73
18259	04/06/2012	Printed	C240	COURT SERVICES (CIVIL)	Deductions	75.00
18260	04/06/2012	Printed	F689	FRANCHISE TAX BOARD	Deductions	1,112.44
18261	04/06/2012	Printed	N944	NATIONAL PLAN COORDINATORS	Deferred Compensatlon	7,153.66
18262	04/06/2012	Printed	N187	NATIONWIDE RETIREMENT	Deferred Compensation #05270	810.81
18263	04/08/2012	Printed	R770	AURA DALILA RODRIGUEZ	Deductions	830.77
18264	04/06/2012	Printed	S325	SUN COMMUNITY FED. CREDIT UNIO	Credit Union Deductions	1,822.00
18265	04/06/2012	Printed	U660	UNITED STATES TREASURY	Deductions	1,098.59
18266	04/06/2012	Printed	U110	UNITED WAY OF IMPERIAL COUN	United Way Deductions	38.00

12

Checks Total (excluding void checks):

19,684.33



CITY OF BRAWLEY
March 20, 2012

The Brawley City Council and Brawley CRA Successor Agency met in a regular meeting at 6:00 PM, Council Chambers, 383 Main Street, Brawley, California, the date, time and place duly established for the holding of said meeting. The City Clerk attests to the posting of the agenda pursuant to G.C. §54954.2.

The meeting was called to order by **Mayor Nava** @ 6:00 PM.

The invocation was offered by **Jason Armstrong, Victory Outreach.**

The pledge of allegiance was led by **Mayor Nava.**

PRESENT: Couchman, Kelley, Miranda, Nava
ABSENT: Campbell

APPROVAL OF AGENDA

The agenda was **approved** as amended. m/s/c Miranda/Couchman 4-0

Item #6 (d) Adopt Program Guidelines for Housing Rehabilitation Program for the 2012 CDBG Grant Application **was added to agenda under regular business for discussion and approval.**

Item # 3 (c) Approve Amendment No. 6 for Transit Agreement (Dial-A-Ride) with Isabel Pacheco dba Sunrise Driving Services and the City of Brawley for a time extension of 6 months and restore Saturday service **was moved to regular business for discussion and approval.**

AYES: Couchman, Kelley, Miranda, Nava
NAYES: None
ABSTAIN: None
ABSENT: Campbell

1. PUBLIC APPEARANCES/COMMENTS

Brawley Union High School Board of Trustee Rusty Garcia mentioned that a tree was planted at Meserve Park in honor of his son Anthony Garcia. An invitation to attend the tree dedication was extended for April 7, 2012, 12:00 PM at the park. He also announced the 2012 Cesar Chavez Celebration where there will be a Fun Walk & Run event slated for Saturday, March 31, 2012, at 8:00 AM at Cattle Call Park, benefitting the Anthony Garcia Foundation.

Michelle Wilhelm inquired about a concern regarding security at Pioneers Memorial Hospital; she mentioned this has been an ongoing problem; she met with Mr. Mejia of PMHD and CM Campbell.

CM Bayon Moore agreed to make contact with PMHD CEO.

CM Kelley recommended further discussion with the Police Chief Association, Law Enforcement, Community and ECRMC.

CM Bayon Moore indicated staff would further pursue and will return with an update.

2. DEPARTMENTAL REPORTS

a. Report on Code Enforcement Efforts-Francisco Soto, Building Official

BO Soto briefed the council on Code Enforcement Effort, including open cases, receivership cases and recently resolved cases.

b. Report on E-Commerce Pilot Program-Ruby Walla, Finance Director

FD Walla briefed the Council on April 2012 launch of E-Commerce Pilot Program.

3. CONSENT AGENDA

The consent agenda was **approved** as amended. m/s/c Kelley/Couchman 4-0

AYES: Couchman, Kelley, Miranda, Nava
NAYES: None
ABSTAIN: None
ABSENT: Campbell

- a. Approve City Council Minutes for: February 7, 2012 and February 21, 2012.
- b. Approve Accounts Payable for: February 23, 2012, March 1, 2012 and March 8, 2012.
- c. Award bid to AP Construction, for Project No. 2012-08, re-advertisement for the purchase and installation of Variable Frequency Drives in an amount of \$148,323.
- d. Authorize Improvement Memorandum of Agreement with Brawley Oak Glen Land, LLC, and Brawley Latigo Land, LLC (Sub divider).
- e. Authorize Contract Change Order No. 13 to Contract No. 2009-06, Wastewater Treatment Plant Improvement Project to C.W. Roen Construction Company in an amount not to exceed \$43,940.

- f. Authorize Contract Change Order No. 2 to Contract No. 2010-02, Fire Station No. 2 in an amount of \$18,861 to Duggins Construction and authorize the City Manager to execute all documentation in relation to this project.

4. PUBLIC HEARING

a. Conduct Public Hearing: CDBG Grant Application for Fiscal Year 2012

Staff Report – Francisco Soto, Building Official

The City is pursuing CDBG grant funds for various activities including Housing Rehabilitation, Homeownership Assistance, Planning & Technical Assistance – Housing Element Update; Public Improvements – Lift Station #2 and Colonia – Malan Street Water Transmission Line Phase 4.

OPEN PUBLIC HEARING @ 6:37 PM

CLOSED PUBLIC HEARING @ 6:38 PM

The Council ***motioned*** to adopt Resolution No. 2012-08: Resolution of the City Council of the City of Brawley, California approving a 2012 CDBG Grant Application for funding and the execution of a Grant Agreement and any amendments thereto with the California Department of Housing and Community Development of the State CDBG Program. m/s/c Nava/Miranda 4-0, Campbell absent

5. REGULAR BUSINESS

a. Approve Amendment No. 6 for Transit Agreement (Dial-A-Ride) with Isabel Pacheco dba Sunrise Driving Services and the City of Brawley for a time extension of 6 months and restore Saturday service.

FD Walla ICTC regional RFP effort is still under review and will not be completed until December 2012. Amendment No. 5 with Sunrise Driving Services is due to expire June 30, 2012. Staff is requesting to approve Amendment No. 6 for a 6 month time extension and restoration of Saturday services.

CM Kelley requested clarification that ICTC is currently exploring the consolidation.

The Council ***motioned*** to approve Amendment No. 6 for Transit Agreement (Dial-A-Ride) with Isabel Pacheco dba Sunrise Driving Services and the City of Brawley for a time extension of 6 months and restore Saturday service. m/s/c Couchman/Miranda 4-0, Campbell absent

b. Approve recommendation of Traffic Safety Committee to revise Section 17.92(i) of the Motor Vehicles and Traffic Ordinance of the City of Brawley and Adopt 1st Reading of Ordinance No. 2012-02: Ordinance of the City of Brawley, California amending Chapter 17 of the Brawley Municipal Code relating to Truck Parking.

The Council ***motioned*** to approve recommendation of Traffic Safety Committee to revise Section 17.92(i) of the Motor Vehicles and Traffic Ordinance of the City of Brawley and adopt 1st Reading of Ordinance No. 2012-02: Ordinance of the City of Brawley, California amending Chapter 17 of the Brawley Municipal Code relating to Truck Parking. m/s/c Kelley/Couchman 4-0, Campbell absent

c. Adoption of a Resolution confirming the Mayor's appointments to the Oversight Board for the Brawley Community Redevelopment Agency Successor Agency.

Appointed Jay Kruger and Thomas Rutherford

The Council ***motioned*** to adopt Resolution No. 2012-09: Resolution of the City Council of the City of Brawley, California confirming the Mayor's Appointments to the Oversight Board for the Brawley Community Redevelopment Agency Successor Agency. m/s/c Couchman/Miranda 4-0, Campbell absent

d. Review and Discuss Scheduled Water and Wastewater Capacity Fee Increases.

Presentation by Ruben Mireles, Operations Division Manager

CM Bayon Moore noted based on the action that was previously taken by the City Council; there is a scheduled increase that will be implemented.

Public comments were made by:

- Stuart Chelin, Palm Desert Professional Properties
- Mario Gonzales, GHA Companies & DVBA President
- Mark Gaddis, Gaddis Construction
- Arne Eaton, ARJA Construction
- Steve Hyman, Palm Desert Professional Properties

The Council ***motioned*** to postpone the implementation of the proposed Water and Wastewater Capacity Fee increases. The subject is to be revisited in April 2013. No automatic increases will be implemented without Council action. m/s/c Couchman/Miranda 4-0, Campbell absent

e. Adoption of Program Guidelines for Housing Rehabilitation Program for the 2012-2013 CDBG Grant Application.

The Council *motioned* to adopt the Program Guidelines for Housing Rehabilitation Program for the 2012-2013 CDBG Grant Application. m/s/c Couchman/Kelley 4-0, Campbell absent

6. COUNCIL MEMBERS REPORTS

Miranda: Attended 2nd Annual Mayor’s Breakfast. Thanked City Manager and staff for the clean-up on Julia Street between First and Second Street. Looking forward to attending parade for the BUHS Wrestling Team’s 12th consecutive Championship.

On Santillan Street, inquired about traffic accessing Wal-Mart. At First and Malan Street, on the left hand side there is a Palm Tree impeding visibility and safety.

Kelley: Attended 2nd Annual Mayor’s Breakfast and Renewable energy Summit at Barbara Worth Country Club.

Couchman: Attended IVROP Advisory Committee Meeting, 2nd Annual Mayor’s Breakfast and son’s graduation from the Army. Thanked staff for their hard work.

Nava: Thanked staff for their help and support on the 2nd Annual Mayor’s Breakfast and reported attendance at the Renewable Energy Summit.

7. CITY MANAGER/CITY ATTORNEY/CITY CLERK REPORT

Bayon Moore: Video Taping of Council meetings was a limited engagement that will soon end. The subject will be presented at next Council meeting. Marine Corps Base in Yuma has conferred with us regarding aerial survey work to be performed in April. Staff will reach out to Council regarding proposing potential dates for budget workshops. A tour of National Beef. April 12th will be a soft opening of Fire Station No. 2 is scheduled. May 9th is scheduled for the Wastewater Treatment Plant opening. Reminder of Installation of Officers dinner/dance at ACC Saturday, March 24, 2012.

Morita: Nothing to report.

Savala: Nothing to report.

8. ADJOURNED TO CLOSED SESSION

REPORT OF ACTION FROM CLOSED SESSION, IF ANY, BY CITY ATTORNEY.

None to report.

ADJOURNMENT @ 7:55 PM

Lorena Savala, Deputy City Clerk

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 04-17-2012
City Manager: 

FROM: Prepared by: Yazmin Arellano-Torres, Public Works Director
Presented by: Yazmin Arellano-Torres, Public Works Director

SUBJECT: Authorize Delegated Maintenance Agreement for Maintenance of State Highway in the City of Brawley.

CITY MANAGER RECOMMENDATION: Authorize Delegated Maintenance Agreement for Maintenance of State Highway in the City of Brawley.

DISCUSSION: City of Brawley street sweeping fees have not been updated since the 1980's. Caltrans staff and City staff had several meetings during last fiscal year to revisit the number of maintained miles, as well as present sweeping costs.

Caltrans has requested that the City enter into a Delegated Maintenance Agreement for the maintenance of State Right of Way. The agreement stipulates street sweeping locations, frequency, mileage and cost per mile. The areas to be maintained are as follows:

1. State Route 78 – Main Street from First St. to Best Avenue.
2. State Route 86 –
 - (a) Main Street from Brawley Avenue to Western City Limits.
 - (b) Brawley Avenue from Western Avenue to K Street.
 - (c) 1st St. from K St. to Main Street.

The total cost associated with this work is \$43,850 for fiscal year 2011-2012.

In addition, this agreement includes the cost sharing for operating and maintaining Caltrans owned and Caltrans maintained lighting now in place at the intersection of any State Route within City limits. This cost sharing is currently billed and maintained by Caltrans with the City contributing a percentage based on the number of traffic light legs located on City right of way. The bill varies slightly monthly depending on energy consumption.

As a reminder, this agreement states that if the maintenance work is performed under contract and falls within the Labor Code section 1720(a)(1) definition of a "public work" in that it is construction, alteration, demolition, installation, repair or maintenance City must conform to the provisions of Labor Code sections 1720 through 1815, all applicable regulations and coverage determinations issued by the Director of Industrial Relations. City agrees to include prevailing wage requirements in its contracts for public work. Works performed by the City's own workforce is exempt from the Labor Code's prevailing wage requirements.

FISCAL IMPACT: \$43,850 in anticipated revenue to streets fund.

ATTACHMENTS: Agreement

DEPARTMENT OF TRANSPORTATION

DISTRICT 11
4050 TAYLOR ST. M/S 220
SAN DIEGO, CA 92110
PHONE (619) 688-3332
FAX (619) 688-3332
www.dot.ca.gov



*Flex your power!
Be energy efficient!*

January 26, 2012

Mr. Yazmin Arellano, P.E.
Public Works Director/City Engineer
City of Brawley
383 W. Main Street
Brawley, CA 92227

Dear Ms. Arellano:

Enclosed, please find an original and three copies of the amended Delegated Maintenance Agreement DMA11-4017.

Please sign and return all four copies with four certified copies of your authorizing City Council resolution to above address. When the Agreements have been signed by the State, I will send you one fully executed Agreement and as many copies as you request.

If you have any questions, please feel free to contact me at (619) 688-3332.

Sincerely,

A handwritten signature in black ink, appearing to read "Armani Rubio", written over a circular stamp or seal.

Armani Rubio
Signal/Lighting Coordinator

c: Al Herrera, Maintenance Manager, East Region.
Alberto Gayon, Sr. TE, Maintenance Engineering.

Enc: Amended DMA 11-4017/2011

DELEGATED MAINTENANCE AGREEMENT
FOR MAINTENANCE OF STATE HIGHWAY
IN THE CITY OF BRAWLEY

THIS AGREEMENT is made effective this 1st day of October, 2011 by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "the STATE", and the CITY of Brawley hereinafter referred to as "CITY" together referred to as PARTIES.

- I. The PARTIES desire to provide that CITY perform particular maintenance functions on the State highways within the CITY as authorized in Section 130 of the Streets and Highways Code.
- II. This Agreement shall supersede any previous agreement or amendments thereof with the CITY for maintenance of the portion of the State highways CITY as identified in Exhibit A which is attached and made a part of this agreement.
- III. The CITY will perform such maintenance work as is specifically delegated to it, on the identified State highway routes, or portions thereof, all as hereinafter described under this agreement and Exhibit "A" and "B". The Exhibit may be subsequently modified upon written consent of the PARTIES hereto acting by and through their authorized representatives. No formal amendment to this Agreement will be required.
- IV. The degree or extent of maintenance work to be performed, and the standards therefore, shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the then current edition of the State Maintenance Manual.
- V. The functions and levels of maintenance service delegated to the CITY in the attached Exhibit "A", Delegation of Maintenance has been considered in setting authorized total dollar amounts. The CITY may perform additional work if desired, but the STATE will not reimburse the CITY for any work in excess of the authorized dollar limits established herein.
- VI.
 - A. The STATE will reimburse the CITY for the actual cost of all routine maintenance work performed by the CITY as delegated under Exhibit A and B to this Agreement. It is agreed that during any fiscal year, the maximum expenditure on any route shall not exceed the amount as shown in Exhibit A to this Agreement unless such expenditure is revised by an amended Agreement or otherwise adjusted or modified as hereinafter provided for.
 - B. The cost of operating and maintaining utility-owned and maintained lighting now in place at the intersection of any State highway route and any CITY street/road shall be shared as shown in Exhibit B which is attached and made a part of this agreement.
 - C. Upon written request by CITY the expenditure per route for routine maintenance work, as referred to in Exhibit "A", may be increased, decreased, redistributed between routes, or additional expenditures for specific projects may be made by STATE. However, such adjustments should be authorized in writing by the District Director or his authorized representative and accepted by in writing by CITY. Exhibit "A" need not be amended.

- D. Additional expenditures or an adjustment of expenditures, once authorized shall apply only for the fiscal year designated therein and shall not be deemed to permanently modify or change the basic maximum expenditure per route as specified in Exhibit "A". An adjustment of any said maximum expenditure, either an increase or decrease, shall not affect other terms of the Agreement.
- VII. Exhibits "A" and "B" can be amended as necessary by written concurrence of PARTIES to reflect any future changes, deletion or additions or to ensure an equitable annual cost allocation.
- VIII. A. The CITY will submit bills in a consistent periodic sequence (monthly, quarterly, semiannually, or annually). Bills for less than \$500 shall not be submitted more than once each quarter. Bills must be submitted promptly following the close of STATE's fiscal year on each June 30th and should be coded according to the Caltrans HM Program Code as outlined in this Agreement. Bills submitted for periods prior to the last fiscal year will be deemed waived and will not be honored.
- B. Maintenance services provided by contract or on a unit-rate basis with overhead costs included shall not have these above-mentioned charges added again. An actual handling charge by the CITY for the direct cost of processing this type of bill will be allowed.
- IX. Nothing in the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not PARTIES to this contract or to affect the legal liability of either party to the contract by imposing any standard of care respecting the maintenance of State highways different from the standard of care imposed by law.
- X. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by CITY under or in connection with any work, authority or jurisdiction conferred upon CITY under this Agreement. It is understood and agreed that CITY will fully defend, indemnify, and save harmless STATE and all its officers and employees from all claims, suits, or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.
- XI. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE, under or in connection with any work, authority or jurisdiction conferred upon STATE under this Agreement. It is understood and agreed that STATE will fully defend, indemnify, and save harmless CITY and all its officers and employees from all claims, suits, or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement.

XII. Labor Code Compliance: Prevailing Wages

If the work performed on this Project is done under contract and falls within the Labor Code section 1720(a)(1) definition of a "public work" in that it is construction, alteration, demolition, installation, repair or maintenance CITY must conform to the provisions of Labor Code sections 1720 through 1815, all applicable regulations and coverage determinations issued by the Director of Industrial Relations. CITY agrees to include prevailing wage requirements in its contracts for public work. Work performed by CITY's own forces is exempt from the Labor Code's prevailing wage requirements.

XIII. Prevailing Wage Requirements in Subcontracts

CITY shall require its contractors to include prevailing wage requirements in all subcontracts funded by this Agreement when the work to be performed by the subcontractor is a "public work" as defined in Labor Code section 1720(a)(1). Subcontracts shall include all prevailing wage requirements set forth in CITY's contracts.

XIV. STATE costs and expenses assumed under the terms of this Agreement are conditioned upon the passage of the annual State of California Budget by the Legislature, the allocation of funding by the California Transportation Commission as appropriate, and the encumbrance of funding to the District Office of STATE to pay the billing by CITY.

XV. This Agreement shall remain in full force and effective until amended by the mutual consent of the PARTIES thereto or terminated by either party upon thirty (30) days' notice to the other parties.

XVI. The PARTIES are empowered by Streets and Highways Code section 114 & 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.

IN WITNESS WHEREOF, the PARTIES hereto have set their hands and seals the day and year first above written.

THE CITY OF BRAWLEY

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

BY: _____

BY: Malcolm Daugherty
Acting Director of Transportation

MAYOR

Attest:

BY: _____

BY: _____

CITY Clerk

Cory Binns
Caltrans - District 11
Maintenance District Division Chief

BY: _____

CITY Attorney

EXHIBIT "A"**DELEGATION OF MAINTENANCE**

The specific maintenance function indicated below (and on EXHIBIT "B") is hereby delegated to the CITY. This delegation of maintenance function set forth herein does not include the control and maintenance areas and functions, which rest with the CITY under the terms of executed Freeway Agreements and/or Freeway Maintenance Agreements.

Route No.	Length Miles	Description of Routing	Program Delegated	Maximum Annual Authorized Expenditure
SR-78	1.87	Main St from Fist St (PM 13.17 to Best Rd (PM 15.035)	HM-22 Roadside Litter and Debris Sweeping	\$24,100.00
SR-86	1.25	State Hwy from Brawley Ave (PM20.068) to West City Limits (PM 21.315)	HM-22 Roadside Litter and Debris Sweeping	\$19,750.00

TOTAL AUTHORIZED EXPENDITURE: \$43,850.00

EXHIBIT "A"

Page 2

ELECTRICAL FACILITIES OPERATION AND MAINTENANCE
COST DISTRIBUTION

BILLED AND MAINTENANCE BY THE STATE

<u>ROUTE</u>	<u>LOCATION</u>	<u>TYPE OF FACILITY</u>	<u>UNITS</u>	<u>COST DISTRIBUTION</u>	
				<u>STATE</u>	<u>CITY</u>
SIGNALS					
Imp-78 B3.71	6 TH & Main St	Fixed Time Signal	42	50	50
Imp-78 B3.78	8 th & Main St	Fixed Time Signal	40	75	25
Imp-78 B4.28	Palm S/Main	Traffic Actuated Signal	105	50	50
Imp-86 C0.28	1 st & K St	Traffic Actuated Signal	105	40	60
Imp-86 C0.62	1 st & Main	Traffic Actuated Signal	133	75	25
Imp-86 C0.98	No Rio Vista/MN		94	50	50

LIGHTS

Imp-78 B3.51	Main & Plaza	2 Ea 250 SV (2/Pole)	1.0	50	50
Imp-78 B3.51	Main & Plaza	6 Ea 250 SV (2/Pole)	3.0	0	100
Imp-78 B3.71	6 th & Main	10 Ea 250 SV (2/Pole)	5.0	0	100
Imp-78 B3.71	6 th & Main	1 Ea 400 MV	1.0	50	50
Imp-78 B3.78	8 th & Main	3 Ea 400 MV	3.0	75	25
Imp-78 B3.91	9 th & Main	2 Ea 250 SV	1.0	50	50
Imp-78 B3.91	9 th & Main	2 Ea 250 SV	1.0	100	0
Imp-78 B3.91	9 th & Main	6 Ea 250 SV	3.0	100	0
Imp-78 B4.04	10 th & Main	2 Ea 250 SV	1.0	50	50
Imp-78 B4.04	10 th & Main	8 Ea 250 SV(2/Pole)	4.0	0	100
Imp-78 B4.28	Palm S/Main	6 Ea 250 SV (2/Pole)	3.0	0	100
Imp-78 B4.28	Palm S/Main	4 Ea 250 SV	2.0	50	50
Imp-86 C0.28	1 st & K St	4 Ea 400 MV	4.0	40	60
Imp-86 C0.62	1 st & Main	4 Ea 400 MV	4.0	75	25
Imp-86 C0.98	N Rio Vista/ Mn	3 Ea 400 MV	3.0	50	50

UTILITY OWNED - BILLED BY STATE

Imp-86 C0.98	N Rio Vista/ Mn	3 Ea 400 MV	1.0	50	50
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SWEEPING SCHEDULE

Date: September 20, 2011
 State Route: 11-IMP-78
 Street Name : Main Street

City of Brawley

LOCATION	LENGTH CURB MILE	SWEEPING FREQUENCY	ANNUAL CURB MILES	RATE PER CURB MILE	TOTAL COST PER YEAR
Main St. from First St. to Palm Ave. - Outside Curbs	1.115	5 days/week x 52	289.90	\$ 28.92	\$ 8,383.91
Main St. from Plaza St. to 8th St. - Outside Curbs	0.60	5 days/week x 52	156.00	\$ 28.92	\$ 4,511.52
Main St. from ECL to Best Rd. - Outside Curbs	1.00	5 days/week x 52	260.00	\$ 28.92	\$ 7,519.20
Main St. from 8th St. to Best Rd. - 111 Centerline	1.06	1 day/week x 52	55.12	\$ 28.92	\$ 1,594.07
Main St. from 9th St. to 10th St. - Median Curbs	0.022	5 days/week x 52	5.72	\$ 28.92	\$ 165.42
Main St. from 10th St. to Palm Ave. - Median Curbs	0.255	5 days/week x 52	66.30	\$ 28.92	\$ 1,917.40
\$24,091.52 / 12 = \$2,007.63 per month					\$ 24,091.52
City to bill State \$ 2,007.63 per month					

SWEEPING SCHEDULE

Date: September 20, 2011
 State Route: 11-IMP-86
 Street Name : Brawley Ave, 1st St., Main St.

City of Brawley

LOCATION	LENGTH CURB MILE	SWEEPING FREQUENCY	ANNUAL CURB MILES	RATE PER CURB MILE	TOTAL COST PER YEAR
Brawley Ave. from Western Ave. to "K" St. - Outside Curbs	0.182	1 day/week x 52	9.47	\$ 28.92	\$ 273.87
1st St. from "K" St. to Main St.- Outside Curbs	0.76	5 days/week x 52	197.60	\$ 28.92	\$ 5,714.59
Main St. from 1st St. to WCL - Outside Curbs	1.54	5 days/week x 52	400.40	\$ 28.92	\$ 11,579.57
1st St. & Main St. from "K" St. to WCL - Median Curbs	0.377	3 days/week x 52	58.82	\$ 28.92	\$ 1,701.07
Imp-86-Brw-Berms, bridges and gutters	0.75	1 day/month x 12	9.00	\$ 28.92	\$ 260.28
Island Curbs	0.57	1 day/month x 12	6.84	\$ 28.92	\$ 197.81
			\$19,727.23 / 12 = \$1,643.91 per month		\$ 19,727.20
			City to bill State \$ 1,643.94 per month		

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: 04/17/12

City Manager: RDW

FROM: Prepared by: Ruby D. Walla, Finance Director
Presented by: Ruby D. Walla, Finance Director

SUBJECT: FY 2010/2011 Audited Financial Statements

CITY MANAGER RECOMMENDATION: Review and accept the audited financial statements for the City of Brawley

DISCUSSION: The City of Brawley recently completed its various audits for the fiscal year ending June 30, 2011. The audits were conducted by the Certified Public Accounting Firm of Moss, Levy and Hartzheim (MLH). The City of Brawley has utilized the professional services of MLH since 199. The Annual Report, Single Audit Report, Transportation Development Act Report, and Management Report are submitted as attachments to this staff report.

The City's audits include a review of its governmental activities, business type activities, each major fund and the aggregate fund information. These documents were prepared 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 auditor's responsibility is to express an opinion on the presentation of the City of Brawley's financial statements. MLH has reported that the financial statements are presented fairly. There were no additional findings to report for the fiscal year (FY) 2010/2011, although there are findings from FY 2009/2010 yet to be fulfilled. Staff is currently implementing strategies to be in compliance with the next round of audits.

At the close of FY 2010/2011, a total of \$1,009,516 of the General Fund Reserve was utilized, reducing the balance to \$5,092,792 (see page 10 of the Annual Financial Report). It is noted that one time unanticipated deposits totaling approximately \$520,000 were offset by approximately \$350,000 in unplanned roof improvements.

In the current FY 2011/2012, the City has projected to use \$1,143,336 in reserves, resulting in the anticipated reduction of the reserve to \$3,949,456. In the next budget cycle and in light of recent adoption of the City's General Fund Reserve Preservation Policy, an estimated \$2.1 million would be set aside in the next FY. Although the City will meet the 15% set aside limit, the City would significantly deplete the reserve to below \$2 million by July 2013.

FISCAL IMPACT: N/A

ATTACHMENTS: FY 2010/2011 Annual Financial Report, FY 2010/2011 Annual Management Report, FY 2010/2011 Annual Single Audit Report, FY 2010/2011 Annual Transportation Development Act Report

CITY OF BRAWLEY
STATE OF CALIFORNIA
ANNUAL FINANCIAL REPORT
June 30, 2011

CITY OF BRAWLEY
Brawley, California

Table of Contents

INTRODUCTORY SECTION

Table of Contents i

FINANCIAL SECTION

Independent Auditor's Report 1

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Assets 3
Statement of Activities 4

Fund Financial Statements:

Governmental Funds:

Balance Sheet 6
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets 9
Statement of Revenues, Expenditures, and Changes in Fund Balances 10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of Governmental Funds to the Statement of Activities 13

Proprietary Funds:

Statement of Net Assets 14
Statement of Revenues, Expenses, and Changes in Net Assets 16
Statement of Cash Flows 18

Notes to Basic Financial Statements 22

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances

- Budget and Actual:

General Fund 45
Economic & Community Development Fund 46

Other Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance

- Budget and Actual:

Community Redevelopment Agency Capital Projects Fund 47

Nonmajor Governmental Funds:

Description 49
Combining Balance Sheet 50
Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances 52

CITY OF BRAWLEY
Brawley, California

Table of Contents

Other Supplementary Information (Continued)

Internal Service Funds:	
Description	55
Combining Statement of Net Assets	56
Combining Statement of Revenue, Expenses, and Changes in Net Assets	57
Combining Statement of Cash Flows	58

FINANCIAL SECTION



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Members of the City Council of the
City of Brawley
Brawley, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, California (City) as of and for the fiscal year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 of the notes to basic financial statements effective July 1, 2010, The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, and Statement No. 59, *Financial Instruments Omnibus*.

In accordance with Government Auditing Standards, we have also issued a report dated March 31, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual – Economic & Community Development Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining nonmajor fund financial statements, major capital projects fund budgetary comparison schedule, and internal service fund statements are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining nonmajor fund financial statements, major capital projects fund budgetary comparison schedule, and internal service fund statements are the responsibility of management and were derived from and relate 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 31, 2012

CITY OF BRAWLEY
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 18,719,863	\$ 4,445,305	\$ 23,165,168
Restricted cash and investments with fiscal agents	415,567	637,498	1,053,065
Accounts receivable	536,299	1,189,877	1,726,176
Interest receivable	446,930	5,795	452,725
Notes receivable	9,054,741		9,054,741
Due from other governments	1,281,888	3,785,780	5,067,668
Deferred charges		70,395	70,395
Prepaid expenses	819,292		819,292
Capital assets not being depreciated	3,490,993	22,178,157	25,669,150
Capital assets, net of accumulated depreciation	24,122,993	45,118,368	69,241,361
 Total assets	 <u>58,888,566</u>	 <u>77,431,175</u>	 <u>136,319,741</u>
LIABILITIES			
Accounts payable	2,611,468	5,159,732	7,771,200
Accrued interest payable	61,700	151,460	213,160
Deposits payable	547,394	451,464	998,858
Unearned revenue		555,398	555,398
Noncurrent liabilities:			
Due within one year	134,290	1,510,322	1,644,612
Due in more than one year	5,928,365	31,389,372	37,317,737
 Total liabilities	 <u>9,283,217</u>	 <u>39,217,748</u>	 <u>48,500,965</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,978,191	35,268,281	57,246,472
Restricted for:			
Public safety	1,167,392		1,167,392
Community development	13,957,767		13,957,767
Culture and leisure	163,869		163,869
Debt service	925,904	566,737	1,492,641
Capital facilities	499,967		499,967
Unrestricted	10,912,259	2,378,409	13,290,668
 Total net assets	 <u>\$ 49,605,349</u>	 <u>\$ 38,213,427</u>	 <u>\$ 87,818,776</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental Activities:				
General government	\$ 3,712,464	\$ 1,455,324	\$ 165,788	\$ 700,543
Public safety	9,152,068	800,976	233,455	503,213
Culture and leisure	2,956,260	200,522	45,632	40,983
Community development	3,541,571	3,245,398	200,981	1,654,395
Streets and highways	2,633,056	298,677	1,500,643	778,840
Pass-through agreements	29,436			
Interest on long-term debt	259,000			
Total governmental activities	22,283,855	6,000,897	2,146,499	3,677,974
Business-type Activities:				
Water	6,393,582	5,891,025		
Wastewater	4,087,494	5,178,402		
Solid Waste	1,275,650	1,313,147		
Airport	456,120	2,040		
Total business-type activities	12,212,846	12,384,614		
Total primary government	\$ 34,496,701	\$ 18,385,511	\$ 2,146,499	\$ 3,677,974

General Revenues:

Taxes:

Utility users taxes

Transient lodging taxes

Franchise taxes

Business license taxes

Intergovernmental (unrestricted):

Shared property taxes

Shared sales and use taxes

Motor vehicle license fees

Other

Use of money and property

Total general revenues

Change in net assets

Net assets - beginning of fiscal year

Net assets - end of fiscal year

See Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,390,809)	\$ -	\$ (1,390,809)
(7,614,424)		(7,614,424)
(2,669,123)		(2,669,123)
1,559,203		1,559,203
(54,896)		(54,896)
(29,436)		(29,436)
(259,000)		(259,000)
<u>(10,458,485)</u>		<u>(10,458,485)</u>
	(502,557)	(502,557)
	1,090,908	1,090,908
	37,497	37,497
	<u>(454,080)</u>	<u>(454,080)</u>
	171,768	171,768
<u>(10,458,485)</u>	<u>171,768</u>	<u>(10,286,717)</u>
1,956,496		1,956,496
287,238		287,238
670,355		670,355
30,031		30,031
4,538,993		4,538,993
3,607,630		3,607,630
145,412		145,412
975,286		975,286
1,508,841	896,969	2,405,810
<u>13,720,282</u>	<u>896,969</u>	<u>14,617,251</u>
3,261,797	1,068,737	4,330,534
<u>46,343,552</u>	<u>37,144,690</u>	<u>83,488,242</u>
<u>\$ 49,605,349</u>	<u>\$ 38,213,427</u>	<u>\$ 87,818,776</u>

CITY OF BRAWLEY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>General</u>	<u>Economic & Community Development</u>	<u>CRA Capital Projects</u>
ASSETS			
Cash and investments	\$ 5,397,574	\$ 798,100	\$ 711,817
Restricted cash and investments with fiscal agents		5,207	
Interest receivable	5,312	969	1,077
Due from other governments	823,183	70,621	
Due from other funds	1,531		
Notes receivable		<u>8,819,069</u>	<u>235,672</u>
 Total assets	 <u>\$ 6,227,600</u>	 <u>\$ 9,693,966</u>	 <u>\$ 948,566</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 913,497	\$ -	\$ 467,470
Deposits payable	221,052		
Deferred revenue	259	8,819,069	235,672
Due to other funds			
 Total liabilities	 <u>1,134,808</u>	 <u>8,819,069</u>	 <u>703,142</u>
Fund balances:			
Restricted for:			
Streets and roads			
Public safety			
Community development		874,897	245,424
Assessment districts			
Debt service			
Library	62,928		
Parks and recreation			
Unassigned	<u>5,029,864</u>		
 Total fund balances	 <u>5,092,792</u>	 <u>874,897</u>	 <u>245,424</u>
 Total liabilities and fund balances	 <u>\$ 6,227,600</u>	 <u>\$ 9,693,966</u>	 <u>\$ 948,566</u>

Streets Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,448,635	\$ 7,407,995	\$ 16,764,121
	410,360	415,567
2,337	7,559	17,254
144,015	83,128	1,120,947
		1,531
		9,054,741
<u>\$ 2,594,987</u>	<u>\$ 7,909,042</u>	<u>\$ 27,374,161</u>
\$ 794,341	\$ 320,635	\$ 2,495,943
	326,342	547,394
		9,055,000
	1,531	1,531
<u>794,341</u>	<u>648,508</u>	<u>12,099,868</u>
1,800,646	841,555	2,642,201
	1,167,392	1,167,392
	3,782,705	4,903,026
	381,868	381,868
	987,604	987,604
		62,928
	100,941	100,941
	(1,531)	5,028,333
<u>1,800,646</u>	<u>7,260,534</u>	<u>15,274,293</u>
<u>\$ 2,594,987</u>	<u>\$ 7,909,042</u>	<u>\$ 27,374,161</u>

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CITY OF BRAWLEY
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
June 30, 2011

Fund balances of governmental funds	\$ 15,274,293
Amounts reported for governmental activities in the statement of net assets are different because:	
Certain receivables are not available to pay for current period expenditures and, therefore are not reported as governmental fund assets.	536,299
Capital assets net of accumulated depreciation have not been included as financial resources in the governmental funds.	26,511,226
Certain notes receivable and accounts receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.	9,055,000
Long-term debt and compensated absences have not been included in the governmental funds.	
Long-term debt	(5,635,795)
Compensated absences	(408,830)
Interest on long-term debt is not recognized until the period in which it matures and is paid. In government-wide statement of net assets, it is recognized in the period that it is incurred.	(61,700)
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.	3,907,130
In governmental funds, certain accrued interest receivable on notes receivable are not available to pay for current period expenditures and, therefore, are not reported in the governmental funds.	<u>427,726</u>
Net assets of governmental activities	<u>\$ 49,605,349</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	General	Economic & Community Development	CRA Capital Projects
REVENUES			
Taxes:			
Utility users	\$ 1,956,496	\$ -	\$ -
Transient lodging	287,238		
Franchise	670,356		
Business license	30,032		
Property			
Licenses and permits	308,163		
Fines and forfeitures	594,749		
Use of money and property	37,629	276,374	44,256
Intergovernmental	6,910,536	32,296	1,092,987
Charges for services	3,086,932		
Miscellaneous	93,280		
Total revenues	<u>13,975,411</u>	<u>308,670</u>	<u>1,137,243</u>
EXPENDITURES			
Current:			
General government	2,322,019		
Public safety	8,421,731		
Culture and leisure	2,760,563		
Community development	1,480,614	88,157	1,389,752
Transportation			741,570
Capital outlay			
Debt service:			
Principal			
Interest and fiscal charges			
Intergovernmental expenditures			
Total expenditures	<u>14,984,927</u>	<u>88,157</u>	<u>2,131,322</u>
Net change in fund balances	(1,009,516)	220,513	(994,079)
Fund Balances (Deficit) - July 1, 2010	<u>6,102,308</u>	<u>654,384</u>	<u>1,239,503</u>
Fund Balances - June 30, 2011	<u>\$ 5,092,792</u>	<u>\$ 874,897</u>	<u>\$ 245,424</u>

See Notes to Basic Financial Statements

Streets Capital Projects	Other Governmental Funds	Totals
\$ -	\$ -	\$ 1,956,496
		287,238
		670,356
		30,032
	157,928	157,928
		308,163
		594,749
5,241	29,125	392,625
3,050,191	3,917,587	15,003,597
	53,490	3,140,422
265	5,840	99,385
<u>3,055,697</u>	<u>4,163,970</u>	<u>22,640,991</u>
		2,322,019
	129,603	8,551,334
		2,760,563
	327,078	3,285,601
28,109	1,554,514	1,582,623
632,418	955,671	2,329,659
	115,000	115,000
	259,000	259,000
	30,440	30,440
<u>660,527</u>	<u>3,371,306</u>	<u>21,236,239</u>
2,395,170	792,664	1,404,752
(594,524)	6,467,870	13,869,541
<u>\$ 1,800,646</u>	<u>\$ 7,260,534</u>	<u>\$ 15,274,293</u>

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CITY OF BRAWLEY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2011

Net change in fund balances - total governmental funds	\$ 1,404,752
Amounts reported for governmental activities in the statement of activities differ because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.	466,557
Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. When the note is collected it is reflected in revenue. This amount is the net change between notes receivable collected and issued.	(98,117)
The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Issuance of bond principal is an other financing source and repayment of bond principal is an expenditure in governmental funds, but the issuance increases long-term liabilities and the repayment reduces long-term liabilities in the statement of net assets.	
Repayment of bond principal	115,000
Repayment of capital lease	13,425
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	606,219
The amounts below included in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These are the current year changes:	
Interest payable	1,004
Internal service funds are used by management to charge the costs of certain activities, such as maintenance and risk management, to individual funds. The net revenues (expenses) of the internal service funds is reported under governmental activities.	<u>752,957</u>
Change in net assets of governmental activities	<u>\$ 3,261,797</u>

See Notes to Basic Financial Statements

CITY OF BRAWLEY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011
with Comparative Statement as of June 30, 2010

	Business-type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
ASSETS				
Current Assets:				
Cash and investments	\$ 1,410,104	\$ 417,757	\$ 2,528,491	\$ 359,736
Accounts receivable, net	515,558	846,981	414,810	410,111
Interest receivable	1,438	1,950	3,656	2,611
Due from other governments			3,785,534	1,174,568
Deferred charges	70,395	79,489		
Prepaid expenses				
Total current assets	<u>1,997,495</u>	<u>1,346,177</u>	<u>6,732,491</u>	<u>1,947,026</u>
Noncurrent Assets:				
Restricted cash and investments with fiscal agents			637,498	467,495
Advances to other funds			1,605,839	1,605,839
Capital assets not being depreciated	115	115		
Construction in progress			22,176,092	7,181,350
Capital assets, net of accumulated depreciation	<u>31,736,762</u>	<u>33,005,320</u>	<u>11,306,726</u>	<u>11,909,445</u>
Total noncurrent assets	<u>31,736,877</u>	<u>33,005,435</u>	<u>35,726,155</u>	<u>21,164,129</u>
Total assets	<u>33,734,372</u>	<u>34,351,612</u>	<u>42,458,646</u>	<u>23,111,155</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	414,740	204,137	4,508,667	1,092,303
Interest payable	80,699	57,264	70,761	50,269
Deposits payable	443,759	396,111	5,930	5,930
Deferred revenue	555,398	369,817		
Current portion of long term debt	<u>1,184,049</u>	<u>1,178,050</u>	<u>326,273</u>	<u>312,538</u>
Total current liabilities	<u>2,678,645</u>	<u>2,205,379</u>	<u>4,911,631</u>	<u>1,461,040</u>
Noncurrent liabilities:				
Compensated absences	152,707	140,281	81,245	76,703
Claims payable				
Contracts payable, net of deferred gain and unamortized discount	8,411,551	9,289,200	1,690,977	1,837,250
Certificates of participation, net of unamortized discount			794,385	963,353
Revenue bonds payable, net of unamortized premium	2,911,470	3,084,243		
Advances from other funds	1,605,839	1,605,839		
Bonds payable	<u>92,500</u>	<u>109,000</u>	<u>17,254,537</u>	<u>2,413,175</u>
Total noncurrent liabilities	<u>13,174,067</u>	<u>14,228,563</u>	<u>19,821,144</u>	<u>5,290,481</u>
Total liabilities	<u>15,852,712</u>	<u>16,433,942</u>	<u>24,732,775</u>	<u>6,751,521</u>
NET ASSETS				
Invested in capital assets, net of related debt	17,531,468	17,739,103	15,659,983	18,050,988
Restricted for debt service			566,737	417,226
Unrestricted	<u>350,192</u>	<u>178,567</u>	<u>1,499,151</u>	<u>(2,108,580)</u>
Total net assets	<u>\$ 17,881,660</u>	<u>\$ 17,917,670</u>	<u>\$ 17,725,871</u>	<u>\$ 16,359,634</u>

See Notes to Basic Financial Statements

Business-type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Funds
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ -	\$ 82,270	\$ 506,710	\$ 563,087	\$ 4,445,305	\$ 1,955,742
245,377	153,239	14,132		1,189,877	
143	359	558	752	5,795	1,950
		246		3,785,780	160,941
				70,395	
					819,292
<u>245,520</u>	<u>235,868</u>	<u>521,646</u>	<u>563,839</u>	<u>9,497,152</u>	<u>2,937,925</u>
				637,498	
				1,605,839	
		1,950	1,950	2,065	
				22,176,092	
		<u>2,074,880</u>	<u>2,240,723</u>	<u>45,118,368</u>	<u>1,102,760</u>
		<u>2,076,830</u>	<u>2,242,673</u>	<u>69,539,862</u>	<u>1,102,760</u>
<u>245,520</u>	<u>235,868</u>	<u>2,598,476</u>	<u>2,806,512</u>	<u>79,037,014</u>	<u>4,040,685</u>
139,971	169,006	96,354	3,888	5,159,732	115,525
				151,460	
		1,775	2,100	451,464	
				555,398	
				<u>1,510,322</u>	
<u>139,971</u>	<u>169,006</u>	<u>98,129</u>	<u>5,988</u>	<u>7,828,376</u>	<u>115,525</u>
				233,952	11,348
					6,682
				10,102,528	
				794,385	
				2,911,470	
				1,605,839	
				<u>17,347,037</u>	
				<u>32,995,211</u>	<u>18,030</u>
<u>139,971</u>	<u>169,006</u>	<u>98,129</u>	<u>5,988</u>	<u>40,823,587</u>	<u>133,555</u>
		2,076,830	2,242,673	35,268,281	983,728
				566,737	
105,549	66,862	423,517	557,851	2,378,409	2,923,402
<u>\$ 105,549</u>	<u>\$ 66,862</u>	<u>\$ 2,500,347</u>	<u>\$ 2,800,524</u>	<u>\$ 38,213,427</u>	<u>\$ 3,907,130</u>

CITY OF BRAWLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2011

with Comparative Statements for the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Operating Revenues:				
Charges for services (net of refunds)	\$ 5,891,025	\$ 5,812,459	\$ 5,178,402	\$ 4,391,553
Use of money and property				
Other				20,345
Total operating revenues	5,891,025	5,812,459	5,178,402	4,411,898
Operating Expenses:				
Salary and benefits	1,583,200	1,484,989	495,749	501,926
Administration	358,900	354,500	183,700	218,898
Supplies and services	2,941,762	2,743,103	2,809,067	2,345,806
Depreciation	1,297,674	1,297,674	459,245	428,472
Total operating expenses	6,181,536	5,880,266	3,947,761	3,495,102
Operating income (loss)	(290,511)	(67,807)	1,230,641	916,796
Non-Operating Revenues (Expenses):				
Use of money and property	466,547	23,133	275,329	14,997
Amortization of gain (loss) on debt refunding	255,038	274,481	(11,032)	(12,950)
Intergovernmental revenue (expense)	39,971	21,870		
Interest expense and fiscal charges	(507,055)	(576,248)	(128,701)	(132,434)
Total non-operating revenues (expenses)	254,501	(256,764)	135,596	(130,387)
Income (Loss) before transfers	(36,010)	(324,571)	1,366,237	786,409
Transfers:				
Transfers out				(118,000)
Changes in net assets	(36,010)	(324,571)	1,366,237	668,409
Total Net Assets - beginning	17,917,670	18,242,241	16,359,634	15,691,225
Prior Period Adjustments				
Total Net Assets (Deficit) - beginning, restated	17,917,670	18,242,241	16,359,634	15,691,225
Total Net Assets - ending	<u>\$17,881,660</u>	<u>\$17,917,670</u>	<u>\$17,725,871</u>	<u>\$16,359,634</u>

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Funds
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,313,147	\$ 1,138,612	\$ 2,040	\$ 977	\$ 12,384,614	\$ 2,300,574
		153,903	129,456	153,903	534,395
			290		
1,313,147	1,138,612	155,943	130,723	12,538,517	2,834,969
			2,121	2,078,949	244,390
		12,000	5,300	554,600	
1,275,650	1,020,442	278,277	83,240	7,304,756	1,835,774
		165,843	108,673	1,922,762	169,657
1,275,650	1,020,442	456,120	199,334	11,861,067	2,249,821
37,497	118,170	(300,177)	(68,611)	677,450	585,148
1,190	1,231		2,848	743,066	6,151
				244,006	
				39,971	161,658
				(635,756)	
1,190	1,231		2,848	391,287	167,809
38,687	119,401	(300,177)	(65,763)	1,068,737	752,957
38,687	119,401	(300,177)	(65,763)	1,068,737	752,957
66,862	15,702	2,800,524	2,866,287	37,144,690	3,154,173
	(68,241)				
66,862	(52,539)	2,800,524	2,866,287	37,144,690	3,154,173
\$ 105,549	\$ 66,862	\$ 2,500,347	\$ 2,800,524	\$ 38,213,427	\$ 3,907,130

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2011

with Comparative Statements for the Fiscal Year Ended June 30, 2010

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 6,270,096	\$ 5,714,011	\$ 5,173,704	\$ 4,038,978
Cash payments to suppliers for goods and services	(3,090,059)	(3,258,997)	423,597	(1,572,087)
Cash payments for employees and benefit programs	(1,570,774)	(1,459,483)	(491,207)	(489,322)
Net cash provided (used) by operating activities	<u>1,609,263</u>	<u>995,531</u>	<u>5,106,094</u>	<u>1,977,569</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Transfers out				(118,000)
Intergovernmental revenue (expense)	<u>39,971</u>	<u>21,870</u>		
Net cash provided (used) by non-capital financing activities	<u>39,971</u>	<u>21,870</u>		<u>(118,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Intergovernmental revenue (expense)	185,581	671,167	(2,610,966)	(1,174,568)
Purchase of capital assets			(15,023,858)	(4,780,734)
Loan proceeds			14,843,948	2,413,175
Principal paid on debt	(1,178,050)	(1,172,450)	(312,538)	(298,899)
Interest paid on debt and fiscal charges	(131,477)	(146,581)	(108,209)	(119,370)
Net cash provided (used) by capital and related financing activities	<u>(1,123,946)</u>	<u>(647,864)</u>	<u>(3,211,623)</u>	<u>(3,960,396)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>467,059</u>	<u>21,304</u>	<u>274,284</u>	<u>27,580</u>
Net cash provided by investing activities	<u>467,059</u>	<u>21,304</u>	<u>274,284</u>	<u>27,580</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>992,347</u>	<u>390,841</u>	<u>2,168,755</u>	<u>(2,073,247)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>417,757</u>	<u>26,916</u>	<u>359,736</u>	<u>2,432,983</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 1,410,104</u>	<u>\$ 417,757</u>	<u>\$ 2,528,491</u>	<u>\$ 359,736</u>
Reconciliation to Statement of Net Assets:				
Cash and investments	<u>\$ 1,410,104</u>	<u>\$ 417,757</u>	<u>\$ 2,528,491</u>	<u>\$ 359,736</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,410,104</u>	<u>\$ 417,757</u>	<u>\$ 2,528,491</u>	<u>\$ 359,736</u>

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Fund
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior Year		
\$ 1,221,009	\$ 985,583	\$ 141,811	\$ 130,723	\$12,806,620	\$ 2,834,969
(1,304,685)	(1,081,432)	(198,136)	(107,781)	(4,169,283)	(1,869,220)
			(2,121)	(2,061,981)	(243,547)
(83,676)	(95,849)	(56,325)	20,821	6,575,356	722,202
				61,841	
				39,971	
	(2,229)	(246)	(1,385)	(2,425,631)	166,855
				(15,023,858)	(119,032)
				14,843,948	
				(1,490,588)	
				(239,686)	
	(2,229)	(246)	(1,385)	(4,335,815)	47,823
1,406	872	194	3,662	742,943	6,276
1,406	872	194	3,662	742,943	6,276
(82,270)	(97,206)	(56,377)	23,098	3,022,455	776,301
82,270	179,476	563,087	539,989	1,422,850	1,179,441
\$ -	\$ 82,270	\$ 506,710	\$ 563,087	\$ 4,445,305	\$ 1,955,742
\$ -	\$ 82,270	\$ 506,710	\$ 563,087	\$ 4,445,305	\$ 1,955,742
\$ -	\$ 82,270	\$ 506,710	\$ 563,087	\$ 4,445,305	\$ 1,955,742

(Continued)

CITY OF BRAWLEY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2011

with Comparative Statements for the Fiscal Year Ended June 30, 2010

(Continued)

	Business-Type Activities Enterprise Funds			
	Water		Wastewater	
	Current Year	Prior Year	Current Year	Prior Year
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ (290,511)	\$ (67,807)	\$ 1,230,641	\$ 916,796
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,297,674	1,297,674	459,245	428,473
(Increase) decrease in accounts receivable	331,423	(118,466)	(4,699)	(372,920)
Increase (decrease) in accounts payable and accrued liabilities	210,603	(161,394)	3,416,365	992,616
Increase (decrease) in compensated absences	12,426	25,506	4,542	12,605
Increase (decrease) in deposits payable	47,648	20,018		
Total adjustments	1,899,774	1,063,338	3,875,453	1,060,774
Net cash provided by (used by) operating activities	\$ 1,609,263	\$ 995,531	\$ 5,106,094	\$ 1,977,570

See Notes to Basic Financial Statements

Business-Type Activities Enterprise Funds				Current Year Totals	Governmental Activities Internal Service Fund
Solid Waste		Airport			
Current Year	Prior Year	Current Year	Prior year		
\$ 37,497	\$ 118,170	\$ (300,177)	\$ (68,611)	\$ 677,450	\$ 585,148
		165,843	108,673	1,922,762	169,657
(92,138)	(153,029)	(14,132)		220,454	
(29,035)	(60,990)	92,466	(19,091)	3,690,399	(33,447)
				16,968	844
		(325)	(150)	47,323	
(121,173)	(214,019)	243,852	89,432	5,897,906	137,054
\$ (83,676)	\$ (95,849)	\$ (56,325)	\$ 20,821	\$ 6,575,356	\$ 722,202

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Brawley (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (USGAAP) as applicable to governmental units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Financial Reporting Entity

The City of Brawley is located in the southeastern part of the State of California, in the center of Imperial County, which with water provided by canal from the Colorado River, makes this one of the most fertile agricultural areas in the country. The City was incorporated on April 6, 1908, under the general laws of the State of California and enjoys all the rights and privileges pertaining to “General Law” cities.

The City is governed by a five member Council, elected at large for four years on staggered schedules. The Council selects the Mayor from its members, generally for a one year term. The Council has hired a City Manager to administer the daily affairs of the City.

The services provided by the City include police, fire, street maintenance, parks, recreation, library, water, wastewater, solid waste, airport, housing, planning, building inspection, and general administrative services.

A key element of the City’s financial management process is the preparation of the annual budget. Each year the City Manager presents to City Council a proposed budget, which includes all current balances and expected revenues and other financing sources of the City, and describes by department how those resources will be utilized. Under terms of various grant and financing agreements, the budget is to be adopted by the end of May, prior to the beginning of each fiscal year. The budget is adopted by motion of the City Council, and if amended, generally is done by resolution.

These basic financial statements present the financial status of the City and its component units, which are included in the City’s reporting entity because of the significance of their operational or financial relationships with the City. Component unit financial statements may be obtained from the City’s Department of Finance.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the City’s operations.

Community Redevelopment Agency of the City of Brawley – The Brawley Community Redevelopment Agency was established on April 5, 1976, pursuant to the State of California Health and Safety Code, Section 33000. The primary purpose of the Agency is to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse. The members of the City Council act as the governing body of the Agency and therefore, the Agency is reported as if it were part of the primary government.

Brawley Public Improvement Corporation – The Brawley Public Improvement Corporation was formed in October 1986 to issue certificates of participation to finance the construction of a wastewater treatment facility and issued additional certificates of participation in 1997 to finance a new water treatment plant. The only financial activity of the Public Improvement Corporation is the issuance and repayment of the certificates of participation and receipt of lease payments from the City pursuant to lease agreements between the City and the Public Improvement Corporation. Although it is legally separate from the City, the Public Improvement Corporation is reported as if it were part of the primary government because its sole purpose is to finance and construct public facilities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the primary government (City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the City's governmental activities. Direct expenses are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational need of a particular program, and (c) fees, grants, and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

Proprietary fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses, and Changes in Net Assets, and a Statement of Cash Flows.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operation of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

C. Major Funds

GASB Statement No. 34, defines major funds and requires that the City's major governmental funds are identified and presented separately in the fund financial statements. All other funds, called nonmajor funds, are combined and reported in a single column, regardless of their fund-type.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Major Funds (Continued)

Major funds are defined as funds that have either assets, liabilities, revenues, or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Economic and Community Development Fund

This fund accounts for revenues and expenditures of the Community Development Block Grant program and the related program income.

Community Redevelopment Agency Capital Projects Fund

This fund accounts for resources used to encourage private redevelopment of property and to rehabilitate areas suffering from economic disuse.

Streets Capital Projects Fund

This fund accounts for resources set aside for major improvements to local streets and roads.

The City reported the following major proprietary funds:

Water Fund

This fund accounts for the costs of treatment and distribution of drinking water to the community.

Wastewater Fund

This fund accounts for the costs of collection, treatment and disposal of sewage generated in the community.

Solid Waste Fund

This fund accounts for the costs of collection and disposal of trash and garbage generated in the community.

Airport Fund

This fund accounts for the costs of the City owned municipal airport. Although the amounts are not as significant as the other proprietary funds, this is the only other proprietary fund maintained by the City.

The City reported the following internal service funds:

Internal Service Funds

These funds account for maintenance of the City's fleet of vehicles and certain public facilities, and the costs of providing insurance, including risks maintained by the City, for general liability, property damage, unemployment benefits, workers' compensation, and employee health benefits.

D. Basis of Accounting

The basis of accounting determines when transactions are reported on the financial statements. The government-wide, proprietary and fiduciary funds financial statements are reported using the *economic resources measurement focus* and *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Accounting (Continued)

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within thirty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Revenues susceptible to accrual are property taxes and interest revenue. Sales taxes, and other amounts collected and held by the state at fiscal year end on behalf of the City also are recognized as revenue. Fines, licenses, permits and other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures/expenses. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents as short term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds for the Brawley Community Redevelopment Agency. Cash equivalents have an original maturity date of three months or less from the date of purchase.

F. Cash and Investments

Most cash balances of the City's funds and some of its component units are pooled and invested by the City Treasurer. Unless otherwise dictated by legal or contractual requirements, income earned or losses arising from the investment pooled cash are allocated on a monthly basis to the participating funds and component units based on their proportionate shares of the average weekly cash balance.

Investments are stated at fair value. Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool and restricted, non-pooled investments with initial maturities of three months or less.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Receivables

Revenue from taxpayer-assessed taxes (sales and use, business license, gas, and franchise fees) is accrued in the Governmental Funds when they are both measurable and available. The City considers these taxes available if they are received within 30 days after fiscal year end.

Grants, entitlements, or shared revenues are recorded as receivables and revenues in the General, Special Revenue, and Capital Projects Funds when they are received or susceptible to accrual. Grants awarded for Proprietary Funds are recorded as receivables and nonoperating revenues when they are earned and are measurable.

Utility service accounts receivable are reported net of allowance for doubtful collections.

H. Interfund Transactions

Activities between funds that are representative of lending/borrowing outstanding at the end of the fiscal year are referred to as either “interfund receivables/payables” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

With Council approval, resources may be transferred from one City fund to another. Transfers are used to (1) move revenues from one fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budget authorizations.

I. Property Tax

The City's property taxes are levied on the first day of January by the County assessor, and are payable to the County tax collector in two installments.

The first installment is due November 1st, and is delinquent after December 10th; the second installment is due February 1st and is delinquent after April 10th. Taxes become a lien on the property on January 1st, and on the date of the transfer of the title, and the date of new construction.

The minimum property value which is taxed is \$2,000; however, tax bills are prepared for properties valued at less than \$2,000 if there is a special assessment to be collected.

Article 13A of the California Constitution states: “The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent tax is to be collected by the Counties and appointed according to law to the districts within the counties.”

The City has elected under State law (TEETER) to receive all of the annual property assessments in three installments as follows:

December	55%
April	40%
June	5%
	<u>100%</u>

J. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories for governmental funds are recorded as expenditures when consumed rather than when purchased.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Restricted Assets

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the applicable columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 for property, plant, and equipment and \$25,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City, as well as the component units, are depreciated using the straight line method over their estimated lives of 2 to 50 years.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits and sick leave. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignation and retirements.

N. Self-insurance

The City is self-insured for worker's compensation, general liability, auto liability, and certain other risks. The City's workers' compensation activities are funded and accounted for separately in the fund financial statements based upon the activities of each fund. The current portion of claims liability are accounted for in the General Fund and the enterprise funds on the basis of settlements reached or judgments entered within the current fiscal year. In the government-wide financial statements and the enterprise fund financial statements, the estimated liability for all self-insurance liability claims is recorded as a liability.

O. Long-term Debt, Discount, Premiums, and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Net Assets and Fund Equity

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories under GASB Statement No. 34. These captions apply only to net assets, which are determined only at the government-wide level, proprietary funds, and fiduciary funds are described below.

Invested in capital assets, net of related debt describes the portion of net assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, redevelopment funds restricted for low-and-moderate income purposes, and gas tax funds for street construction.

Unrestricted describes the portion of net assets which is not restricted as to use.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change

Q. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, require management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

R. Fiscal Year

The fiscal year of the City begins on July 1 and ends on June 30.

S. Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

T. Comparative Data

Comparative data for the prior fiscal year has been presented in certain statements of the accompanying financial statements, in order to provide an understanding of changes in the City's financial position, operations, and cash flows.

U. New Accounting Pronouncements

The Agency has implemented the requirements of GASB Statement No. 54 and No. 59 during the fiscal year ended June 30, 2011.

Governmental Accounting Standards Board Statement No. 54

For the fiscal year ended June 30, 2011, the City implemented Governmental Accounting Standards Board Statement No. 54 (GASB 54), "*Fund Balance Reporting and Governmental Fund Type Definitions*," The requirements of this statement are effective for financial statement periods beginning after June 15, 2010. GASB 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and is clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are described in the Fund Balance section of this footnote.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 59

For the fiscal year ended June 30, 2011, the City implemented GASB Statement No. 59, "*Financial Instrument Omnibus*". This Statement establishes standards to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The implementation of this Statement did not have an effect on these financial statements.

V. Fund Balance

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the City’s highest level of decision-making authority (the City Council) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the City’s funds that include amounts not contained in the other classifications.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The City Council is required to adopt an annual budget resolution by July 1st of each fiscal year for the General Fund, special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council made several supplemental budgetary appropriations throughout the fiscal year.

B. Deficit Fund Balances

At June 30, 2011, the following funds had an accumulated deficit:

Fund	Amount
<u>Nonmajor Funds:</u>	
Downtown Parking Special Revenue Fund	\$ 1,531

This fund balance deficit is primarily due to the City incurring costs in excess of revenues. The Fund should alleviate this deficit as revenues are received.

There was no legally adopted budget for the major fund – Streets Capital Projects Fund.

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2011, the following funds had excess of expenditures over appropriations:

<u>Fund</u>	<u>Amount</u>
<u>Major Funds:</u>	
General Fund	\$ 287,238
CRA Capital Projects Fund	776,462

NOTE 3 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Primary Government:

Statement of net assets:

Cash and investments	\$ 23,165,168
Restricted cash and investments with fiscal agent	<u>1,053,065</u>
Total cash and investments, Statement of Net Assets	<u>\$ 24,218,233</u>

Cash and investments as of June 30, 2011 consist of the following:

Cash on hand	\$ 1,100
Deposits with financial institutions	1,616,966
Investments	<u>22,600,167</u>
Total cash and investments	<u>\$ 24,218,233</u>

A. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City of Brawley (City) by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Government Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	10%	None
U.S. Government Agency Issues	5 years	10%	None
Banker's Acceptances	270 days	40%	30%
Commercial Paper, Prime Quality	180 days	40%	10%
Time Certificates of Deposit	3 years	25%	None
Negotiable Certificates of Deposit	3 years	30%	None
Repurchase and Reverse Repurchase Agreements	1 year	20%	None
Medium-Term Notes	5 years	30%	15%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (State Pool)	N/A	None	\$ 50 Million

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	None	None	None
Negotiable Certificates of Deposit	None	None	None
Investment Agreements	None	None	None
Repurchase Agreements	30 days	None	None
Money Market Mutual Funds	N/A	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>	<u>Totals</u>	<u>Remaining maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
State Investment Pool (LAIF)	\$ 20,766,766	\$ 20,766,766	\$ -	\$ -	\$ -
Held by Bond Trustees:					
Money Market Funds	1,833,401	1,833,401			
	<u>\$ 22,600,167</u>	<u>\$ 22,600,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City has no investments including investments held by bond trustees that are highly sensitive to interest rate fluctuations.

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>			
				<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Not Rated</u>
State Investment Pool	\$ 20,766,766	N/A	\$ -	\$ -	\$ -	\$ -	\$ 20,766,766
Held by Bond Trustee: Money Market Funds	1,833,401			1,833,401			
Total	\$ 22,600,167		\$ -	\$ 1,833,401	\$ -	\$ -	\$ 20,766,766

F. Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There was no investment in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represents 5% or more of total City investments.

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2011, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Long-Term Advances

Advances to/from other funds are non-current interfund loans and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriations and are not expendable available financial resources.

Receivable Fund	Payable Fund	Amount
Enterprise Fund: Wastewater Fund	Enterprise Fund: Water Fund	\$ 1,605,839

B. Interfund Receivables and Payables

During the course of normal operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. The following presents a summary of current interfund balances at June 30, 2011.

Receivable Fund	Amount	Payable Fund	Amount
Major Governmental Fund:		Nonmajor Governmental Funds:	
General	\$ 1,531	Downtown Parking	\$ 1,531
Totals	<u>\$ 1,531</u>	Totals	<u>\$ 1,531</u>

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 5 – LOANS RECEIVABLE

Loans receivable amounts primarily represent loans made for redevelopment, economic development, and property rehabilitation.

Economic & Community Development Special Revenue Fund

CDBG loan to Valley Lube & Wash, receivable in installments of \$1,109.53 per month including interest at 6%. Secured by deed of trust.	\$ 97,972
CDBG loan to IV Home Health Care receivable in installments of \$2,796.45 per month including interest at 4.5%. Due 5 years from date of execution. Secured by deed of trust.	61,512
Note to Brawley Beef, LLC receivable in the amount of \$200,000. First payment on the note is due 3/13/2010 in amount of 20% of principal and accrued interest at 1% per annum. Payments will be forgiven as long as Brawley Beef, LLC follows certain employment covenants.	200,000
Loan to Luis Rodriguez, individually and DBA Moyle Electric receivable in installments of \$368.33 per month including interest at 4%. Secured by deed of trust.	2,544
Loan to Merry Haynes & Sheila Riley, DBA The Rock Coffee Shop and Café receivable in installments of \$1,822.18 per month including interest at 4.75%. Secured by deed of trust.	68,836
HOME Investment Partnerships Program Loan to BESA, L.P., C/O Chelsea Investment Corporation. Annual payments are in the amount equal to 50% of the residual receipts from the apartment complex. Payments are due 90 days following the end of the calendar year with respect to the preceding year.	3,400,000
Loan to Edward and Martha Singh receivable in the installment of \$756.45 per month including interest at 6.5%. Secured by deed of trust.	42,409
Deferred notes receivable. No installment payments of principal or interest are required until the loans reach their maturity or underlying property is sold. Secured by deeds of trust.	<u>4,945,796</u>
	<u>\$ 8,819,069</u>

Community Redevelopment Agency Capital Projects Fund

Loan to Larry Allen receivable in installments of \$2,703.81 per month including interest at 6%. Secured by deed of trust.	<u>\$ 235,672</u>
	<u>\$ 235,672</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Balance as of July 1, 2010	Additions	Deletions	Transfers	Balance as of June 30, 2011
Governmental Activities					
Nondepreciable capital assets					
Land	\$ 823,293	\$ -	\$ -	\$ -	\$ 823,293
Construction in progress	4,601,951	873,291		(2,807,542)	2,667,700
Total nondepreciable capital assets	5,425,244	873,291		(2,807,542)	3,490,993
Depreciable capital assets					
Equipment	7,861,620	230,124			8,091,744
Buildings	6,369,520	619,135			6,988,655
Improvements other than buildings	6,849,998	1,163,874		2,807,542	10,821,414
Infrastructure	15,060,833				15,060,833
Total depreciable capital assets	36,141,971	2,013,133		2,807,542	40,962,646
Less accumulated depreciation					
Equipment	(4,984,405)	(579,781)			(5,564,186)
Buildings	(2,338,306)	(177,926)			(2,516,232)
Improvements other than buildings	(1,696,083)	(458,327)			(2,154,410)
Infrastructure	(5,350,619)	(1,254,206)			(6,604,825)
Total accumulated depreciation	(14,369,413)	(2,470,240)			(16,839,653)
Net depreciable capital assets	21,772,558	(457,107)		2,807,542	24,122,993
Net capital assets	\$ 27,197,802	\$ 416,184	\$ -	\$ -	\$ 27,613,986

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 354,233
Public safety	600,734
Streets and highways	1,050,433
Community development	209,122
Culture and recreation	255,718
Total Depreciation Expense - Governmental Activities	\$ 2,470,240

	Balance as of July 1, 2010	Additions	Deletions	Balance as of June 30, 2011
Business-type Activities				
Nondepreciable capital assets				
Land	\$ 2,065	\$ -	\$ -	\$ 2,065
Construction in progress	7,181,350	14,994,742		22,176,092
Total nondepreciable capital assets	7,183,415	14,994,742		22,178,157
Depreciable capital assets				
Equipment	2,467,706	29,116		2,496,822
Buildings	30,959,413			30,959,413
Improvements other than buildings	4,598,096			4,598,096
Conveyance systems	34,714,528			34,714,528
Total depreciable capital assets	72,739,743	29,116		72,768,859
Less accumulated depreciation				
Equipment	(1,569,496)	(90,252)		(1,659,748)
Buildings	(10,284,199)	(909,131)		(11,193,330)
Improvements other than buildings	(2,092,640)	(203,942)		(2,296,582)
Conveyance systems	(11,781,394)	(719,437)		(12,500,831)
Total accumulated depreciation	(25,727,729)	(1,922,762)		(27,650,491)
Net depreciable capital assets	47,012,014	(1,893,646)		45,118,368
Net capital assets	\$ 54,195,429	\$ 13,101,096	\$ -	\$ 67,296,525

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 6 – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the business-types activities as follows:

Water	\$ 1,297,674
Wastewater	459,245
Airport	<u>165,843</u>
Total Depreciation Expense - Business-type Activities	<u>\$ 1,922,762</u>

NOTE 7 –LONG-TERM DEBT

Governmental Activities

The following is a summary of long-term debt activity of the City’s governmental activities for the fiscal year ended June 30, 2011:

	Balance as of July 1, 2010	Additions	Reductions	Balance as of June 30, 2011	Due Within One Year
Governmental Activities:					
Tax allocation bonds 2006	\$ 5,650,000	\$ -	\$ (115,000)	\$ 5,535,000	\$ 120,000
Capital lease	114,220		(13,425)	100,795	14,290
Claims payable	6,682			6,682	
Compensated absences	<u>1,025,554</u>		<u>(605,376)</u>	<u>420,178</u>	
Total long-term liabilities	<u>\$ 6,796,456</u>	<u>\$ -</u>	<u>\$ (733,801)</u>	<u>\$ 6,062,655</u>	<u>\$ 134,290</u>

2006 Tax Allocation Bonds Payable

On October 3, 2006, the Community Redevelopment Agency issued \$5,875,000 of 2006 Tax Allocation Bonds. Interest is payable semiannually each April 1 and October 1 with principal due each October 1 beginning in 2008 with final maturity in 2036. The bonds were issued with interest rates varying between 3.65% and 5.00% Proceeds from the issue are to be used to finance improvements, fund a reserve account, fund a capitalized interest account, and pay costs of issuance. Tax increment revenue is pledged against the bonds. The balance payable at June 30, 2011 is \$5,535,000.

The scheduled annual minimum debt service requirements at June 30, 2011 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2012	\$ 120,000	\$ 248,752	\$ 368,752
2013	125,000	244,280	369,280
2014	130,000	239,530	369,530
2015	135,000	234,527	369,527
2016	140,000	229,162	369,162
2017-2021	790,000	1,053,023	1,843,023
2022-2026	980,000	861,714	1,841,714
2027-2031	1,225,000	612,263	1,837,263
2032-2036	1,535,000	287,565	1,822,565
2037	<u>355,000</u>	<u>8,875</u>	<u>363,875</u>
Totals	<u>\$ 5,535,000</u>	<u>\$ 4,019,691</u>	<u>\$ 9,554,691</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 –LONG-TERM DEBT (CONTINUED)

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of a park facility lighting system having a purchase price of \$149,731. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, including interest are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 14,290	\$ 6,495	\$ 20,785
2013	15,210	5,575	20,785
2014	16,190	4,594	20,784
2015	17,110	3,675	20,785
2016	18,220	2,274	20,494
2017	19,775	1,301	21,076
Total	<u>\$ 100,795</u>	<u>\$ 23,914</u>	<u>\$ 124,709</u>

Business-Type Activities

The following is a summary of long-term debt activity of the City's business-type activities for the fiscal year ended June 30, 2011:

	Balance as of July 1, 2010	Additions	Reductions	Balance as of June 30, 2011	Due Within One Year
Business-type Activities:					
Contracts payable	\$ 13,056,018	\$ -	\$ (1,140,088)	\$ 11,915,930	\$ 1,143,822
Deferred gain	1,592,638		(255,038)	1,337,600	234,981
Unamortized discount	(2,382,140)		374,957	(2,007,183)	(347,376)
Certificates of participation	1,170,000		(170,000)	1,000,000	180,000
Unamortized discount	(36,646)		11,032	(25,614)	9,092
Revenue bonds payable	3,225,000		(165,000)	3,060,000	170,000
Unamortized premium	24,244		(2,774)	21,470	(2,672)
Deferred charges	(79,489)		9,094	(70,395)	8,761
Bonds payable	124,500		(15,500)	109,000	16,500
CSWRCB Loan	2,413,175	14,841,364		17,254,539	
Compensated absences	216,984	16,968		233,952	
Total long-term liabilities	<u>\$ 19,324,284</u>	<u>\$ 14,858,332</u>	<u>\$ (1,353,317)</u>	<u>\$ 32,829,299</u>	<u>\$ 1,413,108</u>

Water Enterprise Fund: Contracts Payable and Defeased Certificates of Participation

On May 5, 1998, the Brawley Public Improvement Corporation sold Certificates of Participation in the amount of \$17,755,000 with an average interest rate of 4.88% to advance refund \$17,755,000 of then outstanding 1996 Certificates of Participation with an average interest rate of 6.27%. As a result, the 1996 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund. The balance of the 1996 refunded certificates outstanding as of June 30, 2011 is \$13,660,000.

On July 2, 2001, the City borrowed \$15,823,475 from the California Department of Water Resources (DOWR), at an interest rate of 0 %, to advance refund \$16,050,000 of outstanding 1998 Certificates of Participation with an average interest rate of 4.88 %. The proceeds were used to purchase U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1998 Certificates of Participation. As a result, the 1998 Certificates are considered to be defeased and the liability for those certificates has been removed from the Water Enterprise Fund. The balance of 1998 refunded certificates outstanding as of June 30, 2011 is \$11,960,000.

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: Contracts Payable and Defeased Certificates of Participation (Continued)

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,119,886. This difference, to be reported in the financial statements as a deduction from contracts payable, is being charged to operations through the fiscal year ending June 30, 2021 using the effective interest method. The balance payable as of June 30, 2011, including deferred gain of \$1,014,739, and net of unamortized discount of \$1,684,332 is \$7,242,143. Debt service requirements to maturity on the contract, which includes imputed interest, are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2012	\$ 498,561	\$ 292,613	\$ 791,174
2013	522,745	268,428	791,173
2014	548,105	243,069	791,174
2015	574,694	216,480	791,174
2016	602,571	188,602	791,173
2017-2021	3,480,738	475,130	3,955,868
	<u>\$ 6,227,414</u>	<u>\$ 1,684,322</u>	<u>\$ 7,911,736</u>

On April 23, 2002, the City borrowed \$4,127,516 from the DOWR, at an interest rate of 0%, to refund a previous DOWR contract having a balance of \$4,852,058 with an interest rate of 3.0315 %. The City also paid \$724,542 towards the refunding. As result, the previous contract has been repaid and the liability has been removed from the Water Enterprise Fund.

There is no difference between the reacquisition price and the carrying amount of the old debt. The balance payable as June 30, 2011, including deferred gain of \$322,861, and net of unamortized discount of \$322,851 is \$2,166,954. Debt service requirements to maturity which includes imputed interest, are as follows:

Fiscal Year Ending June 30,	Principal	Imputed Interest	Total
2012	\$ 151,613	\$ 54,763	\$ 206,376
2013	156,244	50,132	206,376
2014	161,016	45,360	206,376
2015	165,935	40,441	206,376
2016	171,003	35,373	206,376
2017-2021	936,627	95,251	1,031,878
2022-2023	101,645	1,541	103,186
	<u>\$ 1,844,083</u>	<u>\$ 322,861</u>	<u>\$ 2,166,944</u>

Water Enterprise Fund: Revenue Bonds Payable

On October 1, 2004, the City participated in a pooled revenue bond issue with the California Statewide Communities Development Authority (CSCDA). The CSCDA issued \$4,000,000 of revenue bonds on behalf of the City for its Water enterprise fund, at an average interest rate of 4.37% and a final maturity of October 1, 2024. The balance payable as of June 30, 2011, including unamortized premium of \$21,470 is \$3,081,470. The balance of unamortized costs of issuance is \$70,395. Debt service requirements to maturity on the revenue bonds are as follows:

CITY OF BRAWLEY
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Water Enterprise Fund: Revenue Bonds Payable (Continued)

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 170,000	\$ 130,108	\$ 300,108
2013	175,000	124,499	299,499
2014	180,000	118,418	298,418
2015	185,000	111,892	296,892
2016	195,000	104,859	299,859
2017-2021	1,085,000	397,809	1,482,809
2022-2025	1,070,000	110,000	1,180,000
	<u>\$ 3,060,000</u>	<u>\$ 1,097,585</u>	<u>\$ 4,157,585</u>

Water Enterprise Fund: Water District Bonds Payable

On June 1, 1977, the Brawley County Water District issued Bonds totalling \$368,000. Subsequently, the Brawley County Water District was annexed by the City at which time these outstanding bonds became a reportable obligation of the City. All funds to pay the outstanding bonds continue to be collected and paid by the County of Imperial. The bonds bear interest at a rate of 5% with a final maturity date of June 1, 2017. The balance as of June 30, 2011 is \$109,000. Debt service requirements to maturity on the Water District Bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 16,500	\$ 5,450	\$ 21,950
2013	17,000	4,625	21,625
2014	18,100	3,775	21,875
2015	18,100	2,870	20,970
2016	19,100	1,965	21,065
2017	20,200	1,010	21,210
	<u>\$ 109,000</u>	<u>\$ 19,695</u>	<u>\$ 128,695</u>

Wastewater Enterprise Fund: Contracts Payable

As of June 30, 2011, the City has received advances totalling \$2,759,775 from the California Infrastructure and Economic Development Bank (CIEDB). The purpose is to help finance improvements to the wastewater system. The balance payable as of June 30, 2011 is \$1,837,250. Debt service requirements to maturity on the contract are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 146,273	\$ 46,220	\$ 192,493
2013	150,105	42,337	192,442
2014	154,038	38,353	192,391
2015	158,074	34,265	192,339
2016	162,215	30,069	192,284
2017-2021	877,098	83,454	960,552
2022-2023	189,447	2,482	191,929
	<u>\$ 1,837,250</u>	<u>\$ 277,180</u>	<u>\$ 2,114,430</u>

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 7 – LONG-TERM DEBT (CONTINUED)

Wastewater Enterprise Fund: Certificates of Participation

On December 11, 1997, the City of Brawley Public Improvement Corporation sold Certificates of Participation in the amount of \$2,845,000 with an average interest rate of 4.62% to refund on a current basis \$2,520,000 of outstanding 1987 Certificates of Participation with an average interest rate of 7.00%. The Certificates are payable solely from lease payments pursuant to a lease agreement between the City and the Public Improvement Corporation. The City is required under the lease agreement to make lease payments as rental for use and possession of the wastewater treatment facility which are equal to the debt service requirements of the Certificates. The balance payable as of June 30, 2011, net of unamortized discount of \$25,614 is \$974,386. Debt service requirements to maturity on the certificates of participation are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	\$ 180,000	\$ 50,000	\$ 230,000
2013	190,000	41,000	231,000
2014	200,000	31,500	231,500
2015	210,000	21,500	231,500
2016	220,000	11,000	231,000
	<u>\$ 1,000,000</u>	<u>\$ 155,000</u>	<u>\$ 1,155,000</u>

NOTE 8 – RISK MANAGEMENT

An internal service fund is used to account for the City’s risk management and insurance programs, including self-insurance, commercial insurance, and participation in a public entity risk pool. Operating revenues of this fund consist of payments from other City funds and are based upon estimated cost of excess insurance premiums, self-insurance losses, and other operating expenses.

The City is self-insured for unemployment claims. Health insurance is purchased from an independent carrier. The City is a member of the California Joint Powers Insurance Authority (Authority) for workers’ compensation and for liability and property damage coverage as outlined below.

The Authority is a consortium of 107 California public entities. The Authority’s governing board consists of one member from each participating agency and is responsible for the selection of management as well as budgeting and financing. Insurance activities are financed by charges to members, and no long-term debt has been incurred. Actual annual premiums are determined using a retrospective method. At June 30, 2010, and as in the prior fiscal year, the City was self-insured for each general liability loss to the extent of \$30,000. At June 30, 2010, and as in the prior fiscal year, the City was self-insured for each workers’ compensation loss to the extent of \$50,000. Losses above \$30,000 for general liability, and above \$50,000 for workers’ compensation, are shared by the participating agencies, or covered by excess insurance coverage obtained by the Authority.

The City has had no settlements which exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage from the prior year.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial. The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a materially adverse effect on the financial position of the City.

NOTE 9 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

SERAF Contingency

During the fiscal year 2008-2009, the State of California experienced a severe budgetary crisis. Various “budget trailer bills” were passed by the state legislature to balance the state’s budget, including bills that required California redevelopment agencies to transfer funds to the Educational Revenue Augmentation Fund (ERAF) and Supplemental Educational Revenue Augmentation Fund (SERAF) administered by the various county auditor-controllers. Noted below is a general explanation of the ERAF and SERAF legislation, together with the effect of this legislation on the Brawley Redevelopment Agency (the Agency).

ERAF Contribution

Pursuant to AB 1389, a budget trailer bill, California redevelopment agencies were required to make ERAF contributions totaling \$350 million.

In response to AB 1389, the California Redevelopment Association (CRA) filed a lawsuit against the State of California (California Redevelopment Association et al v. Genest), challenging the constitutionality of the required ERAF contributions. On April 30, 2009, the Sacramento Superior Court held in favor of CRA, ruling that AB 1389 was unconstitutional. On September 28, 2009, the State of California announced its decision not to appeal the decision in “Genest”. Accordingly, the Superior Court’s decision is now final and binding, and California redevelopment agencies will not be required to make the ERAF contributions pursuant to AB 1389.

SERAF Contributions

Pursuant to AB 26 4x, a budget trailer bill, California redevelopment agencies were required to make SERAF contributions totaling \$1.7 billion for the fiscal year 2009-2010 and \$350 million for the fiscal year 2010-2011. Under AB 26 4x, agencies may borrow a portion of the required contributions from their low and moderate income housing fund. Alternatively, sponsoring governmental agencies (the cities or counties) may elect to pay the SERAF contributions on behalf of their redevelopment agencies. On October 20, 2009, the (CRA) filed a class action lawsuit on behalf of all California redevelopment agencies challenging the SERAF obligations as unconstitutional.

The Agency’s SERAF contributions are \$137,000 for the fiscal year 2010-2011 and estimated to be \$234,000 for 2011-2012. It is the position of Agency officials that the SERAF contributions required by AB 26 4x are unconstitutional, and that the Agency is not obligated to make these contributions, however, the Agency has made the contribution for 2010-2011.

NOTE 10 – NON-COMMITMENT DEBT

The City issued \$5,200,000 of multifamily housing revenue bonds through the California Statewide Communities Development Authority (CSCDA) to assist a developer in the construction of an apartment complex for senior citizens, including those of low income. The bonds are secured by the property financed and are payable solely from income generated by the property. The City is not obligated in any manner for repayment of the bonds and accordingly, the bonds are not recorded as liabilities in the accompanying financial statements. As of June 30, 2011, the amounts of bonds outstanding totaled \$5,200,000.

Also, to assist in the construction of this apartment complex, the City received a grant from the Home Investment Partnerships (HOME) Program, and \$3,400,000 of the grant was loaned to the developer. The terms of the loan provide for an interest rate of 1 percent and a repayment term of 55 years, with payments to be made from the “residual receipts” of the project as defined in the loan agreement.

NOTE 11 – JOINT VENTURES

Local Transportation Authority:

The City is a participant, along with Imperial County and the other cities in the county, in the Imperial County Local Transportation Authority (LTA). The LTA is considered a joint venture without equity interest. The City is also not obligated in any manner for debt of the LTA. Each participating jurisdiction appoints one member to the governing board of the LTA. The LTA was approved by voters of Imperial County at a special election on November 8, 1989. The ballot measure (Measure D) increased the sales tax in Imperial County by one-half of one percent (0.5%) for a period of twenty years, to provide funding for transportation improvements. The revenues are allocated to each participating jurisdiction based on a formula contained in the ballot measure.

NOTE 11 – JOINT VENTURES (CONTINUED)

On May 8, 2003 the LTA issued \$6,670,000 of sales tax refunding and new money bonds to refund on a current basis all of a previous bond issue and to fund certain transportation projects for the City and another member of the LTA. The amount made available to the City by this issue was \$1,849,216. The LTA has pledged the City's share of sales tax revenue as security for the amount. The amount received this fiscal year as shown above is net of the City's share of debt service required on this bond issue. The City has no other liability for the debt.

Additional financial information on the LTA is available from the Imperial County Public Works Department.

Imperial Valley Emergency Communications Authority:

The City is a participant, along with Imperial County and the other cities in the county, in the Imperial Valley Emergency communications authority (IVECA). IVECA is considered a joint venture without equity interest. The purpose of IVECA is to extend an 800 MHz radio system from San Diego into Imperial County, to provide improved communications for public safety and emergency services. IVECA has entered into a lease purchase agreement with Motorola Inc. to provide the infrastructure system needed. The City's cost of the lease purchase agreement is \$63,715 per year for seven years, and began in the fiscal year ended June 30, 2004. It is also anticipated that IVECA will provide centralized dispatching services throughout Imperial County at some point in the future.

NOTE 12 – EMPLOYEE RETIREMENT SYSTEMS AND PLANS

A. Plan Description

The City's defined benefit pension plan, the California Public Employees' Retirement System, provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The California Public Employees' Retirement System is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400 P Street - Sacramento, CA 95814.

B. Funding Policy

The City pays 7% (9% for safety employees) of annual covered salary for active plan members in the City's defined pension plan. The City makes the contributions required of the City employees on their behalf and for their account. The City is required to contribute at an actuarially determined combined rate of 13.309% for miscellaneous employees and 32.181% for safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS. The City's contributions to CalPERS for the miscellaneous plan for the fiscal years ending June 30, 2011, 2010, and 2009 were \$754,826, 603,260, and \$531,864 respectively, and equal to 100% of the required contributions for each fiscal year. The City's contributions to CalPERS for the safety plan for the fiscal years ending June 30, 2011, 2010, and 2009 were \$1,002,678, \$936,152, and \$711,746 respectively and equal to 100% of the required contributions for each fiscal year.

NOTE 13 – SUBSEQUENT EVENTS

On June 28, 2011, the California Legislature adopted Assembly Bill XI 26 (Dissolution Act) and Assembly Bill XI 27 (Continuation Act) (additional information on this legislation is available in Note 12). The California Redevelopment Association, the League of California Cities, and two cities have sued to prevent enforcement of the Acts. On August 11, 2011, the Supreme Court of California (Supreme Court) agreed to hear the lawsuit and committed to issuing a decision by January 15, 2012. The Supreme Court also issued a stay of many elements of the Acts, including dissolution, County actions required for continuation, and the required payment, until the Supreme Court rules on the merits of the case. The deadlines imposed by the Acts with respect to affirmation of continuation are expected to be re-set by the Supreme Court at that time, depending on its decision. If the Supreme Court upholds these Acts, the realization of any costs related to the Continuation Act is subject to an action by the City Council taken subsequent to the issuance of this report. Should the City Council elect to discontinue the Agency, it would then be dissolved and its rights, obligations and responsibilities would be assigned to a successor agency. If the Supreme Court upholds these Acts, the City Council will consider the ordinance required for continuation of the Agency subsequent to the issuance of this report.

CITY OF BRAWLEY
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 13 – SUBSEQUENT EVENTS (CONTINUED)

On August 22, 2011, the Redevelopment Agency adopted the Enforceable Obligation Payment Schedule. On September 15, 2011, the Redevelopment Agency adopted the draft Recognized Obligation Payment Schedule. No other actions have been taken in light of the stay orders issued by the California Supreme Court *California Redevelopment Assn. v. Matosantos* (S194861). If the Dissolution Act and Continuation Act are upheld, the Agency will be required to make a determination to continue or to dissolve the Agency. These actions will be taken subsequent to the issuance of this report.

On December 29, 2011, the State Supreme Court upheld that the State's Assembly Bill XI 26 (Dissolution Act) was not unconstitutional, but that the State's Assembly Bill XI 27 (Continuation Act) was unconstitutional. On January 10, 2012, the City adopted a resolution to elect the City as the Successor Agency of the Brawley Community Redevelopment Agency and the Successor Housing Agency of the Brawley Community Redevelopment Agency, pursuant to Assembly Bill XI 26. On January 30, 2012, the City adopted a resolution to establish a budgetary fund relating to the Successor Agency of the Brawley Community Redevelopment Agency. As the Successor Agency, the City also readopted the Enforceable Obligation Payment Schedule. The City also established a budgetary fund to account for the housing activities of the dissolved Community Redevelopment Agency.

NOTE 14 – MANAGEMENT'S REVIEW OF SUBSEQUENT EVENTS

In preparing the accompanying financial statement, City management has reviewed all known events that have occurred after June 30, 2011, and through March 29, 2012, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Utility users	\$ 1,777,000	\$ 1,777,000	\$ 1,956,496	\$ 179,496
Transient lodging	240,000	240,000	287,238	47,238
Franchise	450,000	450,000	670,356	220,356
Business license	45,000	45,000	30,032	(14,968)
Licenses and permits	71,500	71,500	308,163	236,663
Fines and forfeitures	98,000	98,000	594,749	496,749
Use of money and property	20,000	20,000	37,629	17,629
Intergovernmental	6,212,002	6,212,002	6,910,536	698,534
Charges for services	3,446,096	3,446,096	3,086,932	(359,164)
Miscellaneous	400,706	400,706	93,280	(307,426)
Total revenues	12,760,304	12,760,304	13,975,411	1,215,107
EXPENDITURES				
Current:				
General government	2,032,114	2,032,114	2,322,019	(289,905)
Public safety	7,862,377	7,862,377	8,421,731	(559,354)
Culture and leisure	2,405,240	2,405,240	2,760,563	(355,323)
Community development	1,908,734	1,908,734	1,480,614	428,120
Total expenditures	14,208,465	14,208,465	14,984,927	(776,462)
Net change in fund balance	(1,448,161)	(1,448,161)	(1,009,516)	438,645
Fund Balance - July 1, 2010	6,102,308	6,102,308	6,102,308	
Fund Balance - June 30, 2011	\$ 4,654,147	\$ 4,654,147	\$ 5,092,792	\$ 438,645

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC & COMMUNITY DEVELOPMENT FUND
For the Fiscal Year Ended June 30, 2011

	Budget Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 281,000	\$ 281,000	\$ 276,374	\$ (4,626)
Intergovernmental			32,296	32,296
Total revenues	281,000	281,000	308,670	27,670
EXPENDITURES				
Current:				
Community development	531,000	531,000	88,157	442,843
Total expenditures	531,000	531,000	88,157	442,843
Net change in fund balance	(250,000)	(250,000)	220,513	470,513
Fund Balance - July 1, 2010	654,384	654,384	654,384	
Fund Balance - June 30, 2011	<u>\$ 404,384</u>	<u>\$ 404,384</u>	<u>\$ 874,897</u>	<u>\$ 470,513</u>

OTHER SUPPLEMENTARY INFORMATION

CITY OF BRAWLEY
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CRA CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2011

	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Use of money and property	\$ 75,000	\$ 44,256	\$ (30,744)
Intergovernmental	1,425,000	1,092,987	(332,013)
Miscellaneous	40,000		(40,000)
Total revenues	1,540,000	1,137,243	(402,757)
EXPENDITURES			
Current:			
Community development	1,303,843	1,389,752	(85,909)
Capital outlay	877,268	741,570	135,698
Total expenditures	2,181,111	2,131,322	49,789
Net change in fund balance	(641,111)	(994,079)	(352,968)
Fund Balance - July 1, 2010	1,239,503	1,239,503	
Fund Balance - June 30, 2011	\$ 598,392	\$ 245,424	\$ (352,968)

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted for particular purposes.

Gas Tax Fund – To account for City’s share of state gas tax revenue restricted for street improvements and maintenance.

SB 325 Fund – To account for revenue received from the State under Article 8(a) of the Transportation Development Act (Section 99400(a) of the Public Utilities Code). Uses are restricted to local streets and roads.

Measure D Fund – To account for revenue received from the Local Transportation Authority for the City’s portion of the ½% local sales tax revenue for a 20 year street rehabilitation program. Uses are restricted to those purposes necessary and convenient for the maintenance, operation, and construction of local streets and roads.

Pedestrian & Bicycle Facilities Fund – To account for revenue received from the State under Article 3 of the Transportation Development Act (Section 99234 of the Public Utilities Code). Uses are restricted to facilities for exclusive use by pedestrians and bicycles.

Downtown Parking Fund – To account for fees collected from merchants in the downtown business district to provide parking facilities in the downtown area.

Dial –a- Ride Fund – To account for revenues received from the State under Article 8(c) of the Transportation Development Act (Section 99400(c) of the Public Utilities Code), and for fares collected from users. Uses are to provide mass transit services to the general public.

Law Enforcement Fund – To account for revenues received by the City as a result of its participation in a task force with other law enforcement agencies in the area, and to account for revenues of various federal and state grants for law enforcement.

CRA Housing Fund – To account for the 20 percent tax revenue received by the Community Development Agency that is restricted for improving the City’s supply of housing for persons and families of low or moderate income.

Assessment Districts Fund – To account for the collection of assessments from property owners and the associated expenditures for the maintenance of landscaped areas within the district, and to account for revenues and expenditures of Community Facilities Districts (CFD).

CAPITAL PROJECTS FUNDS

Capital Projects funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Parks Projects Fund – To account for Parkland dedication fees prescribed by the Quimby Act and other revenues designated for improvements to public parks.

Development Impact Fund – To account for fees paid by developers to offset the cost of providing public facilities for police, fire, parks, recreation, library, and other public facilities and for street construction.

DEBT SERVICE FUND

The **Debt Service Fund** accounts for the accumulation of resources to pay principal and interest on long-term debt obligations.

CITY OF BRAWLEY
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	Special Revenue Funds				
	Gas Tax	SB 325	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking
ASSETS					
Cash and investments	\$ 247,005	\$ 359,892	\$ 619,475	\$ 159,521	\$ -
Restricted cash and investments with fiscal agents					
Interest receivable	233	359	596	166	
Due from other governments	3,234				
Total assets	\$ 250,472	\$ 360,251	\$ 620,071	\$ 159,687	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 126,244	\$ 4,421	\$ (1,307)	\$ 105,238	\$ -
Deposits payable		326,342			
Due to other funds					1,531
Total liabilities	126,244	330,763	(1,307)	105,238	1,531
Fund balances:					
Restricted for:					
Streets and roads	124,228	29,488	621,378	54,449	
Public safety					
Community development					
Assessment districts					
Debt Service					
Parks and recreation					
Unassigned					(1,531)
Total fund balances <deficits>	124,228	29,488	621,378	54,449	(1,531)
Total liabilities and fund balances	\$ 250,472	\$ 360,251	\$ 620,071	\$ 159,687	\$ -

Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
Dial -a- Ride	Law Enforcement	CRA Housing	Assessment Districts	Debt Service	Park Projects	Development Impact	
\$ 12,012	\$1,087,454	\$ 2,010,586	\$ 345,533	#####	\$ 100,901	\$ 1,847,478	\$ 7,407,995
			35,597	374,763			410,360
	1,068	1,961	400	749	117	1,910	7,559
	79,894						83,128
<u>\$ 12,012</u>	<u>\$1,168,416</u>	<u>\$ 2,012,547</u>	<u>\$ 381,530</u>	<u>#####</u>	<u>\$ 101,018</u>	<u>\$ 1,849,388</u>	<u>\$ 7,909,042</u>
\$ -	\$ 1,024	\$ 13,741	\$ (338)	\$ 6,046	\$ 77	\$ 65,489	\$ 320,635
							326,342
							1,531
	1,024	13,741	(338)	6,046	77	65,489	648,508
12,012							841,555
	1,167,392						1,167,392
		1,998,806				1,783,899	3,782,705
			381,868				381,868
				987,604			987,604
					100,941		100,941
							(1,531)
<u>12,012</u>	<u>1,167,392</u>	<u>1,998,806</u>	<u>381,868</u>	<u>987,604</u>	<u>100,941</u>	<u>1,783,899</u>	<u>7,260,534</u>
<u>\$ 12,012</u>	<u>\$1,168,416</u>	<u>\$ 2,012,547</u>	<u>\$ 381,530</u>	<u>#####</u>	<u>\$ 101,018</u>	<u>\$ 1,849,388</u>	<u>\$ 7,909,042</u>

CITY OF BRAWLEY

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2011

	Special Revenue Funds				
	Gas Tax	SB 325	Measure D	Pedestrian & Bicycle Facilities	Downtown Parking
REVENUES					
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services					520
Use of money and property	1,012	718	1,408	596	
Intergovernmental	590,026		1,398,852	21,827	
Miscellaneous					
Total revenues	591,038	718	1,400,260	22,423	520
EXPENDITURES					
Current:					
Public safety					
Community development					
Transportation	509,429		845,465		1,500
Capital outlay				105,238	
Debt service:					
Principal					
Interest and fiscal charges					
Intergovernmental expenditures					
Total expenditures	509,429		845,465	105,238	1,500
Net change in fund balances	81,609	718	554,795	(82,815)	(980)
Fund Balances (Deficit) - beginning of fiscal year	42,619	28,770	66,583	137,264	(551)
Fund Balances (Deficit) - end of fiscal year	\$ 124,228	\$ 29,488	\$ 621,378	\$ 54,449	\$ (1,531)

Special Revenue Funds				Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
Dial -a-Ride	Law Enforcement	CRA Housing	Assessment Districts	Debt Service	Park Projects	Development Impact	
\$ -	\$ -	\$ -	\$ 157,928	\$ -	\$ -	\$ -	\$ 157,928
26,142	26,828						53,490
	3,473	7,448	1,312	3,199	1,025	8,934	29,125
198,630	660,563	405,033		394,440		248,216	3,917,587
					5,840		5,840
224,772	690,864	412,481	159,240	397,639	6,865	257,150	4,163,970
	129,603						129,603
		242,696	24,663	1,700	46,348	11,671	327,078
198,120							1,554,514
	91,400				359,543	399,490	955,671
				115,000			115,000
				259,000			259,000
		30,440					30,440
198,120	221,003	273,136	24,663	375,700	405,891	411,161	3,371,306
26,652	469,861	139,345	134,577	21,939	(399,026)	(154,011)	792,664
(14,640)	697,531	1,859,461	247,291	965,665	499,967	1,937,910	6,467,870
\$ 12,012	\$ 1,167,392	\$ 1,998,806	\$ 381,868	\$ 987,604	\$ 100,941	\$ 1,783,899	\$ 7,260,534

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CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
JUNE 30, 2011

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government unites, on a cost reimbursement basis.

Maintenance Fund – To account for the costs of maintenance of the City’s fleet of vehicles and certain public facilities.

Risk Management Fund – To account for the costs of providing insurance, including risks retained by the City, for general liability, property damage, unemployment benefits, workers’ compensation and employee health benefits. This fund also finances postemployment health care benefits provided to retirees and to former employees.

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2011

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 1,191,707	\$ 764,035	\$ 1,955,742
Interest receivable	1,272	678	1,950
Due from other governments	160,941		160,941
Prepaid expenditures		819,292	819,292
Total Current Assets	<u>1,353,920</u>	<u>1,584,005</u>	<u>2,937,925</u>
Noncurrent Assets:			
Capital Assets:			
Improvements other than buildings	298,092	119,032	417,124
Equipment	1,926,381		1,926,381
Total Capital Assets	2,224,473	119,032	2,343,505
Less Accumulated Depreciation	(1,240,745)		(1,240,745)
Net Capital Assets	<u>983,728</u>	<u>119,032</u>	<u>1,102,760</u>
Total Noncurrent Assets	<u>983,728</u>	<u>119,032</u>	<u>1,102,760</u>
Total Assets	<u>2,337,648</u>	<u>1,703,037</u>	<u>4,040,685</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	19,095	96,430	115,525
Total Current Liabilities	<u>19,095</u>	<u>96,430</u>	<u>115,525</u>
Noncurrent Liabilities:			
Compensated absences	11,348		11,348
Claims payable		6,682	6,682
Total Noncurrent Liabilities	<u>11,348</u>	<u>6,682</u>	<u>18,030</u>
Total Liabilities	<u>30,443</u>	<u>103,112</u>	<u>133,555</u>
NET ASSETS			
Invested in capital assets, net of related debt	983,728		983,728
Unrestricted	1,323,477	1,599,925	2,923,402
Total Net Assets	<u>\$ 2,307,205</u>	<u>\$ 1,599,925</u>	<u>\$ 3,907,130</u>

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS
For the Fiscal Year Ended June 30, 2011

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Revenues:			
Charges for services	\$ 353,864	\$ 1,946,710	\$ 2,300,574
Use of money and property	534,395		534,395
Total Revenues	<u>888,259</u>	<u>1,946,710</u>	<u>2,834,969</u>
Expenses:			
Salary and benefits	244,390		244,390
Supplies and services	363,877	1,471,897	1,835,774
Depreciation	169,657		169,657
Total Expenses	<u>777,924</u>	<u>1,471,897</u>	<u>2,249,821</u>
Operating Income (Loss)	<u>110,335</u>	<u>474,813</u>	<u>585,148</u>
Non-Operating Revenue (Expenses)			
Intergovernmental revenue	160,941	717	161,658
Interest income	4,165	1,986	6,151
Total Non-Operating Revenue	<u>165,106</u>	<u>2,703</u>	<u>167,809</u>
Change in Net Assets	275,441	477,516	752,957
Net Assets - Beginning of Fiscal Year	<u>2,031,764</u>	<u>1,122,409</u>	<u>3,154,173</u>
Net Assets - End of Fiscal Year	<u>\$ 2,307,205</u>	<u>\$ 1,599,925</u>	<u>\$ 3,907,130</u>

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2011

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from users	\$ 888,259	\$ 1,946,710	\$ 2,834,969
Cash payments to suppliers and contractors	(356,154)	(1,513,066)	(1,869,220)
Cash payments for employees and benefit programs	(243,547)		(243,547)
Net Cash Provided (Used) By Operating Activities	<u>288,558</u>	<u>433,644</u>	<u>722,202</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Intergovernmental revenue	<u>166,138</u>	<u>717</u>	<u>166,855</u>
Net Cash Provided (Used) By Non-Capital Financing Activities	<u>166,138</u>	<u>717</u>	<u>166,855</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets		<u>(119,032)</u>	<u>(119,032)</u>
Net Cash Provided (Used) By Capital and Related Financing Activities		<u>(119,032)</u>	<u>(119,032)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>3,722</u>	<u>2,554</u>	<u>6,276</u>
Net Cash Provided In Investing Activities	<u>3,722</u>	<u>2,554</u>	<u>6,276</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>458,418</u>	<u>317,883</u>	<u>776,301</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF FISCAL YEAR	<u>733,289</u>	<u>446,152</u>	<u>1,179,441</u>
CASH AND CASH EQUIVALENTS, END OF FISCAL YEAR	<u>\$ 1,191,707</u>	<u>\$ 764,035</u>	<u>\$ 1,955,742</u>
Reconciliation with Statement of Net Assets			
Cash and investments	<u>\$ 1,191,707</u>	<u>\$ 764,035</u>	<u>\$ 1,955,742</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,191,707</u>	<u>\$ 764,035</u>	<u>\$ 1,955,742</u>

(Continued)

CITY OF BRAWLEY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2011 (Continued)

	<u>Maintenance</u>	<u>Risk Management</u>	<u>Totals</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>\$ 110,335</u>	<u>\$ 474,813</u>	<u>\$ 585,148</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:			
Depreciation	169,657		169,657
Increase (Decrease) compensated absences	844		844
Increase (Decrease) accounts payable and accrued liabilities	<u>7,722</u>	<u>(41,169)</u>	<u>(33,447)</u>
Total Adjustments	<u>178,223</u>	<u>(41,169)</u>	<u>137,054</u>
Net Cash Provided (Used) By Operating Activities	<u><u>\$ 288,558</u></u>	<u><u>\$ 433,644</u></u>	<u><u>\$ 722,202</u></u>

CITY OF BRAWLEY, CALIFORNIA

SINGLE AUDIT REPORT

June 30, 2011

City of Brawley
Single Audit Report

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's 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	1
Independent Auditor's Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	3
Schedule of Expenditures of Federal Awards	5
Notes to the Schedule of Expenditures of Federal Awards	6
Schedule of Findings and Questioned Costs	10
Status of Prior Year's Findings	16



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**INDEPENDENT AUDITOR'S 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***

To the Honorable Mayor and Members of the City Council
of the City of Brawley
Brawley, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Brawley (City) as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated March 31, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (Findings 2011-1 to 2011-4).

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 charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency (Findings 2011-5).

1

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City Council, management, 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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 31, 2012



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133**

To the Honorable Mayor and Members of the City Council
of the City of Brawley
Brawley, California

Compliance

We have audited the City of Brawley's (City) 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 City's major federal programs for the fiscal year ended June 30, 2011. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 City'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. Our audit does not provide legal determination on the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2011.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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 City'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 non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies, or material weaknesses. We noted no deficiencies in internal control over compliance that we considered to be a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City as of and for the fiscal year ended June 30, 2011, and have issued our report thereon dated March 31, 2012 which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the City Council, management, others within the entity, 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.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 31, 2012

City of Brawley
Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2011

Federal Grantor/ Pass -Through Grantor	Federal CFDA Number	Agency or Pass-Through Program Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Passed through California Department of Housing and Community Development: Community Development Block Grant	14.228	N/A	\$ 28,000
Total U.S. Department of Housing and Urban Development			<u>28,000</u>
U.S. Department of Homeland Security:			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-04111	99,511
FEMA/Cal-EMA	97.036	OES-ID No.025-08058	31,977
Total U.S. Department of Homeland Security			<u>131,488</u>
U.S. Department of Transportation:			
Passed through State of California Department of Transportation:			
Highway Planning and Construction	20.205	SRTSLNI-5167-021	29,398
ARRA - Highway Planning and Construction	20.205	ESPLE-5167-025	104,128
Highway Planning and Construction- CMAQ	20.205	CML 5167-023	24,429
Highway Planning and Construction- CMAQ	20.205	CML 5167-026	7,237
ARRA - Cal-Trans/Division of Mass Transportation	20.207	3-06-0028-13-2010	81,390
Total U.S. Department of Transportation			<u>246,582</u>
Federal Aviation Administration:			
Airport Improvement Program	20.106	649835-A-1	72,593
Total Federal Aviation Administration			<u>72,593</u>
U.S. Environmental Protection Agency:			
Passed through State of California State Water Resources Control Board:			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	08-848-550	14,994,742
Total U.S. Environmental Protection Agency			<u>14,994,742</u>
Executive Office of the President:			
High intensity Drug Trafficking Areas Program	95.001	N/A	101,709
Total Executive Office of the President			<u>101,709</u>
U.S. Department of Justice:			
ARRA - Public Safety Partnership and Community Policing Grants	16.710	09-rkwx0107	150,537
Asset Forfeiture Grant	16.000	n/a	110,479
FBI - Street Task Force	16.000	n/a	3,162
Total U.S. Department of Justice			<u>264,178</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 15,839,292</u>

See accompanying notes to the schedule of expenditures of federal awards

City of Brawley

Notes to the Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2011

1. REPORTING ENTITY

The financial reporting entity consists of (a) the primary government, City of Brawley (City), and (b) component units which include organizations for which the primary government is financially accountable, and other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units of the City are:

- Brawley Community Development Agency
- Brawley Public Improvement Corporation

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within special revenue, capital projects, and enterprise funds of the City. The City utilizes the modified accrual method of accounting for the special revenue, and capital projects funds. The City utilizes the accrual method of accounting for the enterprise funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly.

Schedule of Expenditures of Federal Awards

The accompanying Schedule presents the activity of all federal financial assistance programs of the City. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the State of California is included in the schedule.

The Schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the City.

3. PROGRAM DESCRIPTIONS

U. S. Department of Housing and Urban Development

Community Development Block Grant (CDBG)

The Community Development Block Grant (CDBG) Program was authorized under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG Program is the development of viable urban communities by providing adequate housing, a suitable living environment, and expansion of economic opportunities, principally for persons of low to moderate income. Under this program, the Department of Housing and Urban Development (HUD) distributes funds based upon approved applications to eligible local governmental units for the purpose of community improvement and betterment. The City uses CDBG funds to finance a comprehensive home improvement program that assists low and moderate income residents through low interest subsidies and deferred loans.

City of Brawley

Notes to the Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2011

3. PROGRAM DESCRIPTIONS (Continued)

U. S. Department of Homeland Security

Assistance to Firefighters Grant

The Assistance to Firefighters Grant is intended to provide funding directly to fire departments and emergency medical services (EMS) organizations of a State for the purpose of enhancing departments' abilities to protect the health and safety of the public, as well as that of firefighting personnel, facing fire and fire-related hazards.

FEMA/Cal-EMA

The object of the FEMA/Cal-EMA grant is to assist State and local governments in responding to and recovering from the devastating effects of disasters by providing assistance for debris removal, emergency protective measures and the repair, restoration, reconstruction or replacement of public facilities or infrastructure damaged or destroyed.

U. S. Department of Transportation

Highway Planning and Construction

The objective of the Highway Planning and Construction cluster is to: (1) assist states in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the national highway system, including interstate highways and most other public roads; (2) provide aid for the repair of roads following disasters; (3) foster safe highway design and replace or rehabilitate structurally deficient or functionally obsolete bridges; and (4) provide for other special purposes.

U. S. Department of Transportation – Federal Aviation Administration

Airport Improvement Program

The objective of the Airport Improvement Program is to assist sponsors, owners, or operators of public-use airports in the development of a nationwide system of airports adequate to meet the needs of civil aeronautics. The purpose of the law includes the investment in transportation, environmental protection, and airport infrastructure that will provide long-term economic benefits.

U. S. Environmental Protection Agency

Clean Water State Revolving Funds

To create State Revolving Funds (SRFs) through a program of capitalization grants to States which will provide a long term source of State financing for construction of wastewater treatment facilities and implementation of other water quality management activities. Funding Priority - Fiscal Year 2011: Capitalization grants are available to each State for the purpose of establishing a Clean Water SRF for providing assistance for: (1) construction of publicly owned wastewater treatment works; (2) implementing nonpoint source management activities included in State Plans developed pursuant to Section 319; and (3) developing and implementing an estuary comprehensive conservation and management plan under Section 320. The capitalization grant is deposited in the State's SRF, which is used to provide loans and other types of financial assistance, to local communities and intermunicipal and interstate agencies.

City of Brawley

Notes to the Schedule of Expenditures of Federal Awards
For the fiscal year ended June 30, 2011

3. PROGRAM DESCRIPTIONS (Continued)

U. S. Department of Justice

Public Safety Partnership and Community Policing Grant, FBI Street Task Force

The object of these grants is to advance the practice of community policing as an effective strategy in communities' efforts to improve public safety. COPS grants support innovative programs that respond directly to the existing and emerging needs of state, local, and tribal law enforcement, to shift law enforcements focus to preventing, rather than solely responding to crime and disorder within their communities; develop state-of-the-art training and technical assistance to enhance law enforcement officers problem- solving and community interaction skills, promote collaboration between law enforcement and community members to develop innovative initiatives to prevent crime, and provide responsive, cost effective service delivery to our grantees to ensure success in advancing community policing strategies within their communities.

Law Enforcement Assistance – Asset Forfeiture Program

The Department of Justice Asset Forfeiture Program (the Program) is a nationwide law enforcement initiative that removes the tools of crime from criminal organizations, deprives wrongdoers of the proceeds of their crimes, recovers property that may be used to compensate victims, and deters crime. The most important objective of the Program is law enforcement. Equitable sharing further enhances this law enforcement objective by fostering cooperation among federal, state, and local law enforcement agencies.

Executive Office of the President

High Intensity Drug Trafficking Areas Program

The object of the High Intensity Drug Trafficking Areas Program is to reduce drug trafficking and drug production in the United States by-- (A) facilitating cooperation among Federal, State, local, and tribal law enforcement agencies to share information and implement coordinated enforcement activities; (B) enhancing law enforcement intelligence sharing among Federal, State, local, and tribal law enforcement agencies; (C) providing reliable law enforcement intelligence to law enforcement agencies needed to design effective enforcement strategies and operations; and (D) supporting coordinated law enforcement strategies which maximize use of available resources to reduce the supply of illegal drugs in designated areas and in the United States as a whole.

CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	<u>Unqualified</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> X </u>	Yes	<u> </u> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> X </u>	Yes	<u> </u> None reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u> No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u> None reported

Type of auditor’s report issued on compliance for major programs:	<u>Unqualified</u>		
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510 (a)	<u> </u>	Yes	<u> X </u> No

Identification of major programs:

CFDA Number(s)

66.458

Name of Federal Program or Cluster

ARRA - Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 475,179</u>
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Auditee qualified as low-risk auditee:	<u> </u>	Yes	<u> X </u>	No
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CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2011

Section II – Findings – Financial Statement Audit

Material Weaknesses

2011-1 Finding - Lack of reconciliation of financial statements:

During the review of fund balance, it was noted that the City does not have procedures in place to reconcile the audited financial statements with the City's accounting records.

Effect:

Due to the lack of reconciliation of the audited financial statements to the City's accounting records, numerous entries that were reflected on the statements were not posted to the City accounting records, resulting in a misstatement of fund balances with the City's books and records. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile the City's accounting records to the audited financial statements.

Management's Response:

The City accepts this recommendation, due to a system conversion and management transition for the Finance Department. The Department did lack in this area as well as other areas set forth. In terms of the conversion, the City has encountered missing data from the general ledger in comparison to other accounting applications. When such situations have arrived we have been able to research and reconcile the missing data. We currently maintain the old operating system in order to assist in researching the conversion errors. Now moving forward, procedures are being developed and utilized in order to avoid many audit adjusting entries as indicated. Close to the end of fiscal year 2010, there was a change in management within the Finance Department which caused some loose ends with the reconciliation of such financial data in accordance with financial statement reconciliation.

2011-2 Finding - Lack of proper accruals of year end receivables and liabilities:

During the review of receivables and payables, it was noted that the City does not have adequate procedures in place to properly record year end accruals of receivables and payables. Numerous audit adjustments were necessary to correct year end balances.

Effect:

Due to the lack of procedures to properly record year end accruals of receivables and payables, the City has misstatements in receivable and payable balances as of year-end. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to properly record all year end accruals of receivables and payables in accordance with City policy and procedures as well as accounting standards generally accepted in the United States of America.

Management's Response:

There were many accruals required by audit adjusting entries. Many of these accruals were overlooked at year end in comparison from prior years. Due to short staffing levels and change in staff, many of these required entries were not completed. Discussions and procedures have been discussed with staff and will be implemented in order to have proper accruals of year end receivables and liabilities.

2011-3 Finding - Lack of reconciliation of long term liabilities:

During the review of long term liabilities, it was noted that the City does not have adequate procedures in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Effect:

Due to the lack of reconciliation of long term liabilities, entries that were needed to adjusted the accounting records of the City to match actual outstanding balances of long term liabilities were not made. Audit adjustments were needed to correct this issue.

CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2011

Section II – Findings – Financial Statement Audit (Continued)

Recommendation:

We recommend that the City ensure that adequate procedures are in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Management's Response:

The City will implement adequate procedures in order to account and reconcile the City's outstanding balances of long-term liabilities. There were a few items that were overlooked for the close of this fiscal year and will correct these issues and apply such recommendation.

2011-4 Finding – Utility billing system does not reconcile with general ledger:

During the review of the utility cash receipt system, it was noted that activity reported on the utility cash receipt system does not match information being posted to the City's general ledger.

Effect:

A lack of reconciliation between the utility cash receipt system and the City's general ledger could result in the misstatement of utility revenue and receivables for the fiscal year. Such misstatements were noted during our fieldwork and audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile information from the utility cash receipt system with the City's general ledger.

Management's response:

This is related to the system conversion that took place in March 2010. After research of this issue, it was discovered that entries were being double posted. Through normal procedures staff would prepare manual entries which the new utility billing application was processing automatically. Staff has researched all utility billing accounts, reconciled and has made the necessary adjustments.

Significant Deficiencies

2011-5 Finding - Bank reconciliations are not prepared in a timely manner:

During the review of bank reconciliations, it was noted that bank reconciliations are not being prepared in a timely manner.

Effect:

Without bank reconciliations being prepared in a timely manner, errors or misappropriations of funds could occur and go undetected.

Recommendation:

We recommend that the City ensure that bank reconciliations are prepared in a timely manner.

Management's response:

Bank reconciliations will be completed on a monthly basis.

CITY OF BRAWLEY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2011

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

None

CITY OF BRAWLEY
STATUS OF PRIOR YEAR'S FINDINGS
For the fiscal year ended June 30, 2011

Prior Year Findings – Financial Statement Audit

2010-1 Finding - Lack of reconciliation of capital assets:

During the review of capital assets, it was noted that the City does not have adequate procedures in place to reconcile capital asset schedules to the City's accounting records.

Effect:

Without adequate procedures in place to reconcile capital asset schedules to the City's accounting records, the City's financial statements could be materially misstated.

Recommendation:

We recommend that the City implement procedures to reconcile capital asset schedules with the City's accounting records in accordance with City policies and procedures as well as accounting principles generally accepted in the United States of America.

Status:

Implemented.

2010-2 Finding - Lack of reconciliation of financial statements:

During the review of fund balance, it was noted that the City does not have procedures in place to reconcile the audited financial statements with the City's accounting records.

Effect:

Due to the lack of reconciliation of the audited financial statements to the City's accounting records, numerous entries that were reflected on the statements were not posted to the City accounting records, resulting in a misstatement of fund balances with the City's books and records. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile the City's accounting records to the audited financial statements.

Status:

Not implemented, see Finding 2011-1.

2010-3 Finding - Lack of proper accruals of year end receivables and liabilities:

During the review of receivables and payables, it was noted that the City does not have adequate procedures in place to properly record year end accruals of receivables and payables. Numerous audit adjustments were necessary to correct year end balances.

Effect:

Due to the lack of procedures to properly record year end accruals of receivables and payables, the City has misstatements in receivable and payable balances as of year-end. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to properly record all year end accruals of receivables and payables in accordance with City policy and procedures as well as accounting standards generally accepted in the United States of America.

Status:

Not implemented, see Finding 2011-2.

2010-4 Finding - Lack of review of journal entries and supporting documentation:

During the review of journal entries, it was noted that there is a lack of proper review and authorization of journal entries prepared by the Finance Director and outside consultants along with a lack of supporting documentation for journal entries.

CITY OF BRAWLEY
STATUS OF PRIOR YEAR'S FINDINGS
For the fiscal year ended June 30, 2011

Prior Year Findings – Financial Statement Audit (Continued)

Effect:

Due to the lack of review of journal entries, it was noted that duplicate entries were made along with numerous incorrect entries. Numerous entries also did not have adequate supporting documentation. Audit adjustments were needed to correct these issues.

Recommendation:

We recommend that the City ensure that procedures are in place for proper review and authorization of journal entries along with proper documentation of supporting materials for journal entries.

Status:

Implemented.

2010-5 Finding - Lack of reconciliation of long term liabilities:

During the review of long term liabilities, it was noted that the City does not have adequate procedures in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Effect:

Due to the lack of reconciliation of long term liabilities, entries that were needed to adjusted the accounting records of the City to match actual outstanding balances of long term liabilities were not made. Audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that adequate procedures are in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Status:

Not implemented, see Finding 2011-3.

2010-6 Finding - Lack of reconciliation of schedule of Federal expenditures:

During the review of the schedule of Federal expenditures, it was noted that the schedule of Federal expenditures was not prepared in accordance with the modified and full accrual basis of accounting where applicable to accurately reflect the expenditure of Federal funding during the fiscal year.

Effect:

Due to the lack of reconciliation of expenditures of Federal awards, the City was unable to correctly report the expenditures of Federal funding during the fiscal year which is needed for Single Audit purposes in accordance with *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Audit adjustments on the schedule of Federal expenditures were needed to correct this issue.

Recommendation:

We recommend that the City ensure that proper procedures are in place to accurately reconcile the City's expenditures of Federal awards for Single Audit purposes.

Status:

Implemented.

2010-7 Finding - Bank reconciliations are not prepared in a timely manner:

During the review of bank reconciliations, it was noted that bank reconciliations are not being prepared in a timely manner.

Effect:

Without bank reconciliations being prepared in a timely manner, errors or misappropriations of funds could occur and go undetected.

CITY OF BRAWLEY
STATUS OF PRIOR YEAR'S FINDINGS
For the fiscal year ended June 30, 2011

Prior Year Findings – Financial Statement Audit (Continued)

Recommendation:

We recommend that the City ensure that bank reconciliations are prepared in a timely manner.

Status:

Not implemented, see Finding 2011-4.

2010-8 Finding – Utility billing system does not reconcile with general ledger:

During the review of the utility cash receipt system, it was noted that activity reported on the utility cash receipt system does not match information being posted to the City's general ledger.

Effect:

A lack of reconciliation between the utility cash receipt system and the City's general ledger could result in the misstatement of utility revenue and receivables for the fiscal year. Such misstatements were noted during our fieldwork and audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile information from the utility cash receipt system with the City's general ledger.

Status:

Not implemented, see Finding 2011-5.

2010-9 Finding - 5 year Implementation Plan

During the compliance audit for the Redevelopment Agency, we noted that, for the fiscal year ended June 30, 2010, the Agency had not adopted its 5 year implementation plan by the required due date of December 31, 2009 per the California Health and Safety Code.

Effect:

The Agency is not in compliance with the Health and Safety Code for implementation dates of required reports.

Recommendation:

The Agency should address this issue immediately. In the future the redevelopment Director needs to be aware of the requirement that a new 5 year plan must be adopted by December 31st beginning in 2014.

Status:

Implemented.

2010-10 Finding - Unallowable expenditures

The Agency expended funds on projects that may have not benefited the Redevelopment plan and/or Project Area.

Effect:

The Redevelopment Plan has specific guidelines and projects that it follows to either create affordable housing within the City or to expend its funds to eliminate blight or create development opportunities. Certain projects the Agency funded during the fiscal years 2008-09 and 2009-10 may not have benefited the project areas under these guidelines.

Questioned Costs:

Up to \$2,804,859.

Recommendation:

When expending money on projects or administration costs the Agency needs to make sure that the redevelopment plan and 5 year plan are being followed and that the expenditures are for proper purposes.

Status:

Implemented.

CITY OF BRAWLEY
STATUS OF PRIOR YEAR'S FINDINGS
For the fiscal year ended June 30, 2011

Prior Year Findings – Major Federal Award Programs Audit

No findings reported in prior year.

CITY OF BRAWLEY
MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER

June 30, 2011

CITY OF BRAWLEY
June 30, 2011

TABLE OF CONTENTS

Transmittal Letter	1
Required Communication	3
Current Year Recommendations:	
Material Weaknesses:	
2011-1 Lack of reconciliation of financial statements	5
2011-2 Lack of proper accruals of year end receivables and liabilities	5
2011-3 Lack of reconciliation of long term liabilities	5
2011-4 Utility billing system does not reconcile with general ledger.....	6
Significant Deficiencies:	
2011-5 Bank reconciliations are not prepared in a timely manner	6
Status of Prior Year Recommendations	7



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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March 31, 2012

Members of the City Council
City of Brawley
Brawley, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brawley (City), as of and for the fiscal year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weakness and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies

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 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. We consider the deficiencies presented in the current recommendations section as findings 2011-1 through 2011-4 to be material weaknesses in internal control.

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 charged with governance. We consider the deficiency presented in the current year recommendations section as finding 2011-5 to be a significant deficiency in internal control.

The City's written responses to the findings identified in our audit are described in the current year recommendations section. We did not audit the City's responses and, accordingly, we express no opinion on them. In addition, we would be pleased to discuss the recommendations in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing these recommendations.

1

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

MEMBER AMERICAN INSTITUTE OF C.P.A.'S · CALIFORNIA SOCIETY OF MUNICIPAL FINANCE OFFICERS · CALIFORNIA ASSOCIATION OF SCHOOL BUSINESS OFFICIALS

We have included in this letter a summary of communications with the members of the City Council as required by professional auditing standards. We would like to thank the City's management and staff for the courtesy and cooperation extended to us during the course of our engagement. The accompanying communications and recommendations are intended solely for the information and use of management, the members of the City Council, and others within the City, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA



MOSS, LEVY & HARTZHEIM LLP

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March 31, 2012

Members of the City Council
City of Brawley
Brawley, California

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City of Brawley (City) for the fiscal year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and OMB Circular A-133 as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 31, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Brawley are described in Note 1 to the financial statements. As discussed in Note 1 of the notes to the basic financial statements effective July 1, 2010, The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, and Statement No. 59, *Financial Instruments Omnibus*. The effects of these pronouncements on the City are further discussed in Note 1 of the notes to the basic financial statements. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management's estimate of the funding progress for CALPERS is based on CALPERS's estimate, the estimated historical cost of capital assets and the estimated useful life of the capital assets were based on historical data and industry guidelines. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjusting entries were needed to adjust accounts receivable, accounts payable, long term liability and prepaid expenditure balances to actual balance as of June 30, 2011. All adjusting entries that were purposed as a result of audit procedures were corrected by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 31, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City of Brawley's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

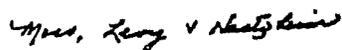
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City of Brawley's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the information and use of the members of the City Council and Management of the City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



MOSS, LEVY & HARTZHEIM, LLP
Culver City, CA

CURRENT YEAR RECOMMENDATIONS

Material Weaknesses

2011-1 Finding - Lack of reconciliation of financial statements:

During the review of fund balance, it was noted that the City does not have procedures in place to reconcile the audited financial statements with the City's accounting records.

Effect:

Due to the lack of reconciliation of the audited financial statements to the City's accounting records, numerous entries that were reflected on the statements were not posted to the City accounting records, resulting in a misstatement of fund balances with the City's books and records. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile the City's accounting records to the audited financial statements.

Management's Response:

The City accepts this recommendation, due to a system conversion and management transition for the Finance Department. The Department did lack in this area as well as other areas set forth. In terms of the conversion, the City has encountered missing data from the general ledger in comparison to other accounting applications. When such situations have arrived we have been able to research and reconcile the missing data. We currently maintain the old operating system in order to assist in researching the conversion errors. Now moving forward, procedures are being developed and utilized in order to avoid many audit adjusting entries as indicated. Close to the end of fiscal year 2010, there was a change in management within the Finance Department which caused some loose ends with the reconciliation of such financial data in accordance with financial statement reconciliation.

2011-2 Finding - Lack of proper accruals of year end receivables and liabilities:

During the review of receivables and payables, it was noted that the City does not have adequate procedures in place to properly record year end accruals of receivables and payables. Numerous audit adjustments were necessary to correct year end balances.

Effect:

Due to the lack of procedures to properly record year end accruals of receivables and payables, the City has misstatements in receivable and payable balances as of year-end. Audit adjustments were needed to correct these misstatements.

Recommendation:

We recommend that the City ensure that procedures are in place to properly record all year end accruals of receivables and payables in accordance with City policy and procedures as well as accounting principles generally accepted in the United States of America.

Management's Response:

There were many accruals required by audit adjusting entries. Many of these accruals were overlooked at year end in comparison from prior years. Due to short staffing levels and change in staff, many of these required entries were not completed. Discussions and procedures have been discussed with staff and will be implemented in order to have proper accruals of year end receivables and liabilities.

2011-3 Finding - Lack of reconciliation of long term liabilities:

During the review of long term liabilities, it was noted that the City does not have adequate procedures in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Effect:

Due to the lack of reconciliation of long term liabilities, entries that were needed to adjusted the accounting records of the City to match actual outstanding balances of long term liabilities were not made. Audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that adequate procedures are in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Management's Response:

The City will implement adequate procedures in order to account and reconcile the City's outstanding balances of long-term liabilities. There were a few items that were overlooked for the close of this fiscal year and will correct these issues and apply such recommendation.

2011-4 Finding – Utility billing system does not reconcile with general ledger:

During the review of the utility cash receipt system, it was noted that activity reported on the utility cash receipt system does not match information being posted to the City's general ledger.

Effect:

A lack of reconciliation between the utility cash receipt system and the City's general ledger could result in the misstatement of utility revenue and receivables for the fiscal year. Such misstatements were noted during our fieldwork and audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile information from the utility cash receipt system with the City's general ledger.

Management's response:

This is related to the system conversion that took place in March 2010. After research of this issue, it was discovered that entries were being double posted. Through normal procedures staff would prepare manual entries which the new utility billing application was processing automatically. Staff has researched all utility billing accounts, reconciled and has made the necessary adjustments.

Significant Deficiencies

2011-5 Finding - Bank reconciliations are not prepared in a timely manner:

During the review of bank reconciliations, it was noted that bank reconciliations are not being prepared in a timely manner.

Effect:

Without bank reconciliations being prepared in a timely manner, errors or misappropriations of funds could occur and go undetected.

Recommendation:

We recommend that the City ensure that bank reconciliations are prepared in a timely manner.

Management's response:

Bank reconciliations will be completed on a monthly basis.

STATUS OF PRIOR YEAR RECOMMENDATIONS

Material Weaknesses

- 2010-1 Finding - Lack of reconciliation of capital assets:
During the review of capital assets, it was noted that the City does not have adequate procedures in place to reconcile capital asset schedules to the City's accounting records.
- Effect:
Without adequate procedures in place to reconcile capital asset schedules to the City's accounting records, the City's financial statements could be materially misstated.
- Recommendation:
We recommend that the City implement procedures to reconcile capital asset schedules with the City's accounting records in accordance with City policies and procedures as well as accounting principles generally accepted in the United States of America.
- Status:
Implemented.
- 2010-2 Finding - Lack of reconciliation of financial statements:
During the review of fund balance, it was noted that the City does not have procedures in place to reconcile the audited financial statements with the City's accounting records.
- Effect:
Due to the lack of reconciliation of the audited financial statements to the City's accounting records, numerous entries that were reflected on the statements were not posted to the City accounting records, resulting in a misstatement of fund balances with the City's books and records. Audit adjustments were needed to correct these misstatements.
- Recommendation:
We recommend that the City ensure that procedures are in place to reconcile the City's accounting records to the audited financial statements.
- Status:
Not implemented. See Finding 2011-1.
- 2010-3 Finding - Lack of proper accruals of year end receivables and liabilities:
During the review of receivables and payables, it was noted that the City does not have adequate procedures in place to properly record year end accruals of receivables and payables. Numerous audit adjustments were necessary to correct year end balances.
- Effect:
Due to the lack of procedures to properly record year end accruals of receivables and payables, the City has misstatements in receivable and payable balances as of year-end. Audit adjustments were needed to correct these misstatements.
- Recommendation:
We recommend that the City ensure that procedures are in place to properly record all year end accruals of receivables and payables in accordance with City policy and procedures as well as accounting standards generally accepted in the United States of America.
- Status:
Not implemented. See Finding 2011-2.
- 2010-4 Finding - Lack of review of journal entries and supporting documentation:
During the review of journal entries, it was noted that there is a lack of proper review and authorization of journal entries prepared by the finance director and outside consultants along with a lack of supporting documentation for journal entries.

Effect:

Due to the lack of review of journal entries, it was noted that duplicate entries were made along with numerous incorrect entries. Numerous entries also did not have adequate supporting documentation. Audit adjustments were needed to correct these issues.

Recommendation:

We recommend that the City ensure that procedures are in place for proper review and authorization of journal entries along with proper documentation of supporting materials for journal entries.

Status:

Implemented.

2010-5 Finding - Lack of reconciliation of long term liabilities:

During the review of long term liabilities, it was noted that the City does not have adequate procedures in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Effect:

Due to the lack of reconciliation of long term liabilities, entries that were needed to adjusted the accounting records of the City to match actual outstanding balances of long term liabilities were not made. Audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that adequate procedures are in place to reconcile outstanding balances of long term liabilities to the City's accounting records.

Status:

Not implemented. See Finding 2011-3.

2010-6 Finding - Lack of reconciliation of schedule of Federal expenditures:

During the review of the schedule of Federal expenditures, it was noted that the schedule of Federal expenditures was not prepared in accordance with the modified and full accrual basis of accounting where applicable to accurately reflect the expenditure of Federal funding during the fiscal year.

Effect:

Due to the lack of reconciliation of expenditures of Federal awards, the City was unable to correctly report the expenditures of Federal funding during the fiscal year which is needed for Single Audit purposes in accordance with *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Audit adjustments on the schedule of Federal expenditures were needed to correct this issue.

Recommendation:

We recommend that the City ensure that proper procedures are in place to accurately reconcile the City's expenditures of Federal awards for Single Audit purposes.

Status:

Implemented.

Significant Deficiencies

2010-7 Finding - Bank reconciliations are not prepared in a timely manner:

During the review of bank reconciliations, it was noted that bank reconciliations are not being prepared in a timely manner.

Effect:

Without bank reconciliations being prepared in a timely manner, errors or misappropriations of funds could occur and go undetected.

Recommendation:

We recommend that the City ensure that bank reconciliations are prepared in a timely manner.

Status:

Not implemented. See Finding 2011-4.

2010-8 Finding – Utility billing system does not reconcile with general ledger:

During the review of the utility cash receipt system, it was noted that activity reported on the utility cash receipt system does not match information being posted to the City's general ledger.

Effect:

A lack of reconciliation between the utility cash receipt system and the City's general ledger could result in the misstatement of utility revenue and receivables for the fiscal year. Such misstatements were noted during our fieldwork and audit adjustments were needed to correct this issue.

Recommendation:

We recommend that the City ensure that procedures are in place to reconcile information from the utility cash receipt system with the City's general ledger.

Status:

Not implemented. See Finding 2011-5.

2010-9 Finding - 5 year Implementation Plan:

During the compliance audit for the Redevelopment Agency, we noted that, for the fiscal year ended June 30, 2010, the Agency had not adopted its 5 year implementation plan by the required due date of December 31, 2009 per the California Health and Safety Code.

Effect:

The Agency is not in compliance with the Health and Safety Code for implementation dates of required reports.

Recommendation:

The Agency should address this issue immediately. In the future the redevelopment Director needs to be aware of the requirement that a new 5 year plan must be adopted by December 31st beginning in 2014.

Status:

Implemented.

2010-10 Finding - Unallowable expenditures:

The Agency expended funds on projects that may have not benefited the Redevelopment plan and/or Project Area.

Effect:

The Redevelopment Plan has specific guidelines and projects that it follows to either create affordable housing within the City or to expend its funds to eliminate blight or create development opportunities. Certain projects the Agency funded during the fiscal years 2008-09 and 2009-10 may not have benefited the project areas under these guidelines.

Questioned Costs:

Up to \$2,804,859.

Recommendation:

When expending money on projects or administration costs the Agency needs to make sure that the redevelopment plan and 5 year plan are being followed and that the expenditures are for proper purposes.

Status:

Implemented.

CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS
June 30, 2011

CITY OF BRAWLEY

Transportation Development Act Funds

TABLE OF CONTENTS

June 30, 2011

	<u>Page</u>
LOCAL TRANSPORTATION FUNDS NON -TRANSIT	
Independent Auditor's Report	1
Balance Sheet	2
Statement of Revenues, Expenditures, and Changes in Fund Balances	3
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 3	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 8 (e)	5
Notes to Financial Statements	6
LOCAL TRANSPORTATION FUND	
Independent Auditor's Report	7
Statement of Net Assets	8
Statement of Revenues, Expenditures and Changes in Fund Balance	9
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 8 (c)	10
Notes to Financial Statements	11

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
June 30, 2011



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT

City of Brawley
Brawley, California

We have audited the financial statements of the Local Transportation Funds Non-Transit of the City of Brawley as of and for the fiscal year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above and the budgetary comparison statements of Article 3 and Article 8 (e) present fairly, in all material respects, the financial position of the Local Transportation Funds Non-Transit of the City of Brawley as of June 30, 2011, and the results of its operations for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was also conducted for the purpose of determining compliance with the Transportation Development Act Section 99400 (a), the California Administrative Code, and the rules and regulations of the Imperial Valley Association of Governments. In our audit, we performed to the extent applicable, the tasks contained in Section 6666 of the California Administrative Code.

In our opinion, the funds allocated and received by the Local Transportation Funds Non-Transit of the City of Brawley were expended and accounted for in conformance with the applicable laws, rules, and regulations of the Transportation Development Act, the California Administrative Code, and the allocation instructions of the Imperial Valley Association of Governments.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, California
December 31, 2011

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
BALANCE SHEET
June 30, 2011

	Bus Benches and Shelters Fund <u>Article 3</u>	Pedestrians and Bicycles Fund <u>Article 8 (e)</u>	<u>Totals</u>
Assets			
Cash and investments	\$ 94,933	\$ 64,588	\$ 159,521
Interest receivable	83	83	166
Total Assets	<u>95,016</u>	<u>64,671</u>	<u>159,687</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ 105,238	-	\$ 105,238
Total Liabilities	<u>105,238</u>	<u>-</u>	<u>105,238</u>
Fund balances (deficits)			
Restricted for:			
Pedestrians and bicycles		64,671	64,671
Unrestricted	(10,222)		(10,222)
Total fund balances (deficit)	<u>(10,222)</u>	<u>64,671</u>	<u>54,449</u>
Total liabilities and fund balances	<u>\$ 95,016</u>	<u>\$ 64,671</u>	<u>\$ 159,687</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2011

	Pedestrians and Bicycles Fund <u>Article 3</u>	Bus Benches and Shelter Fund <u>Article 8 (e)</u>	<u>Totals</u>
Revenues			
Investment earnings	\$ 298	\$ 297	\$ 595
Intergovernmental - TDA/LTF	17,832	3,996	21,828
Total revenues	<u>18,130</u>	<u>4,293</u>	<u>22,423</u>
Expenditures			
Transportation	<u>105,238</u>		<u>105,238</u>
Total expenditures	<u>105,238</u>		<u>105,238</u>
Net change in fund balances	(87,108)	4,293	(82,815)
Fund balances, beginning of fiscal year	<u>76,886</u>	<u>60,378</u>	<u>137,264</u>
Fund balances (deficit), end of fiscal year	<u>\$ (10,222)</u>	<u>\$ 64,671</u>	<u>\$ 54,449</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARTICLE 8 (e)
For the Fiscal Year Ended June 30, 2011

	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment earnings	\$ 750	\$ 297	\$ (453)
Intergovernmental:			
Shared property taxes		3,996	3,996
Total Revenues	750	4,293	3,543
Expenditures			
Transportation			
Total Expenditures			
Net change in fund balance	750	4,293	3,543
Fund balance, beginning of fiscal year	60,378	60,378	
Fund balance, end of fiscal year	\$ 61,128	\$ 64,671	\$ 3,543

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Local Transportation Funds Non-Transit are special revenue funds of the City of Brawley and the financial statements of the funds are included in the basic financial statements of the City.

B. Basis of Accounting

The Local Transportation Funds Non-Transit are accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period, and expenditures are generally recognized when the related fund liabilities are incurred.

NOTE 2 INTERGOVERNMENTAL ALLOCATIONS – TDA/LTF

The City was allocated the following funds:

Section		
99234	\$	17,832
99400(E)		3,996
	\$	21,828

NOTE 3 INTERNAL ACCOUNTING CONTROL

As part of our audit, a study was performed of the City’s system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements. No material weaknesses in internal control were discovered.

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
June 30, 2011**



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

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INDEPENDENT AUDITOR'S REPORT

City of Brawley
Brawley, California

We have audited the financial statements of the Local Transportation Fund of the City of Brawley as of and for the fiscal year ended June 30, 2011, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above and the budgetary comparison statements of Article 8 (c) present fairly, in all material respects, the financial position of the Local Transportation Fund of the City of Brawley as of June 30, 2011, and the results of its operations for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was also conducted for the purpose of determining compliance with the Transportation Development Act Section 99400, the California Administrative Code, and the rules and regulations of the Imperial Valley Association of Governments. In our audit, we performed to the extent applicable, the tasks contained in Section 6667 of the California Administrative Code.

In our opinion, the funds allocated and received by the Local Transportation Fund of the City of Brawley were expended and accounted for in conformance with the applicable laws, rules, and regulations of the Transportation Development Act, the California Administrative Code, and the allocation instructions of the Imperial Valley Association of Governments.

Handwritten signature: Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Culver City, California
December 31, 2011

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
BALANCE SHEET
June 30, 2011

	Dial-A-Ride
	Article 8 (c)
Assets	
Cash and investments	\$ 12,012
Total Assets	12,012
Liabilities and fund balances	
Liabilities	
Accounts payable	\$ -
Total Liabilities	-
Fund balance	
Restricted for:	
Transportation	12,012
Total fund balance	12,012
Total liabilities and fund balances	\$ 12,012

The notes to the basic financial statements are an integral part of this statement.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2011

	Dial-A-Ride
	Article 8 (c)
Revenues	
Charge for services	\$ 26,142
Intergovernmental - TDA/LTF	198,630
Total revenues	224,772
Expenditures	
Current:	
Transportation	185,420
Other	12,700
Total expenditures	198,120
Net change in fund balance	26,652
Fund balance (deficit), beginning of fiscal year	(14,640)
Fund balance, end of fiscal year	\$ 12,012

The notes to the basic financial statements are an integral part of this statement.

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND - NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - ARTICLE 8 (c)
For the Fiscal Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charge for services	\$ 28,500	\$ 28,500	\$ 26,142	\$ (2,358)
Intergovernmental - TDA/LTF	179,950	179,950	198,630	18,680
Total Revenues	<u>208,450</u>	<u>208,450</u>	<u>224,772</u>	<u>16,322</u>
Expenditures				
Transportation	196,450	196,450	185,420	11,030
Other	12,000	12,000	12,700	(700)
Total Expenditures	<u>208,450</u>	<u>208,450</u>	<u>198,120</u>	<u>10,330</u>
Net change in fund balance			26,652	26,652
Fund balance (deficit), beginning of fiscal year	<u>(14,640)</u>	<u>(14,640)</u>	<u>(14,640)</u>	
Fund balance (deficit), end of fiscal year	<u>\$ (14,640)</u>	<u>\$ (14,640)</u>	<u>\$ 12,012</u>	<u>\$ 26,652</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2011**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Local Transportation Fund is a special revenue fund of the City of Brawley and the financial statements of the fund are included in the basic financial statements of the City.

B. Basis of Accounting

The Local Transportation Fund is accounted for using the modified accrual basis of accounting whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period, and expenditures are generally recognized when the related fund liabilities are incurred.

NOTE 2 TRANSIT SERVICES PROVIDED

The City of Brawley (City) contracted with a local transit provider to provide a demand response transportation service for the general public within the City limits of Brawley, California and along Highway 86 to Pioneer Memorial Hospital.

NOTE 3 INTERNAL ACCOUNTING CONTROL

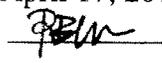
As part of our audit, a study was performed of the City's system of internal accounting control to the extent considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purpose of such evaluation is to establish a basis for reliance on the system of internal accounting control in determining the nature, timing, and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements. No material weaknesses in internal control were discovered.

NOTE 4 FARE REVENUE RATIO 2010-2011

	<u>Required Ratio</u>	<u>Actual Ratio</u>		<u>Finding</u>
Fare revenues	10.00%	13.20%	<u>26,142</u>	In compliance
			198,120 *	

* Amount represents operating costs excluding depreciation (if any).

COUNCIL AGENDA REPORT
City of Brawley

Meeting Date: April 17, 2012
City Manager: 

FROM: Prepared by: Alma Benavides, City Clerk
Presented by: Alma Benavides, City Clerk

SUBJECT: Fill one (1) vacancy on the Brawley Planning Commission term to expire June 30, 2015.

CITY MANAGER RECOMMENDATION: Appoint Planning Commission vacant position.

DISCUSSION/DIRECTION: The City Clerk's Office advertised for one (1) position to fill a vacancy on the Brawley Planning Commission term ending June 30, 2015 on December 27, 2011 and January 5, 2012. We received four (4) applications.

FISCAL IMPACT: None

ATTACHMENTS: IV Press advertisement and applications

PROOF OF PUBLICATION
(2015.5 C.C.P.)

STATE OF CALIFORNIA

County of Imperial

I am a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk* of the printer of the

IMPERIAL VALLEY PRESS

a newspaper of general circulation, printed and published daily in the City of El Centro, County of Imperial and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Imperial, State of California, under the date of October 9, 1951, Case Number 26775; that the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

Dec. 27, 2011

Jan. 5, 2012

all in the year 2011/12

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Alexis Singh
SIGNATURE

* Printer, Foreman of the Printer, or Principal Clerk of the Printer

Date Jan. 24 2012

This space is for the County Clerk's Filing Stamp:

Proof of Publication of:



NOTICE ACCEPTING APPLICATIONS
FOR AN APPOINTMENT TO THE
BRAWLEY PLANNING COMMISSION

NOTICE IS HEREBY GIVEN that the City Council of the City of Brawley is accepting applications for one (1) appointment to the Brawley Planning Commission that ends June 30, 2015.

NOTICE IS FURTHER GIVEN that in accordance with Government Code Section 54974, any interested person wishing to serve on a commission, board or committee is requested to file an application with the City Clerk, 383 Main Street, Brawley, California 92227. Applications are available upon request at the address indicated herein, Monday thru Friday during regular business hours. All applications will be submitted to the City Council for consideration. Applications will be accepted until January 13, 2011.

DATED: December 21, 2011 Alma Benavides, City Clerk

PUBLISH: IMPERIAL VALLEY PRESS
December 27, 2011
January 5, 2011

905

D27.J5

RESOLUTION NO. 2012-

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BRAWLEY,
CALIFORNIA APPOINTING ONE (1) MEMBER TO FILL A VACATED
TERM ON PLANNING COMMISSION.**

WHEREAS, Resolution No. 89-50, adopted on May 15, 1989, provides that terms for appointments will be made to June 30th; and

WHEREAS, the term of the member of the Planning Commission expires on June 30, 2015; and

WHEREAS, the appointments list of all regular and ongoing boards, commissions and committees which are appointed by the City Council was posted pursuant to G.C. Section 54972; and

WHEREAS, a notice was published in the Imperial Valley Press on December 27, 2011 and January 5, 2012 requesting applications for anyone interested in serving on the Brawley Planning Commission.

WHEREAS, the City Council has reviewed the request from the individuals that are seeking to serve on the Brawley Planning Commission.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF BRAWLEY,
CALIFORNIA DETERMINES AND ORDERS AS FOLLOWS:**

That the following individual is appointed to Brawley Planning Commission:

1. is appointed to the Brawley Planning Commission that the term expires on June 30, 2015.

APPROVED, PASSED AND ADOPTED at a regular meeting of the City Council held on the 17th day April, 2012.

CITY OF BRAWLEY, CALIFORNIA

George A. Nava, Mayor

ATTEST:

Alma Benavides, City Clerk

rec'd on
3/22/12
@ 5:22 PM

The City of Brawley

Application to serve on City Council-Appointed Boards, Commissions and Committees

Date: 3/22/12

Name: Darren Smith

Address/Residence: 879 Arroyo Court
Brawley, CA 92227

Mailing/Address Mailing: PO Box 5
Brawley, CA 92227

Home Phone: 760-455-8661 Business Phone: 760-344-2212

Name of the Board/Commission/Committee for which applicant wishes to be considered: Planning Commission

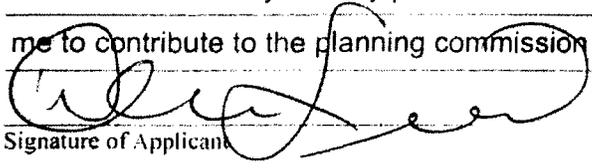
Employment Experience: 7 Years Insurance & Real Estate Sales with
Smith-Kandal Insurance & Real Estate, 1 Year Insurance Internship with
Driver Alliant Insurance, 2 Years Retail Experience with Sport-Chalet SD

Education/Other Training: 2004 Graduate from Point Loma Nazarene University
BA Managerial & Organizational Communication (Minor, Non-Profit Mgmt)
2000 Graduate Brawley Union High School

Please describe any other experience you believe may be helpful to you in serving on this Board, Commission, or Committee:

Current Board Member, Brawley Chamber of Commerce
Former Board Member, Imperial County Association of Realtors

Why would you like to serve on this Board, Commission or Committee? My experience in the
Real Estate industry and my passion for the City of Brawley has equipped
me to contribute to the planning commission with honesty & integrity.


Signature of Applicant

The City of Brawley

Application to serve on City Council-Appointed Boards, Commissions & Committees

Date: 3/17/12

Name: DONALD L. WHARTON

Address/Residence: 1134 LA VALENCIA COURT Brawley, CA 92227

Address/Mailing: SAME AS ABOVE

Home Phone: 760-344-4242 Business Phone: 760-427-3244

Name of the Board/Commission/Committee for which applicant wishes to be considered: _____

CITY OF BRAWLEY PLANNING COMMISSION

Employment Experience: AGRICULTURAL AVIATION BUSINESS - (14 YRS) OWNER/OPERATOR;
8 YEARS BUSINESS DEVELOPMENT/BUSINESS RELATIONS MANAGER/PILOT
HELICOPTER EMS. 15 YRS - IMPERIAL COUNTY RESERVE UNIT COMMANDER.

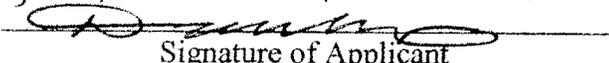
Education/Other Training: MASTERS OF ARTS ORGANIZATIONAL MANAGEMENT;
MBA (GRADUATING JULY 2012); BACHELOR OF ARTS - ORG MANAGEMENT;
A.S. - AERONAUTICAL SCIENCE; EXECUTIVE CERTIFICATE UNIVERSITY OF NOTRE DAME

Please describe any other experience you believe may be helpful to you in serving on this Board, Commission, or Committee: I HAVE BEEN A BUSINESS OWNER, EMPLOYER,
AND STRONG ADVOCATE OF BRAWLEY QUALITY OF LIFE. I HELPED TO
ESTABLISH THE VALLEY'S 1ST IN-COUNTY (24HR) HELICOPTER EMS SERVICE,

AIRBORNE LAW ENFORCEMENT HELICOPTER. SERVE ON PMH FOUNDATION, ECRMC FOUNDATION
DESERT ADVISORY COUNCIL, BOARD OF DIRECTOR WESTSHORE AMBULANCE.

Why would you like to serve on this Board, Commission or Committee? THE CITY OF

BRAWLEY IS HEADING TOWARD CHALLENGING TIMES WITH BOTH
POSITIVE AND NOT-SO POSITIVE ISSUES. THE COMPLETION OF THE
HWY 111 BYPASS; AIRPORT RUNWAY EXTENSION; AIRPORT DEVELOPMENT;
AND MAIN ST.



Signature of Applicant

Curriculum Vitae

Donald L. Wharton
1134 La Valencia Court
Brawley, CA 92227
(760) 344-4242

Certificates & Licenses

Airline Transport Pilot *Asel/mel*
Certified Flight Instructor *instrument/multiengine*
Ground Instructor *instrument/advanced*
Commercial Rotorcraft/*helicopter/instrument*
Second Class Medical

Flight Time

<i>Total Time</i>	9364	Roto/Heli	4496
PIC	9113	Turbine/heli	4025
ASEL	3297	Night	1875
AMEL	1428	Instrument	305

Employment/self-employment History

1989-1991 **Air Vision, USA**. Full time flight instructor. Duties included flight instruction for Private through ATP, advanced ground instruction and performance evaluations.

1990-1991 **Western Executive**, Santa Ana, CA. Pilot. Duties included flight operations in Cheyenne IIIA Flights throughout the western US.

1991-1992 **FHP**, Long Beach, CA. Pilot. Duties included Flight operations in Cheyenne IIIA, IIXL, and Citation C550 aircraft.

1992-1994 **NSA/Equinox International**, Covina Hills, Executive Director. Duties included sales and marketing, public speaking, conducted training for sales force of 2,000 located all over the US, and opening of new locations in multiple states.

1994-1998 **Farm Air Service, Inc.** Calipatria, CA. General Manager/Pilot. Duties included management of personnel, flight duties, general administration, customer service, sales, and marketing.

1998-2008 **Ag Flite, Inc.** CEO/Partner. Founded aerial application business in Brawley, CA. Duties included daily management, flight operations, and customer service.

**Employment/Self-employment
History continued...**

2000-2010 **Flite Co., LLC**. President/Partner. Company engaged in aircraft leasing, compressed natural gas business, and flight school. Company started Cessna Pilot Center in Imperial Valley area.

2002-Present **Stoker Co., Inc.**, Imperial, CA. General Manager, Stock holder. Duties include oversight of general administration, chemical sales, collections, customer service, helicopter/airplane pilot, safety training, media & public relations, and human resources.

2004-2005 **Corporate Helicopters of San Diego, Inc.** Part 135 pilot duties. Base manager, EMS pilot, flew approximately 70 missions, day/night operations, scene calls and inter-facility transfers.

2006--2008 **Air Methods Corporation**, Denver, CO Part 135 pilot duties, operating AS350B2, BHT 222B,UT helicopter. Collateral duty of Business Development Coordinator duties include: market analysis, business plan development and implementation.

2006-2008 **Cuppy's Coffee & More**, El Centro, CA. Owned and operated specialty coffee franchise. Hired, trained management and line staff. Designed and implemented advertising and marketing campaign.

2006-2009 **Border Tactical, Inc.**, El Centro, CA Director of Range Operations. Advised and consulted on the development and design of indoor shooting range facility. Recruited and hired staff including management team, instructors, and line staff. Sales and marketing of club memberships. Negotiated and delivered over 20 government contracts. Designed training program and standard operating procedures.

2008 to Present **REACH Air Medical**, Santa Rosa, CA Regional Business Relations Manager, Southern California/Texas. Duties include new market development, contracting, and strategic planning. Communication and oversight of marketing objectives with general managers within region. Part-time pilot duties operating EC135 and B407, maintaining IFR currency, NVG currency, and part 135 proficiency.

Military

Basic Military Training, Lackland AFB, San Antonio, TX.
Graduated 1986.

Technical School, Sheppard AFB, Wichita Falls, TX.
Aviation Maintenance Specialist. Graduated in Dec. 1986.

Field Detachment Training, March AFB, Riverside, CA.
Depot maintenance training on KC135 Stratotanker.

Community

Current and past member of Imperial Valley's Stockman's Club, Del Rio Country Club, Elk's, ALEA, CRPOA, ACHE, AOPA. And many other associations within the aviation industry.

Imperial County Sheriff's Reserve Unit Commander.
Imperial County Sheriff's Reserve Range master.
Progressive Force Concepts defensive tactics instructor.
ICSO Concealed Weapons instructor.
Adjunct instructor with Imperial Valley College.

Coaching: Brawley Parks & Recreation, Pop Warner Football, Little League, and basketball.

Board of Director/Trustee: Desert Advisory Council, PMH Foundation, ECRMC Foundation, West Shores Ambulance, and ICSO Reserve Unit.

Awards

High Point Award IV College Reserve Academy-1998
Letter of Commendation Sheriff's Office-1999,2000
Sheriff's Citation for Outstanding Service 2001
Reserve Deputy of the Year 2001 & 2008
Mayor of the Day-Brawley Chamber 2008
Honor Society—Alpha Sigma Lambda 2009
Golden Key International Honor Society-2010
REACH Air Medical—Service Award-2010

Personal

DOB: 08-06-68 Height: 71" Weight: 190lbs.
Status: Married, two children Health: Excellent
Bilingual: Conversational Japanese

Education

1982-1986, **Damien High School**, La Verne, CA.
Graduated May 1986

1987-1989, **Mount San Antonio College**, Walnut, CA.
Graduated with Associates degree in Aeronautical Science.

1987-1988, **Cal Poly Pomona**, CA.
Undergraduate studies, marketing.

1997-1998, **Imperial Valley College**, Imperial, CA.
Criminal Justice program graduate.

2001-2002, **William Howard Taft University**, Witkin
School of Law. Studied Tort, Contracts, and Criminal law.

2007-2009, **Ashford University**, Bachelor of Arts,
Organizational Management, *summa cum laude*.

2009, **University of Notre Dame**, Executive Certificate in
Negotiations and Strategic Conflict Management.

2009-2010, **Ashford University**, Master of Arts,
Organizational Management with Concentration in
Healthcare Administration.

2008, **American Eurocopter** Factory School, G.P., TX
EC135P2+. 48 hours of Classroom. 8.2 hours of flight.

2009, **Bell Helicopter Training Academy**, Ft. Worth, TX
BH407. 16 hours Classroom. 5.2 hours flight/full down
auto rotations.

2012, **Ashford University**, Masters of Business
Administration with concentration in Organizational
Leadership.

The City of Brawley

Application to serve on City Council-Appointed Boards, Commissions & Committees

Date: 1-10-2012

Name: GEORGE A. MARQUEZ

Address/Residence: 966 J STREET

Address/Mailing: SAME

Home Phone: 760-344-1575 Business Phone: _____

Name of the Board/Commission/Committee for which applicant wishes to be considered: _____

PLANNING COMMISSION -

Employment Experience: RETIRED, IID - CONST. + MAINT.

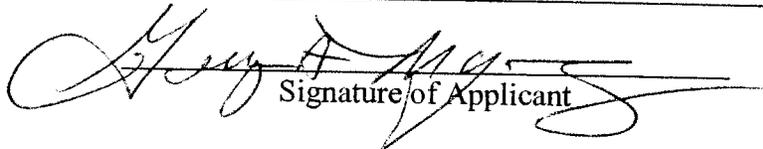
LEADMAN, CREW FOREMAN PAINTING BRAWLEY ELEMENTARY SCHOOL
CITY of BRAWLEY, TRASH DEPT. - 1968 01/67

Education/Other Training: IVC,

Please describe any other experience you believe may be helpful to you in serving on this Board, Commission, or Committee: AS A CREW FOREMAN AT BERSD I

WORK AS A MAINTENANCE MAN, LAYING CONCRETE,
AND BUILDING MAINT.

Why would you like to serve on this Board, Commission or Committee? BRING IN NEW
BLOOD TO WORK WITH OTHER COMMISSION
MEMBERS.


Signature of Applicant

The City of Brawley

Application to serve on City Council-Appointed Boards, Commissions & Committees

Date: 1-5-2012

Name: Ruben C. Morales

Address/Residence: 533 South 5TH St. Brawley, Ca 92227

Address/Mailing: Same

Home Phone: 760-412-0049 Business Phone: Same

Name of the Board/Commission/Committee for which applicant wishes to be considered: _____

Brawley Planning Commission

Employment Experience: Real Estate License, 5 years

one-Stop manager - 5 years

Executive Director (non-profit) 10 years

Education/Other Training: AA Behavioral Science

Real Estate License

Plthora of years of Economic Development

Please describe any other experience you believe may be helpful to you in serving on this Board, Commission, or Committee: Brawley resident, 63 years: now retired.

Understand Property rights & real

estate law. I understand all

areas of R.E. (20) years economic dev.

Why would you like to serve on this Board, Commission or Committee? the future

years appear to be years of great positive change

in Brawley. I am interested in contributing to change.

Ruben C. Morales

Ruben C. Morales

Signature of Applicant