

CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS

June 30, 2010

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
June 30, 2010

CITY OF BRAWLEY

Transportation Development Act Funds

TABLE OF CONTENTS

June 30, 2010

	<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 8(e)	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 3	5
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Article 8(a)	6
Notes to Financial Statements	7
LOCAL TRANSPORTATION FUND	
Independent Auditor’s Report	8
Statement of Net Assets	9
Statement of Revenues and Expenses	10
Statement of Changes in Net Assets	11
Statement of Cash Flows	12
Notes to Financial Statements	13



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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, 2010, 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 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, 2010, 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
Beverly Hills, California
February xx, 2011

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
BALANCE SHEET
June 30, 2010

	<u>Bus Benches and Shelters Fund Article 8(e)</u>	<u>Pedestrians and Bicycles Fund Article 3</u>	<u>Local Streets and Roads Fund Article 8(a)</u>	<u>Totals</u>
ASSETS				
Cash and investments	\$ 60,294	\$ 76,809	\$ 181,309	\$ 318,412
Interest receivable	84	77	107	268
TOTAL ASSETS	<u>\$ 60,378</u>	<u>\$ 76,886</u>	<u>\$ 181,416</u>	<u>\$ 318,680</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 4,478	\$ 4,478
Deposits payable			326,342	326,342
TOTAL LIABILITIES			<u>330,820</u>	<u>330,820</u>
FUND BALANCES				
Fund balances - unreserved, undesignated	<u>60,378</u>	<u>76,886</u>	<u>(149,404)</u>	<u>(12,140)</u>
TOTAL FUND BALANCES	<u>60,378</u>	<u>76,886</u>	<u>(149,404)</u>	<u>(12,140)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 60,378</u>	<u>\$ 76,886</u>	<u>\$ 181,416</u>	<u>\$ 318,680</u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For The Fiscal Year Ended June 30, 2010

	Bus Benches and Shelters Fund <u>Article 8(e)</u>	Pedestrians and Bicycles Fund <u>Article 3</u>	Local Streets and Roads Fund <u>Article 8(a)</u>	<u>Totals</u>
REVENUES				
Use of money and property	\$ 298	\$ 275	\$ 239	\$ 812
Intergovernmental - TDA/LTF	3,973	24,726	35,559	64,258
Contributions			52,020	52,020
TOTAL REVENUES	<u>4,271</u>	<u>25,001</u>	<u>87,818</u>	<u>117,090</u>
EXPENDITURES				
Transportation			380,718	380,718
TOTAL EXPENDITURES			<u>380,718</u>	<u>380,718</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,271	25,001	(292,900)	(263,628)
Fund balances, July 1, 2009	<u>56,107</u>	<u>51,885</u>	<u>143,496</u>	<u>251,488</u>
Fund balances, June 30, 2010	<u>\$ 60,378</u>	<u>\$ 76,886</u>	<u>\$ (149,404)</u>	<u>\$ (12,140)</u>

See accompanying notes to financial statements

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, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
REVENUES			
Use of money and property	\$ 750	\$ 298	\$ (452)
Intergovernmental - TDA/LTF		<u>3,973</u>	<u>3,973</u>
TOTAL REVENUES	<u>750</u>	<u>4,271</u>	<u>3,521</u>
EXPENDITURES			
Transportation			
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	750	4,271	3,521
Fund balance, July 1, 2009	<u>56,107</u>	<u>56,107</u>	
Fund balance, June 30, 2010	<u>\$ 56,857</u>	<u>\$ 60,378</u>	<u>\$ 3,521</u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND – NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ARTICLE 3
For The Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property	\$ 750	\$ 275	\$ (475)
Intergovernmental - TDA LTF		24,726	24,726
TOTAL REVENUES	750	25,001	24,251
EXPENDITURES			
Transportation			
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	750	25,001	24,251
Fund balance, July 1, 2009	51,885	51,885	
Fund balance, June 30, 2010	\$ 52,635	\$ 76,886	\$ 24,251

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND – NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – ARTICLE 8 (a)
For The Fiscal Year Ended June 30, 2010

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Use of money and property	\$ 12,000	\$ 239	\$ (11,761)
Intergovernmental - TDA/LTF	343,000	35,559	(307,441)
Contributions		52,020	52,020
	TOTAL REVENUES	87,818	(267,182)
EXPENDITURES			
Transportation	497,618	380,718	116,900
	TOTAL EXPENDITURES	380,718	116,900
	EXCESS OF REVENUES OVER (UNDER)		
EXPENDITURES	(142,618)	(292,900)	(150,282)
Fund balance, July 1, 2009	143,496	143,496	
Fund balance, June 30, 2010	\$ 878	\$ (149,404)	\$ (150,282)

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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:

Article	Fund	Section		
8(a)	LTF	99400(A)	\$	35,559
8(e)	LTF	99400(E)		3,973
3	LTF	99234		24,726
			\$	64,258

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, 2010



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, 2010, 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 present fairly, in all material respects, the financial position of the Local Transportation Fund of the City of Brawley as of June 30, 2010, and the results of its operations and its cash flows 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.

Moss, Levy & Hartzheim

MOSS, LEVY & HARTZHEIM, LLP
Beverly Hills, California
February xx, 2011

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF NET ASSETS
June 30, 2010

ASSETS

Cash and investments	\$ -
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TOTAL ASSETS

LIABILITIES

Due to City of Brawley	14,640
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TOTAL LIABILITIES

NET ASSETS

Unrestricted	<u>\$ (14,640)</u>
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See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES AND EXPENSES
For the Fiscal Year Ended June 30, 2010

OPERATING REVENUES:

Fares and other fees \$ 29,025

TOTAL OPERATING REVENUES 29,025

OPERATING EXPENSES:

Purchased transportation services 242,295

TOTAL OPERATING EXPENSES 242,295

OPERATING INCOME (LOSS) (213,270)

NON-OPERATING REVENUES (EXPENSES):

Local Transportation Fund and State Transit Assistance Fund 198,630

TOTAL NON-OPERATING REVENUES (EXPENSES) 198,630

NET INCOME (LOSS) \$ (14,640)

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Fiscal Year Ended June 30, 2010

Net assets, July 1, 2009	\$ -
Net income (loss)	<u>(14,640)</u>
Net assets, June 30, 2010	<u>\$ (14,640)</u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2010

OPERATING INCOME (LOSS)	\$ (213,270)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Transfer from City of Brawley	14,640
Operating grants received	<u>198,630</u>
NET CASH PROVIDED FROM NON-CAPITAL FINANCING ACTIVITIES	<u>213,270</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS, JULY 1, 2009	<u> </u>
CASH AND CASH EQUIVALENTS, JUNE 30, 2010	<u><u>\$ -</u></u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Local Transportation Fund is an enterprise fund of the City of Brawley and the financial statements of the fund are included in the basic financial statements of the City.

Basis of Accounting

The Local Transportation Fund is accounted for using the accrual basis of accounting whereby revenues are recognized when earned and expenditures are recognized when incurred.

Amounts Due from Other Governments

Generally, amounts due from other governments are recorded as revenues when received. However, when the expense of fund is the prime factor for determining eligibility for grants, revenue is accrued when the expenses have been incurred on an approved grant.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Local Transportation Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

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 2009-2010

	Required Ratio	Actual Ratio		Finding
Fare revenues	10.00%	11.98%	29,025	In compliance
			242,295 *	

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