

**CITY OF BRAWLEY**  
**TRANSPORTATION DEVELOPMENT ACT FUNDS**  
**FINANCIAL STATEMENTS**

June 30, 2019

**CITY OF BRAWLEY**  
TRANSPORTATION DEVELOPMENT ACT FUNDS

TABLE OF CONTENTS  
June 30, 2019

---

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

**CITY OF BRAWLEY**  
**LOCAL TRANSPORTATION FUND – NON-TRANSIT**

June 30, 2019



---

# MOSS, LEVY & HARTZHEIM LLP

---

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DRIVE, SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM AVE, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

## **INDEPENDENT AUDITOR'S REPORT**

City Council of the  
City of Brawley  
Brawley, California

### Report on the Financial Statement

We have audited the financial statements of the Local Transportation Fund Non-Transit of the City of Brawley, California (City) as of and for the fiscal year ended June 30, 2019, which collectively comprise the Local Transportation Fund Non-Transit financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Our audit was also conducted for the purpose of determining compliance with the Transportation Development Act Section 99400 (a), the California Code of Regulations, 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 6664 of Title 21 of the California Code of Regulations.

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Local Transportation Fund Non-Transit as of June 30, 2019, and the changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, the funds allocated and received by the Local Transportation Fund Non-Transit were expended and accounted for in conformance with the applicable laws, rules, and regulations of the Transportation Development Act, the California Code of Regulations, and the allocation instructions of the Imperial Valley Association of Governments.

### Emphasis of Matter

In January of 2020, the World Health Organization has declared COVID-19 to constitute a “Public Health Emergency of International Concern.” Given the uncertainty of the situation, the duration of any financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

The financial statements present only the Local Transportation Fund Non-Transit of the City of Brawley and do not purport to, and do not, present fairly the financial position of the City of Brawley as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
April 30, 2020

CITY OF BRAWLEY  
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT  
BALANCE SHEET  
June 30, 2019

	Bus Benches and Shelters Fund Article 8(e)	Pedestrians and Bicycles Fund Article 3	Totals
<u>ASSETS</u>			
Cash and investments	\$ 236,820	\$ 138,103	\$ 374,923
Accounts receivable	61,245	26,343	87,588
Interest receivable	504	296	800
	<u>\$ 298,569</u>	<u>\$ 164,742</u>	<u>\$ 463,311</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
<u>LIABILITIES</u>			
Accounts payable	\$ 6,295	\$ -	\$ 6,295
	<u>6,295</u>	<u>-</u>	<u>6,295</u>
<u>DEFERRED INFLOWS</u>			
Deferred inflows related to receivables	61,245	26,343	87,588
	<u>61,245</u>	<u>26,343</u>	<u>87,588</u>
<u>FUND BALANCES</u>			
Fund balances - restricted for transportation	231,029	138,399	369,428
	<u>231,029</u>	<u>138,399</u>	<u>369,428</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 298,569</u>	<u>\$ 164,742</u>	<u>\$ 463,311</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, 2019

	Bus Benches and Shelters Fund Article 8(e)	Pedestrians and Bicycles Fund Article 3	Totals
<u>REVENUES</u>			
Use of money and property	\$ 5,142	\$ 3,020	\$ 8,162
Intergovernmental - TDA/LTF	61,012	25,589	86,601
 TOTAL REVENUES	 66,154	 28,609	 94,763
<u>EXPENDITURES</u>			
Salaries and wages	494		494
Supplies and materials	5,744		5,744
Services	23,980		23,980
 TOTAL EXPENDITURES	 30,218		 30,218
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	35,936	28,609	64,545
Fund balances, July 1, 2018	195,093	109,790	304,883
Fund balances, June 30, 2019	\$ 231,029	\$ 138,399	\$ 369,428

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 400	\$ 5,142	\$ 4,742
Intergovernmental - TDA/LTF	61,212	61,012	(200)
 TOTAL REVENUES	 61,612	 66,154	 4,542
<u>EXPENDITURES</u>			
Salaries and wages		494	(494)
Supplies and materials	8,200	5,744	2,456
Services	66,800	23,980	42,820
 TOTAL EXPENDITURES	 75,000	 30,218	 44,782
 EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	 (13,388)	 35,936	 49,324
 Fund balance, July 1, 2018	 195,093	 195,093	
 Fund balance, June 30, 2019	 \$ 181,705	 \$ 231,029	 \$ 49,324

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, 2019

	Final Budget	Actual	Variance Positive (Negative)
<u>REVENUES</u>			
Use of money and property	\$ 200	\$ 3,020	\$ 2,820
Intergovernmental - TDA/LTF	24,947	25,589	642
TOTAL REVENUES	25,147	28,609	3,462
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,147	28,609	3,462
Fund balance, July 1, 2018	109,790	109,790	
Fund balance, June 30, 2019	\$ 134,937	\$ 138,399	\$ 3,462

See accompanying notes to financial statements

CITY OF BRAWLEY  
 LOCAL TRANSPORTATION FUNDS – NON-TRANSIT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019

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 (City) 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(e)	LTF	99233.3	\$	61,308
3	LTF	99234		25,293
			\$	86,601

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.