

CITY OF BRAWLEY

TRANSPORTATION DEVELOPMENT ACT FUNDS FINANCIAL STATEMENTS

JUNE 30, 2013

San Diego

Los Angeles

San Francisco
Bay Area

christy  white
A PROFESSIONAL
ACCOUNTANCY CORPORATION *associates*

**CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
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FOR THE YEAR ENDED JUNE 30, 2013**

LOCAL TRANSPORTATION FUNDS NON-TRANSIT

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**LOCAL TRANSPORTATION FUNDS NON-TRANSIT
FINANCIAL STATEMENTS**

JUNE 30, 2013

INDEPENDENT AUDITORS' REPORT

Christy White, CPA

Michael Ash, CPA

Tanya M. Rogers, CPA, CFE

Heather Daud

Governing Board
City of Brawley
Brawley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Local Transportation Funds Non-Transit of the City of Brawley, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Brawley's basic 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 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. 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 significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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Auditor's Responsibility (continued)

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

In connection with our examination we also performed, to the extent applicable, the seventeen tasks contained in "Guidelines on Auditing for Conformance" published by the Imperial Valley Association of Governments (IVAG).

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Local Transportation Funds Non-Transit of City of Brawley as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the funds allocated to the City of Brawley, California, were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of IVAG.

Emphasis of Matter

As discussed in Note No. 1, the financial statements present only the Local Transportation Funds Non-Transit and do not purport to, and do not present fairly the financial position of the City of Brawley, California, as of June 30, 2013 and the changes in its financial position, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Local Transportation Funds Non-Transit. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Christy White Associates

San Diego, California
March 7, 2014

**CITY OF BRAWLEY
 LOCAL TRANSPORTATION FUNDS NON-TRANSIT
 BALANCE SHEET
 JUNE 30, 2013**

	<u>Article 3</u>	<u>Article 8(e)</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 7,321	\$ 72,511	\$ 79,832
Due from County	19,211	239,237	258,448
Total Assets	\$ 26,532	\$ 311,748	\$ 338,280
FUND BALANCES			
Restricted	26,532	311,748	338,280
Total Fund Balances	26,532	311,748	338,280
Total Liabilities and Fund Balances	\$ 26,532	\$ 311,748	\$ 338,280

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Article 3</u>	<u>Article 8(e)</u>	<u>Totals</u>
REVENUES			
Intergovernmental - TDA/LTF	\$ 19,211	\$ 239,237	\$ 258,448
Interest earnings	8	123	131
Total Revenues	<u>19,219</u>	<u>239,360</u>	<u>258,579</u>
NET CHANGE IN FUND BALANCE	19,219	239,360	258,579
Fund Balance - Beginning	7,313	72,388	79,701
Fund Balance - Ending	<u>\$ 26,532</u>	<u>\$ 311,748</u>	<u>\$ 338,280</u>

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements are intended to reflect the financial position, respective changes in financial position, and compliance with the Transportation Development Act of the City of Brawley, California.

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

The financial statements of the City of Brawley's Transportation Development Act Funds have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applies to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City of Brawley's Local Transportation Fund Non-Transit accounting policies are described below.

B. Basis of Presentation

The accounts of the City's Local Transportation Fund Non-Transit are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liabilities are incurred.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City adopts budgets for the Local Transportation Fund Non-Transit and all budget appropriations lapse at year end.

E. Fund Balance

The City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the year ended June 30, 2013. Accordingly, governmental funds report fund balance as non-spendable, 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.

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.

NOTE 2 – INTERGOVERNMENTAL ALLOCATIONS

The City was allocated the following shared property taxes during the year ended June 30, 2013:

Section	Amount
99234	\$ 19,211
99400(e)	239,237
Total	<u>\$ 258,448</u>

**SUPPLEMENTARY
INFORMATION**

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
ARTICLE 3 BUS BENCHES AND SHETLTERS FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variances -	
	Original	Final		Final to Actual	
REVENUES					
Intergovernmental - TDA/LTF	\$ 17,445	\$ 17,445	\$ 19,211	\$	(1,766)
Interest	800	800	8		792
Total Revenues	18,245	18,245	19,219		(974)
NET CHANGE IN FUND BALANCE	18,245	18,245	19,219		(974)
Fund Balance - Beginning	7,313	7,313	7,313		-
Fund Balance - Ending	\$ 25,558	\$ 25,558	\$ 26,532	\$	(974)

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS NON-TRANSIT
ARTICLE 8(e) PEDESTRIANS AND BICYCLES FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variances -	
	Original	Final		Final to Actual	
REVENUES					
Intergovernmental - TDA/LTF	\$ 7,597	\$ 7,597	\$ 239,237	\$ (231,640)	
Interest	800	800	123	677	
Total Revenues	8,397	8,397	239,360	(230,963)	
NET CHANGE IN FUND BALANCE	8,397	8,397	239,360	(230,963)	
Fund Balance - Beginning	72,388	72,388	72,388	-	
Fund Balance - Ending	\$ 80,785	\$ 80,785	\$ 311,748	\$ (230,963)	

**LOCAL TRANSPORTATION FUND
FINANCIAL STATEMENTS**

JUNE 30, 2013

INDEPENDENT AUDITORS' REPORT

Christy White, CPA

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Governing Board
City of Brawley
Brawley, California

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Auditor's Responsibility (continued)

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Opinions

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In our opinion, the funds allocated to the City of Brawley, California, were expended in conformance with the applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of IVAG.

Emphasis of Matter

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Other Matters

Supplementary Information

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Christy White Associates

San Diego, California
March 7, 2014

CITY OF BRAWLEY
 LOCAL TRANSPORTATION FUND
 BALANCE SHEET
 JUNE 30, 2013

	<u>Dial-A-Ride</u>
	<u>Article 8(c)</u>
ASSETS	
Due from County	\$ 185,435
Total Assets	<u>\$ 185,435</u>
LIABILITIES	
Deficit cash	\$ 115,259
Total Liabilities	<u>115,259</u>
FUND BALANCES	
Restricted	<u>70,176</u>
Total Fund Balances	<u>70,176</u>
Total Liabilities and Fund Balances	<u>\$ 185,435</u>

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Dial-A-Ride</u>
	<u>Article 8(c)</u>
REVENUES	
Intergovernmental - TDA/LTF	\$ 215,435
Charges for services	26,896
Total Revenues	<u>242,331</u>
EXPENDITURES	
Current	
Transportation	226,976
Other	19,400
Total Expenditures	<u>246,376</u>
Excess (Deficiency) of Revenues	
Over Expenditures	<u>(4,045)</u>
NET CHANGE IN FUND BALANCE	(4,045)
Fund Balance - Beginning	<u>74,221</u>
Fund Balance - Ending	<u>\$ 70,176</u>

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The financial statements are intended to reflect the financial position, respective changes in financial position, and compliance with the Transportation Development Act of the City of Brawley, California.

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B. Basis of Presentation

The accounts of the City's Local Transportation Fund are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity wherein the operations of each fund are accounted for in a separate set of self-balancing accounts that records resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects

CITY OF BRAWLEY
 LOCAL TRANSPORTATION FUND
 NOTES TO FINANCIAL STATEMENTS, *continued*
 JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

C. Measurement Focus and Basis of Accounting

All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related fund liabilities are incurred.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. The City adopts budgets for the Local Transportation Fund and all budget appropriations lapse at year end.

E. Fund Balance

The City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, for the year ended June 30, 2013. Accordingly, governmental funds report fund balance as non-spendable, 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.

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.

NOTE 2 – FARE REVENUE RATIO

	Amount
Fare Revenues	\$ 26,896
Operating Costs	246,376
Ratio	10.92%
Required Ratio	10.00%
In Compliance?	Yes

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2013**

NOTE 3 – DEFICIT CASH

As of June 30, 2013, the Dial-a-Ride Fund had deficit cash of \$115,259. Due to the timing of the cash received, the revenue was recognized as of June 30, 2013. However, cash was received in July 2013.

**SUPPLEMENTARY
INFORMATION**

**CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
ARTICLE 8(c) Dial-A-Ride – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental - TDA/LTF	\$ 229,130	\$ 229,130	\$ 215,435	\$ 13,695
Charges for services	28,500	28,500	26,896	1,604
Total Revenues	257,630	257,630	242,331	15,299
EXPENDITURES				
Current				
Transportation	226,372	226,372	226,976	(604)
Other	14,400	14,400	19,400	(5,000)
Total Expenditures	240,772	240,772	246,376	(5,604)
NET CHANGE IN FUND BALANCE	16,858	16,858	(4,045)	20,903
Fund Balance - Beginning	74,221	74,221	74,221	-
Fund Balance - Ending	\$ 91,079	\$ 91,079	\$ 70,176	\$ 20,903