

**CITY OF BRAWLEY**

**TRANSPORTATION DEVELOPMENT ACT FUNDS  
FINANCIAL STATEMENTS**

JUNE 30, 2012



**CITY OF BRAWLEY  
TRANSPORTATION DEVELOPMENT ACT FUNDS  
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FOR THE YEAR ENDED JUNE 30, 2012**

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

**JUNE 30, 2012**

## INDEPENDENT AUDITORS' REPORT

Christy White, CPA

John Dominguez, CPA, CFE

Heather Daud

Michael Ash, CPA

Erin Sacco Pineda, CPA

Governing Board  
City of Brawley  
Brawley, California

We have audited the accompanying financial statements of the Local Transportation Funds Non-Transit of the City of Brawley, California as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the City of Brawley, California's management. 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. 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 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.

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, 2012 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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, California, as of June 30, 2012, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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).

SAN DIEGO  
2727 Camino Del Rio South  
Suite 219  
San Diego, CA 92108

RANCHO CUCAMONGA  
8686 Haven Avenue  
Suite 250  
Rancho Cucamonga, CA 91730

ALAMEDA  
1050 Marina Village Parkway  
Suite 201  
Alameda, CA 94501

tel: 619.270.8222  
fax: 619.260.9085  
www.cwacpa.com

*Licensed by the California  
State Board of Accountancy*

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.

The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Christy White Associates".

San Diego, California  
April 12, 2013

**CITY OF BRAWLEY  
 LOCAL TRANSPORTATION FUNDS NON-TRANSIT  
 BALANCE SHEET  
 JUNE 30, 2012**

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	<u>Article 3</u>	<u>Article 8(e)</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 7,282	\$ 72,357	\$ 79,639
Interest receivable	27	35	62
<b>Total Assets</b>	<u>\$ 7,309</u>	<u>\$ 72,392</u>	<u>\$ 79,701</u>
<b>FUND BALANCES</b>			
Restricted	7,309	72,392	79,701
<b>Total Fund Balances</b>	<u>7,309</u>	<u>72,392</u>	<u>79,701</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 7,309</u>	<u>\$ 72,392</u>	<u>\$ 79,701</u>

**CITY OF BRAWLEY**  
**LOCAL TRANSPORTATION FUNDS NON-TRANSIT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2012**

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	<u>Article 3</u>	<u>Article 8(e)</u>	<u>Totals</u>
<b>REVENUES</b>			
Intergovernmental - TDA/LTF	\$ 17,445	\$ 7,597	\$ 25,042
Interest earnings	90	120	210
<b>Total Revenues</b>	<u>17,535</u>	<u>7,717</u>	<u>25,252</u>
<b>NET CHANGE IN FUND BALANCE</b>	17,535	7,717	25,252
<b>Fund Balance - Beginning</b>	(10,222)	64,671	54,449
<b>Fund Balance - Ending</b>	<u>\$ 7,313</u>	<u>\$ 72,388</u>	<u>\$ 79,701</u>

**CITY OF BRAWLEY  
LOCAL TRANSPORTATION FUNDS NON-TRANSIT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

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**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, 2012

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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, 2012. 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, 2012:

Section	Amount
99234	\$ 17,445
99400(e)	7,597
Total	<u>\$ 25,042</u>

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**SUPPLEMENTARY  
INFORMATION**

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**CITY OF BRAWLEY  
 LOCAL TRANSPORTATION FUNDS NON-TRANSIT  
 ARTICLE 3 BUS BENCHES AND SHETLTERS FUND – BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED JUNE 30, 2012**

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	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>	
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>	
<b>REVENUES</b>					
Intergovernmental - TDA/LTF	\$ -	\$ -	\$ 17,445	\$	(17,445)
Interest	750	750	90		660
<b>Total Revenues</b>	<b>750</b>	<b>750</b>	<b>17,535</b>		<b>(16,785)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>750</b>	<b>750</b>	<b>17,535</b>		<b>(16,785)</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>(10,222)</b>		<b>10,222</b>
<b>Fund Balance - Ending</b>	<b>\$ 750</b>	<b>\$ 750</b>	<b>\$ 7,313</b>	<b>\$</b>	<b>(6,563)</b>

**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**

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	Budgeted Amounts		Actual	Variances -	
	Original	Final		Final to Actual	
<b>REVENUES</b>					
Intergovernmental - TDA/LTF	\$ -	\$ -	\$ 7,597	\$ (7,597)	
Interest	750	750	120	630	
<b>Total Revenues</b>	<b>750</b>	<b>750</b>	<b>7,717</b>	<b>(6,967)</b>	
<b>NET CHANGE IN FUND BALANCE</b>	<b>750</b>	<b>750</b>	<b>7,717</b>	<b>(6,967)</b>	
<b>Fund Balance - Beginning</b>	<b>64,671</b>	<b>64,671</b>	<b>64,671</b>	<b>-</b>	
<b>Fund Balance - Ending</b>	<b>\$ 65,421</b>	<b>\$ 65,421</b>	<b>\$ 72,388</b>	<b>\$ (6,967)</b>	

**LOCAL TRANSPORTATION FUND  
FINANCIAL STATEMENTS**

**JUNE 30, 2012**

## INDEPENDENT AUDITORS' REPORT

Christy White, CPA

John Dominguez, CPA, CFE

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Governing Board  
City of Brawley  
Brawley, California

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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 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 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.

As discussed in Note No. 1, the financial statements present only the Local Transportation Fund and do not purport to, and do not present fairly the financial position of the City of Brawley, California, as of June 30, 2012 and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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 City of Brawley, California, as of June 30, 2012, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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).

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A handwritten signature in cursive script that reads "Christy White Associates".

San Diego, California  
April 12, 2013

CITY OF BRAWLEY  
 LOCAL TRANSPORTATION FUND  
 BALANCE SHEET  
 JUNE 30, 2012

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	<u>Dial-A-Ride</u>
	<u>Article 8(c)</u>
<b>ASSETS</b>	
Cash and investments	\$ 73,426
Due from other governments	795
<b>Total Assets</b>	<u>\$ 74,221</u>
<b>FUND BALANCES</b>	
Restricted	74,221
<b>Total Fund Balances</b>	<u>74,221</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 74,221</u>



**CITY OF BRAWLEY  
LOCAL TRANSPORTATION FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

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	<u>Dial-A-Ride</u>
	<u>Article 8(c)</u>
<b>REVENUES</b>	
Intergovernmental - TDA/LTF	\$ 239,130
Charges for services	32,123
<b>Total Revenues</b>	<u>271,253</u>
<b>EXPENDITURES</b>	
Current	
Transportation	195,444
Other	13,600
<b>Total Expenditures</b>	<u>209,044</u>
<b>Excess (Deficiency) of Revenues</b>	
<b>Over Expenditures</b>	<u>62,209</u>
<b>NET CHANGE IN FUND BALANCE</b>	62,209
<b>Fund Balance - Beginning</b>	<u>12,012</u>
<b>Fund Balance - Ending</b>	<u>\$ 74,221</u>

**CITY OF BRAWLEY  
LOCAL TRANSPORTATION FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

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**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**

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**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, 2012

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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.

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D. Budgets

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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, 2012. 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	\$ 32,123
Operating Costs	209,044
Ratio	15.37%
Required Ratio	10.00%
In Compliance?	Yes

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**SUPPLEMENTARY  
INFORMATION**

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**CITY OF BRAWLEY  
LOCAL TRANSPORTATION FUND  
ARTICLE 8(c) Dial-A-Ride – BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2012**

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	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
Intergovernmental - TDA/LTF	\$ 179,950	\$ 179,950	\$ 239,130	\$ (59,180)
Charges for services	28,500	28,500	32,123	(3,623)
<b>Total Revenues</b>	<b>208,450</b>	<b>208,450</b>	<b>271,253</b>	<b>(62,803)</b>
<b>EXPENDITURES</b>				
Current				
Transportation	196,450	196,450	195,444	1,006
Other	12,000	12,000	13,600	(1,600)
<b>Total Expenditures</b>	<b>208,450</b>	<b>208,450</b>	<b>209,044</b>	<b>(594)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>62,209</b>	<b>(62,209)</b>
<b>Fund Balance - Beginning</b>	<b>12,012</b>	<b>12,012</b>	<b>12,012</b>	<b>-</b>
<b>Fund Balance - Ending</b>	<b>\$ 12,012</b>	<b>\$ 12,012</b>	<b>\$ 74,221</b>	<b>\$ (62,209)</b>