

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

CITY OF BRAWLEY

Transportation Development Act Funds

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June 30, 2011

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



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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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	<u>83</u>	<u>83</u>	<u>166</u>
Total Assets	<u>95,016</u>	<u>64,671</u>	<u>159,687</u>
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ <u>105,238</u>	\$ -	\$ <u>105,238</u>
Total Liabilities	<u>105,238</u>		<u>105,238</u>
Fund balances (deficits)			
Restricted for:			
Pedestrians and bicycles		64,671	64,671
Unrestricted	<u>(10,222)</u>		<u>(10,222)</u>
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 3
For the Fiscal Year Ended June 30, 2011

	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues			
Investment earnings	\$ 750	\$ 298	\$ (452)
Intergovernmental:			
Shared property taxes		17,832	17,832
Total Revenues	750	18,130	17,380
Expenditures			
Transportation	75,976	105,238	(29,262)
Total Expenditures	75,976	105,238	(29,262)
Net change in fund balance	(75,226)	(87,108)	(11,882)
Fund balance, beginning of fiscal year	76,886	76,886	
Fund balance (deficit), end of fiscal year	<u>\$ 1,660</u>	<u>\$ (10,222)</u>	<u>\$ (11,882)</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	<u>\$ 61,128</u>	<u>\$ 64,671</u>	<u>\$ 3,543</u>

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
	\$	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



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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.

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
	224,772
Total revenues	
Expenditures	
Current:	
Transportation	185,420
Other	12,700
	198,120
Total expenditures	
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%	In compliance
		<u>26,142</u>	
		198,120 *	

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