

CITY OF BRAWLEY
TRANSPORTATION DEVELOPMENT ACT FUNDS
FINANCIAL STATEMENTS

June 30, 2009

CITY OF BRAWLEY

Transportation Development Act Funds

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June 30, 2009

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CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
June 30, 2009



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 Funds-Non-Transit of the City of Brawley as of and for the fiscal year ended June 30, 2009, 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, 2009, 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 24, 2010

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
BALANCE SHEET
June 30, 2009

	<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	\$ 55,883	\$ 51,769	\$ 462,413	\$ 570,065
Due from other governments			13,671	13,671
Interest receivable	224	116	1,022	1,362
TOTAL ASSETS	<u>\$ 56,107</u>	<u>\$ 51,885</u>	<u>\$ 477,106</u>	<u>\$ 585,098</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,268	\$ 7,268
Deposits payable			326,342	326,342
TOTAL LIABILITIES			<u>333,610</u>	<u>333,610</u>
FUND BALANCES				
Fund balances - unreserved, undesignated	<u>56,107</u>	<u>51,885</u>	<u>143,496</u>	<u>251,488</u>
TOTAL FUND BALANCES	<u>56,107</u>	<u>51,885</u>	<u>143,496</u>	<u>251,488</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 56,107</u>	<u>\$ 51,885</u>	<u>\$ 477,106</u>	<u>\$ 585,098</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, 2009

	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	\$ 1,234	\$ 635	\$ 15,057	\$ 16,926
Intergovernmental - TDA/LTF	3,984	24,501	161,783	190,268
Contributions			51,000	51,000
TOTAL REVENUES	<u>5,218</u>	<u>25,136</u>	<u>227,840</u>	<u>258,194</u>
EXPENDITURES				
Transportation	<u>538</u>		<u>822,204</u>	<u>822,742</u>
TOTAL EXPENDITURES	<u>538</u>		<u>822,204</u>	<u>822,742</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,680	25,136	(594,364)	(564,548)
Fund balances, July 1, 2008	<u>51,427</u>	<u>26,749</u>	<u>737,860</u>	<u>816,036</u>
Fund balances, June 30, 2009	<u>\$ 56,107</u>	<u>\$ 51,885</u>	<u>\$ 143,496</u>	<u>\$ 251,488</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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Use of money and property	\$ 750	\$ 1,234	\$ 484
Intergovernmental - TDA/LTF		<u>3,984</u>	<u>3,984</u>
TOTAL REVENUES	<u>750</u>	<u>5,218</u>	<u>4,468</u>
EXPENDITURES			
Transportation		<u>538</u>	<u>(538)</u>
TOTAL EXPENDITURES		<u>538</u>	<u>(538)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	750	4,680	3,930
Fund balance, July 1, 2008		<u>51,427</u>	<u>51,427</u>
Fund balance, June 30, 2009	<u>\$ 750</u>	<u>\$ 56,107</u>	<u>\$ 55,357</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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Use of money and property	\$ 750	\$ 635	\$ (115)
Intergovernmental - TDA LTF		<u>24,501</u>	<u>24,501</u>
TOTAL REVENUES	<u>750</u>	<u>25,136</u>	<u>24,386</u>
EXPENDITURES			
Transportation			
TOTAL EXPENDITURES			
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	750	25,136	24,386
Fund balance, July 1, 2008		<u>26,749</u>	<u>26,749</u>
Fund balance, June 30, 2009	<u>\$ 750</u>	<u>\$ 51,885</u>	<u>\$ 51,135</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 (a)
For The Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Use of money and property	\$ 12,000	\$ 15,057	\$ 3,057
Intergovernmental - TDA/LTF	343,000	161,783	(181,217)
Contributions		51,000	51,000
TOTAL REVENUES	<u>355,000</u>	<u>227,840</u>	<u>(127,160)</u>
EXPENDITURES			
Transportation	<u>438,618</u>	<u>822,204</u>	<u>(383,586)</u>
TOTAL EXPENDITURES	<u>438,618</u>	<u>822,204</u>	<u>(383,586)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(83,618)	(594,364)	(510,746)
Fund balance, July 1, 2008	<u>83,618</u>	<u>737,860</u>	<u>654,242</u>
Fund balance, June 30, 2009	<u>\$ -</u>	<u>\$ 143,496</u>	<u>\$ 143,496</u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUNDS – NON-TRANSIT
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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:

<u>Article</u>	<u>Fund</u>	<u>Section</u>		
8(a)	LTF	99400(A)	\$	161,783
8(e)	LTF	99233.3		3,984
3	LTF			<u>24,501</u>
			<u>\$</u>	<u>190,268</u>

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, 2009



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, 2009, 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, 2009, 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 24, 2010

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF NET ASSETS
June 30, 2009

ASSETS

Cash and investments \$ -

TOTAL ASSETS

LIABILITIES

Accounts payable _____

TOTAL LIABILITIES

NET ASSETS

Unrestricted \$ -

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF REVENUES AND EXPENSES
For the Fiscal Year Ended June 30, 2009

OPERATING REVENUES:

Fares and other fees	<u>\$ 26,826</u>
TOTAL OPERATING REVENUES	<u>26,826</u>

OPERATING EXPENSES:

Purchased transportation services	<u>262,282</u>
TOTAL OPERATING EXPENSES	<u>262,282</u>
OPERATING INCOME (LOSS)	<u>(235,456)</u>

NON-OPERATING REVENUES (EXPENSES):

Local Transportation Fund and State Transit Assistance Fund	<u>235,456</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>235,456</u>
NET INCOME (LOSS)	<u><u>\$ -</u></u>

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, 2009

Net assets, July 1, 2008	\$ -
Net income (loss)	<hr/>
Net assets, June 30, 2009	<hr/> <hr/> <u>\$ -</u>

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2009

OPERATING INCOME (LOSS)	\$ (235,456)
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash payments to suppliers for goods and services	(17,902)
Due from other governments	178,250
	(75,108)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Repayment of Due to City of Brawley	(162,161)
Operating grants received	235,456
	73,295
NET CASH PROVIDED FROM NON-CAPITAL FINANCING ACTIVITIES	
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
	(1,813)
CASH AND CASH EQUIVALENTS, JULY 1, 2008	1,813
CASH AND CASH EQUIVALENTS, JUNE 30, 2009	\$ -

See accompanying notes to financial statements

CITY OF BRAWLEY
LOCAL TRANSPORTATION FUND
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

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 2008-2009

	<u>Required Ratio</u>	<u>Actual Ratio</u>		<u>Finding</u>
Fare revenues	10.00%	10.23%	<u>26,826</u>	In compliance
			262,282 *	

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