

CITY OF BLUE LAKE
REPORT ON AUDIT OF THE
TRANSPORTATION FUND

For the Year Ended June 30, 2023

CITY OF BLUE LAKE

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Humboldt County Association
of Governments
611 I Street, Suite B
Eureka, CA 95501

Opinion

We have audited the accompanying financial statements of the Transportation Fund of the City of Blue Lake as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Fund of the City of Blue Lake as of June 30, 2023 and 2022 and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the the Audit of the Financial Statements section of our report. We are required to be independent of the City of Blue Lake, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Fund and do not purport to, and do not, present fairly the financial position of the City of Blue Lake as of June 30, 2023 and 2022, the changes in its financial position, or, where applicable, its cash flows for the years 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.

Responsibilities of Management 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, and for 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.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Blue Lake's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Our audit was also made for the purposes of determining compliance with the Transportation Development Act Sections 99234, 99400 (a), and 99260.7, the California Administrative Code and the rules and regulations of the Humboldt County Association of Governments. In our audit we performed to the extent applicable, the tasks contained in Sections 6666 and 6667 of the California Administrative Code.

In our opinion, the funds described above were expended in conformance with applicable laws, rules, and regulations of the Transportation Development Act and the allocation instructions of the Humboldt County Association of Governments.

Anderson, Lucas, Somerville, & Borges

February 16, 2024
Fortuna, California

CITY OF BLUE LAKE
TRANSPORTATION DEVELOPMENT ACT FUNDS

COMPARATIVE BALANCE SHEET

Pertaining to Section 99400(a) and 99262 of the Public Utilities Code
Recorded in the Transportation Fund

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 9,387	\$ 0
Interest receivable	137	11
TDA receivable	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 9,524</u>	<u>\$ 11</u>
 LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 0	\$ 0
Deferred revenue	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>
Fund Balance		
Restricted:		
Streets	<u>9,524</u>	<u>11</u>
Total Fund Balance	<u>9,524</u>	<u>11</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 9,524</u>	<u>\$ 11</u>

See accompanying notes to financial statements.

CITY OF BLUE LAKE
TRANSPORTATION DEVELOPMENT ACT FUNDS

COMPARATIVE BALANCE SHEET

Pertaining to Section 99400(c) of the Public Utilities Code
Recorded in the Transportation Fund

June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash (overdraft)	\$ (28,203)	\$ 4,160
Interest receivable	0	12
TDA receivable	<u>32,375</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 4,172</u>	<u>\$ 4,172</u>
 LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 2,750	\$ 2,750
Deferred revenues	<u>0</u>	<u>0</u>
Total Liabilities	<u>2,750</u>	<u>2,750</u>
Fund balance		
Restricted:		
Transportation	<u>1,422</u>	<u>1,422</u>
Total Fund Balance	<u>1,422</u>	<u>1,422</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,172</u>	<u>\$ 4,172</u>

See accompanying notes to financial statements.

**CITY OF BLUE LAKE
TRANSPORTATION DEVELOPMENT ACT FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

**Pertaining to Section 99400(a) and 99262 of the Public Utilities Code
Recorded in the Transportation Fund**

For the Year Ended June 30, 2023

With Comparative Amounts for the Year Ended June 30, 2022

	2023		Variance	
	Budget	2023 Actual	Favorable (Unfavorable)	2022 Actual
REVENUES				
Intergovernmental:				
Allocations TDA (Streets)	\$ 28,098	\$ 28,098	\$ 0	\$ 9,282
Interest income	10	137	127	15
<u>Total</u>	<u>28,108</u>	<u>28,235</u>	<u>127</u>	<u>9,297</u>
EXPENDITURES				
Expense transfers for street maintenance	\$ 28,108	18,722	9,386	12,889
Capital outlay	0	0	0	0
<u>Total</u>	<u>28,108</u>	<u>18,722</u>	<u>9,386</u>	<u>12,889</u>
EXCESS OF REVENUES OVER EXPENDITURES	\$ 0	\$ 9,513	\$ 9,513	\$ (3,592)
FUND BALANCE - BEGINNING OF YEAR	11	11	0	3,603
TRANSFER OUT	0	0	0	0
FUND BALANCE - END OF YEAR	\$ 11	\$ 9,524	\$ 9,513	\$ 11

See accompanying notes to financial statements.

**CITY OF BLUE LAKE
TRANSPORTATION DEVELOPMENT ACT FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

**Pertaining to Section 99400(c) of the Public Utilities Code
Recorded in the Transportation Fund**

For the Year Ended June 30, 2023

With Comparative Amounts for the Year Ended June 30, 2022

	2023		Variance	2022
	<u>Budget</u>	<u>2023 Actual</u>	Favorable (Unfavorable)	<u>Actual</u>
REVENUES				
Intergovernmental:				
Allocations TDA	\$32,375	\$32,375	\$ 0	\$ 32,375
Interest income	<u>0</u>	<u>0</u>	<u>0</u>	<u>12</u>
<u>Total</u>	<u>32,375</u>	<u>32,375</u>	<u>0</u>	<u>32,387</u>
EXPENDITURES				
Blue Lake Rancheria	\$32,375	\$32,375	\$ 0	\$ 31,875
Contract maintenance	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total</u>	<u>32,375</u>	<u>32,375</u>	<u>0</u>	<u>31,875</u>
EXCESS OF REVENUES OVER EXPENDITURES	0	0	0	512
FUND BALANCE - BEGINNING OF YEAR	1,422	1,422	0	910
TRANSFERS OUT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,422</u>	<u>\$ 1,422</u>	<u>\$ 0</u>	<u>\$ 1,422</u>

See accompanying notes to financial statements.

CITY OF BLUE LAKE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2023

NOTE 1 - REPORTING ENTITY:

These financial statements consist only of the Transportation Fund of the City of Blue Lake. This governmental-type Special Revenue Fund accounts for the various transit and street-related activities provided by the City, and is financed with Transportation Development Act monies.

NOTE 2 - BASIS OF ACCOUNTING:

The Transportation Fund of the City of Blue Lake 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 3 - DESCRIPTION OF SERVICES:

The City's transportation services consist of two distinct programs:

1. A general public use fixed route transit system providing transit services in and around the City of Blue Lake;
2. An ongoing streets repair and maintenance program.

NOTE 4 - USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.