

CITY OF BLUE LAKE

**REPORT ON AUDIT OF THE
TRANSPORTATION FUND**

For the Year Ended June 30, 2021

CITY OF BLUE LAKE

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ANDERSON, LUCAS, SOMERVILLE & BORGES, LLP

CERTIFIED PUBLIC ACCOUNTANTS

KEITH D. BORGES, CPA
BARBARA J. GUEST, CPA
DANIEL COLE, CPA
RITA CHISM
VANESSA ANDERSON, EA

1338 MAIN STREET
FORTUNA, CALIFORNIA 95540
(707) 725-4483 & (707) 725-4442
FAX: (707) 725-6340
Email: team@alsb.com
www.alsb.com

JAMES M. ANDERSON (1964-2001)
EUGENE B. LUCAS (1950-2013)
DAVID A. SOMERVILLE, INACTIVE

INDEPENDENT AUDITORS' REPORT

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

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, 2021 and 2020, and the related notes to the 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.

Auditors' Responsibility

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 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 of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2021 and 2020, 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.

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, 2021 and 2020, 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.

Other

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

November 10, 2021
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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash (overdraft)	\$ (8,522)	\$ (23,211)
Interest receivable	0	0
TDA receivable	<u>12,125</u>	<u>26,806</u>
TOTAL ASSETS	\$ <u>3,603</u>	\$ <u>3,595</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
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>3,603</u>	<u>3,595</u>
Total Fund Balance	<u>3,603</u>	<u>3,595</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>3,603</u>	\$ <u>3,595</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, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash (overdraft)	\$ 3,655	\$ 3,755
Interest receivable	5	25
TDA receivable	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>\$ 3,660</u>	<u>\$ 3,780</u>
 LIABILITIES AND FUND BALANCE		
Accounts payable	\$ 2,750	\$ 2,750
Deferred revenues - Bus Shelter	<u>0</u>	<u>0</u>
Total Liabilities	<u>2,750</u>	<u>2,750</u>
Fund balance		
Restricted:		
Transportation	<u>910</u>	<u>1,030</u>
Total Fund Balance	<u>910</u>	<u>1,030</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 3,660</u>	<u>\$ 3,780</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, 2021

With Comparative Amounts for the Year Ended June 30, 2020

	2021		Variance	
	Budget	2021 Actual	Favorable (Unfavorable)	2020 Actual
REVENUES				
Intergovernmental:				
Allocations TDA (Streets)	\$ 12,125	\$ 12,125	\$ 0	\$ 26,806
Interest income	<u>0</u>	<u>8</u>	<u>8</u>	<u>0</u>
<u>Total</u>	<u>12,125</u>	<u>12,125</u>	<u>8</u>	<u>26,806</u>
EXPENDITURES				
Expense transfers for street maintenance	\$ 12,125	\$ 12,125	\$ 0	\$ 3,211
Capital outlay-Bus Shelter	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total</u>	<u>12,125</u>	<u>12,125</u>	<u>0</u>	<u>23,211</u>
EXCESS OF REVENUES OVER EXPENDITURES	0	8	8	3,595
FUND BALANCE - BEGINNING OF YEAR	3,595	3,595	0	0
TRANSFER OUT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,595</u>	<u>\$ 3,603</u>	<u>\$ 8</u>	<u>\$ 3,595</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(c) of the Public Utilities Code
Recorded in the Transportation Fund**

For the Year Ended June 30, 2021

With Comparative Amounts for the Year Ended June 30, 2020

	2021		Variance	2020
	Budget	2021 Actual	Favorable (Unfavorable)	Actual
REVENUES				
Intergovernmental:				
Allocations TDA	\$32,375	\$32,000	\$ (375)	\$ 41,825
Interest income	<u>270</u>	<u>5</u>	<u>(265)</u>	<u>218</u>
<u>Total</u>	<u>32,375</u>	<u>32,005</u>	<u>(640)</u>	<u>42,043</u>
EXPENDITURES				
Blue Lake Rancheria	\$32,375	\$32,125	\$ 250	\$ 32,375
Contract maintenance	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,450</u>
<u>Total</u>	<u>32,375</u>	<u>32,125</u>	<u>250</u>	<u>41,825</u>
EXCESS OF REVENUES OVER EXPENDITURES	270	(120)	(120)	218
FUND BALANCE - BEGINNING OF YEAR	1,030	1,030	0	812
TRANSFERS OUT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,030</u>	<u>\$ 910</u>	<u>\$ 120</u>	<u>\$ 1,030</u>

See accompanying notes to financial statements.

CITY OF BLUE LAKE

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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.