

Loyalton Financial Management Review

Presented by: Rural Community
Assistance Corporation (RCAC)

Funded by: State Water
Resources Control Board



CITY OF LOYALTON

WATER SYSTEM #4610001

LOYALTON, CA

FINANCIAL MANAGEMENT REVIEW

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Funded by:



State Water Resources Control Council

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I. ...PURPOSE AND OBJECTIVE

The State Water Resources Control Council (SWRCB) requested that Rural Community Assistance Corporation (RCAC) conduct an initial survey of the City of Loyalton's water system management, financials, and operation and based on findings, develop a work plan that will lead to the system obtaining TMF Capacity enabling them to apply for funding and ensure sustainability. The focus of this report is the financial and administrative systems.

Loyalton is a city in Sierra County, California The population was 769 at the 2010 census. The town is near the north extent of State Route 49, which ends at State Route 70 in Vinton, California.

The City of Loyalton (COL) was incorporated in 1901 as a municipal corporation operating under the laws of the State of California. COL provides services including general government, public works, public safety, water, sewer and parks and recreation. The city operates under a Council Manager form of government. .

DISCLAIMER

The recommendations contained in this analysis are based on information provided to RCAC by COL. Although every effort was made to assure the reliability of this information, no warranty is expressed or implied as to the correctness, accuracy or completeness of the information contained herein.

II. INTERNAL Controls

There are five basic elements of an internal controls system. Within each element are a number of factors to consider in the development of your organization's policies and procedures. The elements of an internal controls system are:

1. **Control environment** is the organizational structure and culture created by the management and employees to sustain support for the internal controls. Management must clearly demonstrate its commitment to competence in the workplace. Define areas of authority and responsibility and delegate the authority and responsibility throughout the agency; establish a suitable hierarchy for reporting. Support human capital policies for hiring, training, evaluating, counseling, advancing, compensating, and disciplining personnel. Management's philosophy and operational style will set the tone within the organization and should be committed to ethical business practices and to following the established control procedures.
2. **Risk assessment** is a necessary first step in establishing internal controls. Before potential risks can be minimized, they must first be identified. Management should identify internal and external risks that could hinder your organization in meeting its objectives. In

conducting the risk assessment for your organization some of the questions management should ask are:

- A. Are controls in place over the preparation of financial reports?
- B. Does documentation exist to support the activity of the financial account/program?
- C. Are duties adequately segregated?
- D. Are information technology controls over significant computer systems in place?
- E. Are controls in place to ensure routine reconciliations are performed?
- F. Are controls in place to adequately track and safeguard capital assets?
- G. Are controls in place to monitor sub-recipients of federal grant funds?
- H. Is there adequate communication between management, internal and external auditors and the board of directors or audit committee?

3. **Control activities** is defined as the policies and procedures applied to the conduction of day to day business to reduce opportunities for errors, omission, theft and fraud. Some examples include: Proper segregation of duties, physical controls over assets (limited access to inventories or equipment); proper authorization levels; and appropriate documentation and access to that documentation. Segregation of duties is designed to reduce the opportunities that allow any person to be in a position to both perpetrate and conceal errors or fraud in the normal course of his or her duties. It involves assigning different people the responsibilities of authorizing transactions, recording transactions and maintaining custody of assets.

4. **Information & Communication** should be reliable relevant and timely. Information should be communicated to relevant personnel at all levels within the organization. This also applies to communication that needs to be done outside of the organization;

1. **Monitoring** the effectiveness of the internal controls should occur in the normal course of business. Periodic reviews, reconciliations, and comparisons of data should be included as part of the regular assigned duties of personnel. Deficiencies found in internal controls should be reported to appropriate personnel and

management responsible for that area. Such deficiencies should be corrected as soon as they are identified.

In whatever stage of the development and implementation of internal controls policies and procedures your organization is, periodic review and assessment should be an on-going practice. As new technologies change the way organizations conduct business, methods to reduce the risk of loss due to errors, omission, theft and fraud must be continually strengthened.

III. Overall Systems

COLs accounting records are maintained at Loyalton City Hall, 605 School Street, Loyalton, California, on a modified accrual basis. The city's fiscal year runs from July 1- June 30. The accounting department consists of one part time bookkeeper, Kim Lombardi, and one part time City Clerk, Kathy LeBlanc. COL's accounting staff has limited knowledge in governmental accounting but have indicated a strong willingness to learn. The suggestions below are designed to strengthen internal controls, recording and documenting processes.

IV. Chain of Command

COL has a documented administration policy that includes job descriptions for the city clerk, deputy clerk and city maintenance workers. The powers and duties of the city council and mayor's office are also outlined. However, RCAC noted some confusion among staff regarding to whom they were to directly report. Office staff frequently receives requests from the mayor, the operation's manager and various council members. Those requests can be conflicting and the staff is unclear from whom they should receive direction.

Recommendation #1: RCAC recommends COL develop an organizational chart which delineates each position (Mayor, Council, and Staff) and the position to which each reports. To avoid conflicting requests, it is further recommended that all requests go through the supervisor rather than the individual staff. The supervisor can then determine if the requests are appropriate and, if so, route them directly to the employee for whom he/she has supervisory responsibility.

V. Accounting Software

COL maintains the general ledger in QuickBooks Accountant Premier 2016. The general ledger has been set up utilizing the "Class" feature in QuickBooks to track each transaction by individual types of activity or enterprise to which it is being recorded. However, the general ledger contains many transactions that are not posted to a "Class" code, primarily in the balance sheet and a few in the income statement. It was also noted that natural accounts have been created to track transactions for individual fund accounts. This results in a large number of

unnecessary natural accounts which amplifies the risk of errors, omissions and fraud and produces financial statements that are cumbersome to read and understand. If properly utilized, the "Class" feature should mostly eliminate the need for separate natural accounts for the individual fund accounts. The chart of accounts are not numbered.

Recommendation #2: RCAC recommends COL modify its chart of accounts to reduce redundancies in the natural and class categories.

Recommendation #3: Although QuickBooks accounts must be assigned a natural account type, RCAC recommends COL also utilize a numbering system in its chart of accounts. Doing so will provide more control over the order accounts appear on the financial statements.

Recommendation #4: *To provide meaningful financial statements and to accurately represent the activity and balance of each fund, it is important that the "Class" feature be used in recording all transactions.*

Recommendation #5: *To clarify tracking and avoid confusion that can arise when the "Class" feature is utilized for more than one specific function, RCAC recommends COL utilize the "Customer:Job" function for programs, special projects and/or funding sources that will have end dates. For example, "Park Improvement Project #1 PAV" could be recorded under the Class of "Park 9420-1" and the Customer: Job of Park Improvement Project #1 PAV.*

Additionally COL uses UBMAX as its billing software. Meter readings are fed into UBMAX monthly and the bills for each connection are created based on this information. The City Clerk suggested that UBMAX is compatible with QuickBooks but importing the information directly from the billing software into QuickBooks has not yet been attempted.

Recommendation #6: *RCAC recommends COL research the billing software to determine if it is, in fact, compatible with QuickBooks. If so, connecting the two programs might reduce the duplication of efforts and possibility of errors, omissions and fraud by eliminating the necessity for sales and accounts receivable journal entries*

VI. Banking

COL has five bank accounts. The mayor and two council members are authorized signatories for each account. Checks are prepared by the bookkeeper using QuickBooks. Each check requires two authorized signatures. All checks are pre-numbered. Voided checks are marked

VII. Segregation of Duties

“VOID” and the signature line is removed before being placed in numerical order in a file. Checks are never written to cash, post-dated or signed when blank. Unused checks are stored in a locked safe. As with all small offices, COL has challenges with segregation of duties. The lack of availability of a sufficient number of staff to close potential gaps in internal controls can be perplexing but careful analysis of the use of existing staff, routing of documents and signatory approval can strengthen the system.

Recommendation #7: *RCAC noted one area in which the department could strengthen internal controls is through the implementation of segregation of duties. In appendix A are some suggestions to assess segregation of duties and to identify and eliminate gaps:*

VIII. Receipts

The mail is opened by either the city clerk or the bookkeeper. To implement some checks and balances, the City Clerk and the Bookkeeper review the cash receipts and bank deposits. The City Clerk enters receipts into UBMAX then prints out the report. She then gives a copy of the report and the original checks to the bookkeeper. The bookkeeper makes copies of the checks, prepares the deposit slip and enters the total deposit into QuickBooks. She maintains a file that includes copies of the UBMAX report, the check copies, and the deposit receipt. The original checks are filed in a fire proof safe and taken to the bank by the bookkeeper at least once a week, usually two to three times a week. The restrictive endorsement is stamped on the back of each check prior to depositing it. Cash payments are frequently received by COL. The cash is received by the city clerk, a receipt is produced from the UBMAX software. A copy of the receipt and the cash is forwarded to the bookkeeper. Because cash has to be deposited in Portola, cash receipts are only deposited about every two weeks.

Recommendation #8: *It is recommended the checks be stamped with the restrictive endorsement as soon as they are received, rather than when they are deposited.*

Recommendation #9: *It is recommended mail be received and opened by someone other than the person who will be processing and entering receipts into the accounting records. The person who opens the mail should immediately stamp each check with a restrictive endorsement. Each check should be entered onto a cash receipts log. The original check and two copies of each check should then be forwarded to the city clerk for processing. The designated staff should fill out the deposit slip, attach a copy of the deposit slip to one copy of each check included in the deposit and forward those copies to the person who will enter the receipts into QuickBooks. At the end of each month the cash*

receipts log should be totaled and routed to the person who is responsible for bank reconciliations.

Recommendation #10: *It is recommended when the checks have been entered into QuickBooks, a print out of the receipts batch should be attached to those copies and filed in the appropriate cash receipts file. Until segregation of duties has been established it is recommended the Mayor or Operations Manager review and sign approval on the print out.*

The bookkeeper states she was told by an outside accountant to date checks received the same date as the check is dated and has been doing that. It is believed that this is a misunderstanding. Perhaps in their discussions she was told to enter invoices dated the date on the invoice, which is correct. But payments should be dated the day they are received to accurately match transactions to the correct accounting period and to agree with dates they are deposited into the bank.

Recommendation #11: *It is recommended all payments received be entered into books with the date they were received.*

IX. Transfers In and Out

COL sometimes transfers money from one fund account into another. It is sometimes just a paper transfer and does not require an actual movement of dollars from one bank account into another.

Recommendation #12: *It is recommended a transfer in/out document be developed and used for all transfers between account funds. The document should require date of transfer, reason for transfer, amount of transfer and an authorized approval signature.*

X. Credit Cards

COL has three credit cards: one for the fire department, one for the operator, and one for office use. Five employees are authorized to use the cards. Each card has a \$2,000 limit. The cards are used primarily for gasoline for the operator and the fire department. The signed receipt must note into which vehicle the gasoline was put. Sometimes, but not frequently, purchase orders are issued for charges on the credit cards. The staff usually brings receipts to the bookkeeper when the credit card has been used but sometimes lose the receipt. COL's written policy regarding the credit card states that the accounts must be reconciled monthly.

Recommendation #13: *RCAC recommends the written policies regarding the use of credit cards be tightened to include acceptable circumstances under which the credit card may be used as well as acceptable uses for the cards.*

XI. Payments

Invoices are received through regular mail delivery. The mail is opened by the city clerk or the bookkeeper. The invoices are routed to the bookkeeper for processing. If the bookkeeper has received a packing slip, she checks the invoice against the packing slip and the purchase order, reviews for math accuracy and discounts then enters it into QuickBooks. When the invoice is due, she prints the check and submits it for signature. The signature on the check serves as approval for payment.

Recommendation #14: *To improve the segregation of duties in this area, it is recommended that the invoice be routed to someone who has been designated as authorized approver before a check is written. When that person has reviewed the invoice and approved it for payment, it should be stamped "Approved", as well as dated and initialed by the approver. Once approved, the documents should be submitted to the bookkeeper for payment processing. Stamp all invoices "Paid" with a copy of the check, purchase order and packing slip attached before it is filed. It is further recommended that someone other than the person who processes the checks mail them to the vendors.*

XII. General Ledger

In reviewing the QuickBooks file numerous recording error were noted. Revenue and accounts receivable for the months of April and May, 2016. were recorded in reverse of their natural order. Water and sewer services were recorded as a debit to revenue and a credit to accounts receivable. All of the classes show a negative in accounts receivable. The Unclassified category has numerous transactions posted, including a total \$145,212 in accounts receivable. While every posted transaction and back up documentation was not reviewed there were numerous accounts that appeared askew – negative bank balances, negative construction in progress (Unclassified).

Recommendation #15: *RCAC recommends bookkeeping, QuickBooks and fund accounting training for COL office staff who record transactions in the general ledger.*

XIII. Financial Policies and Procedures Manual

While the staff was able to provide a documented policies regarding the use of purchase orders, incoming bills, petty cash and credit card usage, a complete written financial policies and procedures manual has not been developed and adopted.

Recommendation #16: *It is recommended COL develop a written financial policies and procedures manual that includes, at a minimum, the following council approved policies.*

1. A records retention policy which specifies the length of time each type of record will be retained.
2. The council approved policy prohibiting destruction of documents related to any on-going investigations.
3. Policies which specify the criteria for selection of contractors and sub-contractors.
4. Policies regarding depreciation of fixed assets and for retirement of fixed assets (property and equipment).
5. Authorization levels and document routing processes.
6. Cash and investment policies. .

XIV. Vendor File Maintenance

The vendor files are well maintained and include paid purchase orders, copies of signed checks, invoices and packing slips when applicable. At calendar year end, a vendor's W-9 is requested if payments totaling \$600 or more have been issued to the vendor during the calendar year.

Recommendation #17: *It is recommended all invoices be signed or initialed by the authorized approver for payment.*

Recommendation #18: *It is recommended vendor W-9 forms as well as proof of workers' compensation insurance (for those who have employees) as well as any necessary licenses be collected before any payment is issued to a vendor. Collecting this information up front, before payments have been made, will ease the accounting department's calendar year end activities and reduce the risk of inadequate 1099 reporting information.*

XV. Purchasing and Contracting

COL uses pre-numbered purchase orders to authorize most purchases. The purchase orders are numbered and in duplicate. *The original purchase order is forwarded to the accounting department for processing and compared and filed with the vendor invoice. The copy remains in the purchase order book in numerical sequence.* Authorized signatories have not be designated for purchase order approvals.

Recommendation #19: *COL should establish and document the person(s) authorized to approve the purchases prior to incurring the cost and consistently follow the procedure to assure a mechanism to better control costs and assist in timing of payments for better management of cash flow. Purchase orders should be subject to the same internal requirements, policies and procedures that have been recommended for processing invoices. Limits requiring a purchase order and authorization levels for purchase orders should be established and included in the Financial Policies and Procedures manual. Periodically, the book should be reviewed to verify all purchase orders are appropriate and accounted for.*

The COL has approved several purchasing policies and procedures. However, the policies have not been integrated into a manual that is available for review by all staff who are responsible for purchasing or approving purchases.

Recommendation #20: RCAC recommends COL incorporate the following policies into either a Purchasing Manual or their Financial Policies & Procedures Manual (sample verbiage included):

1. Conflict of Interest Policy

No employee, officer or agent of the (ORGANIZATION NAME OR ACRONYM) or any of its contractors shall participate in the selection or award of a contract if a conflict of interest, real or perceived, would be involved. Such a conflict would arise when a financial interest in a firm selected for award is held by:

- a) The employee, officer or agent involved in making the award.
- b) Any member of his or her immediate family.
- c) His or her partner.
- d) An organization that employs, or is about to employ, any of the above, or has a financial interest in the firm selected to be awarded.

2. Non-discrimination Policy

(ORGANIZATION NAME OR ACRONYM) is committed to providing equal procurement and contracting opportunity for all qualified persons and entities regardless of race, color, religion, sex, age, national origin, disability, veteran status or political affiliation. Equal procurement and contracting opportunity extends to all aspects of the procurement and contracting process.

It is the policy of (ORGANIZATION NAME OR ACRONYM) that small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals and small concerns owned and controlled by women shall have the maximum practicable opportunity to participate in performing contracts let by this agency.

3. Circumstances under which sole sourcing is allowable.

Noncompetitive proposals: Proposals from only one source shall be used only when the award of a contract is infeasible under one of the methods specified above and one of the following circumstances applies:

- a) The item is available from only a single source.
- b) In the event of an unanticipated or emergency circumstance where repairs must be made immediately, such purchases or contracts may be made based on availability of a qualified

provider. Written notice of such procurement shall be given to the Council.

c) The awarding agency (such as USDA) authorizes noncompetitive proposals.

d) After solicitation of a number of sources, competition is determined inadequate

4. **Checklist of documents to be included in each contractor file for example, signed contract and any amendments, TIN, copy of current business/operating license, if application, copies of invoices and/or reports, copies of payments. .**

XVI. Internal Reports

The council receives packets prior to each meeting that includes an itemized schedule of outstanding bills payable, bills that have been paid for since the last meeting, itemized list of credit card charges since last meeting and the overall Statement of Net Position and Statement of Activities through the date of the meeting.

Recommendation #21: RCAC recommends financial statements for the various funds accounts and individual enterprise accounts be included as a part of the review. Without monitoring the individual accounts it is impossible to gauge whether the enterprises are recovering the costs of service with the current rates, whether the other programs are costing the city more than the value of providing those services.

Recommendation #22: RCAC recommends budget comparison reports be included as part of the review.

Recommendation #23: RCAC recommends the meeting packet include the QuickBooks generated Bank Reconciliation.

XVII. Budget

The budgeting process is an important management tool for the city to direct its activities, gauge the results and control the direction. The budget is created by the bookkeeper. The council legally adopts a final operating budget, which, pursuant to the laws of the State of California, must be balanced. Any shortfall in revenue requires an equal reduction in financing requirements. Specific budgets are created for the city overall and for the enterprise accounts.

Recommendation #24: RCAC recommends department managers work with the bookkeeper to develop the annual budgets. While the bookkeeper can contribute historic costs and projections based on them the department heads will have better knowledge regarding anticipated unusual expenditures, such as repairs and equipment replacement.

Recommendation #25: RCAC recommends the fiscal year budget be presented to the Council for review and approval at least annually. If substantial modifications are made to the budget after it has been

approved by the Council, it is recommended the modified budget by presented to the Council for approval.

Recommendation #26: RCAC recommends COL develop longer range fiscal planning. A five year forecast will be helpful in directing the future of the city's services and programs as well as stabilizing consumer rates for its enterprise activities.

XVIII. Payroll

COL's bookkeeper prepares payroll checks every two weeks based on employees' timesheets. The city clerk distributes the paychecks to the employees. Salary expenses are distributed in QuickBooks to water and sewer enterprises based on timesheets. Immediately after the payroll checks have been submitted for signature, the bookkeeper calculates and submits the payroll taxes to the appropriate federal/state authority.

Recommendation #27: RCAC recommends each timesheet be signed by the employee and the employee's supervisor.

XIX. Audit

A significant focus of any audit annual audit is the auditor's testing of internal controls to assess their effectiveness. Internal controls are the processes, implemented by an organization's management and governing body and documented in its policies and procedures manual, designed to provide reasonable, though not absolute, assurance regarding the achievement of your organization's objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Safeguarding of assets and resources

Audit findings erode funders' confidence and the public perception. However and possibly of even deeper concern, is the city's exposure to risk if solid internal controls have not been established. Internal controls are essential to every business and should be a key part of everyday procedures. The system should include, at minimum, a properly designed accounting system, maintenance of source documents initiating transactions, anti-fraud controls, controls to ensure accurate and timely financial reporting and controls to ensure safeguarding of the agency's assets. As previously mentioned, the internal controls policies and processes should be documented in a well-maintained policies and procedures manual.

- COL has an audit conducted by an independent auditor annually. The audit is performed in accordance with

Government Auditing Standards. The audit for the fiscal year ended June 30, 2015, was issued with a qualified opinion based on "The City does not utilize an accounting system with a self-balancing set of accounts for recording transactions." A

Qualified Opinion report is issued when the auditor encountered one of the two types of situations which do not comply with generally accepted accounting principles, however the rest of the financial statements are fairly presented. This type of opinion is very similar to an unqualified or "clean opinion", but the report states that the financial statements are fairly presented with a certain exception which is otherwise misstated. The two types of situations which would cause an auditor to issue this opinion over the Unqualified opinion are:

- Single deviation from GAAP – this type of qualification occurs when one or more areas of the financial statements do not conform to GAAP (e.g. are misstated), but do not affect the rest of the financial statements from being fairly presented when taken as a whole.
- Limitation of scope – this type of qualification occurs when the auditor could not audit one or more areas of the financial statements, and although they could not be verified, the rest of the financial statements were audited and they conform to GAAP.

Recommendation #27: RCAC recommends consistent and accurate use of the QuickBooks "Class" feature to record all transactions. By producing financial statements for each "Class" or fund, every month, "out of balance" fund accounts can be quickly identified and corrected.

The audited dated June 30, 2015, also contained fourteen financial statement findings, several of which were repeat findings from the prior year and two of which were considered to be material weaknesses, and three federal award findings and questioned costs related the verification of the status of hired contractors' licenses. COL qualified as a low risk auditee.

Recommendation #30: In reviewing the audit findings, it appears most of the issues creating the findings will be eliminated if COL implements the above recommendations and consistently follows them.

XX. Personnel

- Full time employee receive ten days of paid vacation annually after their first year of employment with a maximum accrual of twenty days. Part time employees do not receive vacation pay. All employees who work thirty or more hours a week receive sick leave benefits of four hours per month for full time and one hour per month for part time, as well as paid holidays. COL has a 427 retirement plan to which the city matches up to 6 percent of the employees' contribution. Only one employee contributes to the retirement plan. The payment to the retirement plan is submitted every two weeks when the payroll has been completed.
- COL has developed a written Personnel Policy Manual. RCAC staff are not employment law specialists and recommend the policies be reviewed by an employment attorney periodically to ascertain current California employment laws and necessary directives have been addressed in the policies.

Recommendation #31: RCAC recommends policies regarding conflict of interest be included in the Personnel Manual.

Recommendation #32: RCAC recommends COL include in the personnel manual a statement regarding the confidentiality of personnel records, who will have access to the files and what the process is for an employee to access his/her own personnel file.

Recommendation #33: RCAC recommends policies against the use of cell phones and texting while driving be included in the Personnel Manual.

Recommendation #34: RCAC staff are not employment law specialists and recommend the policies be reviewed by an employment attorney periodically to ascertain current California employment laws and necessary directives have been addressed in the policies.

XXI. Succession Planning

- COL's certified operator works on a volunteer basis. He has indicated that he would like the city to find a replacement for him. The city hired an operator trainee who works under the operator's guidance. The city does not provide payment for costs of operator training and certification. The salary and benefits for this position are not conducive to attracting and keeping qualified operators.

Recommendation #35: RCAC recommends COL review the salaries and benefits being paid by other utilities its size. A five year budget projection should be drafted using a compensation package that will appeal to qualified staff. Then a rate analysis should be conducted to determine a reasonable customer rate cover the true costs of operating the system.

XXII. CONCLUSION

COL consistently provides invaluable services to the community. The city mayor and staff have indicate a strong desire to attain the high levels of transparency, accuracy and internal controls necessary for sustainability and continued community and funder confidence. While there is much work to be done in developing stronger internal controls, it is achievable through staff training, thoughtful analysis and development of a Financial Policies and Procedures Manual as well as consistent execution of the procedures and policies detailed in the manual. Upon approval from the State Water Resources Control Board, RCAC is available to assist in training bookkeeping staff, developing strong internal controls and developing a Financial Policies and Procedures Manual.

City of Loyaltan
Revenue & Expenditures
 July 2016 through June 2017

	Water Fund 7520-1 (Enterprise Funds)	Total Enterprise Funds	TOTAL
Ordinary Income/Expense			
Income			
Transfer In	23,738.98	23,738.98	23,738.98
Enterprise Income	204,483.57	204,483.57	204,483.57
Revenue Use of Money & Property	108.60	108.60	108.60
Total Income	228,331.15	228,331.15	228,331.15
Gross Profit	228,331.15	228,331.15	228,331.15
Expense			
Late Fee	13.50	13.50	13.50
Finance Charge	14.65	14.65	14.65
Small Tools & Equipment	744.62	744.62	744.62
Repairs & Maintenance	2,445.22	2,445.22	2,445.22
Building Repairs	78.90	78.90	78.90
Utilities	33,218.35	33,218.35	33,218.35
Equipment Repair & Maintenance	9,771.85	9,771.85	9,771.85
Taxes	205.86	205.86	205.86
Salaries and Wages	68,105.89	68,105.89	68,105.89
Employee Benefits	2,117.45	2,117.45	2,117.45
Services and Supplies	48,016.32	48,016.32	48,016.32
Total Expense	164,732.61	164,732.61	164,732.61
Net Ordinary Income	63,598.54	63,598.54	63,598.54
Other Income/Expense			
Other Expense			
Debt Service	44,487.00	44,487.00	44,487.00
Total Other Expense	44,487.00	44,487.00	44,487.00
Net Other Income	-44,487.00	-44,487.00	-44,487.00
Net Income	19,111.54	19,111.54	19,111.54

City of Loyalton
Revenue & Expenditures
 As of June 30, 2017

	Water Fund 7520-1 (Enterprise Funds)	Total Enterprise Funds	TOTAL
ASSETS			
Current Assets			
Checking/Savings	65,076.41	65,076.41	65,076.41
Accounts Receivable	-4,851.00	-4,851.00	-4,851.00
Other Current Assets			
Due From Other Funds	57,387.16	57,387.16	57,387.16
Accounts Receivable- Proprietar	72,412.83	72,412.83	72,412.83
Total Other Current Assets	129,799.99	129,799.99	129,799.99
Total Current Assets	190,025.40	190,025.40	190,025.40
Fixed Assets	2,196,113.39	2,196,113.39	2,196,113.39
TOTAL ASSETS	2,386,138.79	2,386,138.79	2,386,138.79
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable	18,148.28	18,148.28	18,148.28
Credit Cards	8,742.25	8,742.25	8,742.25
Other Current Liabilities			
Current Portion-Long Term Debt	-16,600.00	-16,600.00	-16,600.00
Sales Tax Payable	-357.03	-357.03	-357.03
J. Cussins Converted Sick Liabi	1,299.08	1,299.08	1,299.08
Accrued Bond Interest Payable	1,405.00	1,405.00	1,405.00
Accrued Payroll			
Propriety Accrued Payroll	132.51	132.51	132.51
Total Accrued Payroll	132.51	132.51	132.51
Payroll Liabilities	814.55	814.55	814.55
Total Other Current Liabilities	-13,305.89	-13,305.89	-13,305.89
Total Current Liabilities	13,584.64	13,584.64	13,584.64
Long Term Liabilities	999,949.00	999,949.00	999,949.00
Total Liabilities	1,013,533.64	1,013,533.64	1,013,533.64
Equity			
Unassigned (Fund Equity)	-73,025.74	-73,025.74	-73,025.74
Invested in Fixed Assets	2,336,676.00	2,336,676.00	2,336,676.00
Unreserved Fund Balance			
Net Income	-1,072,875.49	-1,072,875.49	-1,072,875.49
	19,111.54	19,111.54	19,111.54
Total Equity	1,209,886.31	1,209,886.31	1,209,886.31
TOTAL LIABILITIES & EQUITY	2,223,419.95	2,223,419.95	2,223,419.95
UNBALANCED CLASSES	162,718.84	162,718.84	-162,718.84