



NEWS RELEASE 057

Contact: Kathy Carter
kathy.carter2@libertyutilities.com
(775) 813-1280

LIBERTY UTILITIES LAUNCHES SOLAR INCENTIVE PROGRAM

Lake Tahoe, CA July 24, 2017. Starting this week, eligible Liberty Utilities customers can qualify for cash incentives that help offset the cost of installing solar panels on their home or small business.

The utility's Solar Incentive Program (SIP) was approved by the California Public Utilities Commission earlier this month, and the utility has posted information on its website including a link to the online application. Customers should go to www.libertyutilities.com and select the Smart Energy Use link at the top; they will find the Solar Incentive Program (SIP) link on that webpage.

"Our customers live in some of the most pristine areas of the country, and they want to do their part in reducing their carbon footprint on our planet," according to Travis Johnson, Vice President of Operations. "Our new solar incentive program is just another way customers can use energy wisely to reduce both costs and environmental impact."

While customers are encouraged to visit the SIP webpages to learn more, some key aspects of the program are:

- 1) Customer must be either residential (D1), small commercial (A1) or classified as a school (either public or private).
- 2) Customers must complete an online application and be approved for the program **BEFORE** they install their solar system.
- 3) Approved customer applications are eligible for a one-time incentive payment available on a first come, first serve basis to help offset their installation costs.
- 4) Customers will be put on the Net Metering Tariff when their systems are operational.
- 5) The SIP Handbook and a program FAQ posted to the website provide more information, but customers can also email the program administrator at CA solar@libertyutilities.com or call (530) 536-0543 to find out more.
- 6) While the SIP website is live now, online applications will be accepted starting on Wednesday, July 26 at 9 a.m.

Interested customers are encouraged to apply early as both cash incentives and allowable energy capacity is limited per the CPUC's approval.

“Liberty Utilities is committed to working with our customers to reduce carbon emissions,” added Johnson. “Earlier this year our new 50 MW Luning Solar Center came on line providing 25% of our customers’ energy needs.”

Customers are encouraged to review other information on the Smart Energy Use webpages to take advantage of energy efficiency measures such as free energy audits that help reduce energy costs and environmental impact. According to Liberty Utilities’ 2016 customer satisfaction survey, 75% of customers believe the utility is environmentally responsible. This rating has steadily increased each year since Liberty Utilities acquired the utility in 2011; in 2012 only 52% of customers rated the company as environmentally responsible.

About Liberty Utilities

Liberty Utilities Co. owns and operates regulated water, wastewater, natural gas and electric transmission and distribution utilities in 13 states, delivering responsive and reliable essential services to approximately 800,000 customers across the United States. With a local approach to management, service and support, we deliver efficient, dependable services to meet the needs of our customers. Liberty Utilities provides a superior customer experience through walk-in customer centers, locally focused conservation and energy efficiency initiatives, and programs for businesses and residential customers. We measure our performance in terms of service reliability, an enjoyable customer experience, and an unwavering dedication to public and workplace safety. Liberty Utilities currently operates in Arizona, Arkansas, California, Georgia, Illinois, Iowa, Kansas, Massachusetts, Missouri, Montana, New Hampshire, Oklahoma and Texas. For more information, please visit www.LibertyUtilities.com.



State of California
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Edmund G. Brown Jr. Governor
Alexis Podesta, Secretary

August 1, 2017

AUG 07 2017

BY: _____

The Honorable Mark Marin, Mayor
City of Loyalton
210 Front Street
Loyalton, CA 96118

Re: Current Enforcement Status of the Loyalton Mobilehome Park

Dear Mayor Marin:

The Business, Consumer Services and Housing Agency (BCSH) is in receipt of your correspondence dated May 5, 2017, sent to Governor Edmund G. Brown. The Governor has asked BCSH to provide a response to your concerns regarding the Loyalton Mobile Estates Mobilehome park (Park).

Past Actions

By way of background, the Department of Housing and Community Development (Department) previously engaged in the following code enforcement efforts in the determination and correction of the health and safety violations at the Park:

- Prior to conducting a December 2013 Mobilehome Park Maintenance (MPM) inspection, the Park owner had abandoned managerial control of the Park. At the request of one of the Park's lenders, on November 14, 2012, the Sierra County Superior Court ordered the appointment of a court-appointed receiver to take possession, custody, and control of the Park. The Department worked with the receiver to remediate problems in the Park, until the receivership was officially terminated in February 2015, due to lack of funds and fundamental problems with the operation and marketability of the Park.
- The Department, through the Division of Codes and Standards (C&S), conducted an MPM inspection within the Park on December 2013. The inspection identified numerous health and safety violations. Over a 12-month period, the Department staff conducted six additional follow-up

915 Capitol Mall, Suite 350A, Sacramento, California 95814 (916) 653-4090 www.bcsh.ca.gov

inspections before issuing a "Final Compliance Order" on September 16, 2014.

- The Department continued its efforts to locate the absent Park owner and exhausted all options available within the Department's jurisdiction to remediate uncorrected violations. In response to continued violations, the Department issued a Notice of Intent to Suspend in October 2015, and suspended the permit to operate on December 31, 2015.
- The Department did not take steps to revoke the Permit to Operate in 2016. Although the Park's condition was in violation of the Mobilehome Parks Act (MPA). It was the Department position at that time that the Park may be rehabilitated with an interested Park owner, and the County was interested in keeping the Park as a low-income housing option. The Department did not take further action, pending the outcome of the four separate property tax lien auctions in 2016. However, due to the city and county utility rate structures for water, sewer and trash, viable bidders were not interested in purchasing the Park. The Park Owner remained absent and uninvolved with the worsening Park conditions and health and safety violations.

To date, the Department has exhausted most of its enforcement authority through the issuance of Notice of Violations/Corrections and the suspension of the Park's permit to operate. The only enforcement tool the Department has left is to revoke the Park's permit to operate. The revocation of the permit to operate would terminate the Park's legal rights as a Mobilehome Park under the MPA and jurisdiction over the land-use would revert to the zoning and land-use laws of the Sierra County and the City of Loyalton. The Department would no longer have any legal jurisdiction or authority over the Park.

Current Actions and Coordinated Strategy with Sierra County

As the Park's health and safety conditions worsened in the latter part of 2016 and early 2017, the Department and county concerns for health and safety of the lawful residents of the Park increased. The Department became aware that there were now additional imminent hazards inside the Park due to vagrants and trespassers occupying the Park, creating conditions such that it is not safe for the lawful residents or the neighboring community, thus becoming a public nuisance. The Department now must exercise its last enforcement option, which is to revoke the Permit to Operate. It has taken the following code enforcement steps to lay the foundation to revoke the permit to operate:

- April 17, 2017 - The Department filed a request to the Sierra County District Attorney to exercise its mandatory duty to file a civil nuisance abatement action against the Park landowner.
- April 19, 2017 –Department staff attended the Sierra County Board of Supervisors Meeting to provide insight on some possible financial and code enforcement options available to either keep the Park open or to close it.
- May 10, 2017 – Through its efforts, the Department located the Park owner and issued him a Notice of Abatement Order and an Abatement Order (Order) to correct the health and safety violations in the Park by May 22, 2017. The Notice of Abatement apprised the Park owner that:
 - 1) the Park corrections would be verified by the Department on May 23, 2017;
 - 2) that failure to abate could result in civil or criminal action; and
 - 3) that failure to abate could result in the revocation of the Park's permit to operate and also provide an additional ground for establishing a public nuisance in Sierra County's planned nuisance abatement actions.
- May 12, 2017 - The Department met with the Sierra County Counsel and county officials to discuss both state and county code enforcement options, including the revocation of the Park's permit to operate. At the conclusion of the meeting, Department representatives and county officials devised a plan to move forward in a coordinated manner and exercise their respective jurisdictional authority to: 1) close the Park; 2) relocate the lawful residents; and 3) remove the non-tenants from the Park.
- May 23, 2017 - The Department inspected the Park and determined the Park owner had not made any correction to the health and safety violations. An informal conference was conducted with Park owner Steven Griggs. Mr. Griggs requested from the Department an informal conference to discuss the alleged violations. The informal conference is the beginning step in the administrative process to revoke the permit to operate. The date set for the informal conference was June 14, 2017.
- June 2, 2017 – As a result of the abatement verification inspection on May 23, 2017, the Department determined the existence of four new health and safety violations that are imminent hazards. The Department issued a new Notice of Violation to Mr. Griggs to abate the violations by July 4, 2017. These new violations were discussed in the informal conference held on June 14, 2017.

The Honorable Mark Marin, Mayor
August 1, 2017
Page 4

- June 14, 2017 – The Department held the informal conference with Mr. Griggs at the Park. The Department provided 10 working days to complete the informal conference determination report and provide a copy to Mr. Griggs. Mr. Griggs will be apprised of his right to request an informal hearing within 10 days on the violations in the Park and as to whether he is responsible for the Park violations. The Department intends to revoke the Permit to Operate approximately 30 days after receipt of the owner's request (or upon no request) for informal hearing.

To summarize, the Department has exhausted all avenues to assist in the remediation of the Park's health and safety violations. The Department now plans to move forward to revoking the Park's permit to operate and will continue to work with Sierra County.

I hope this addresses your concerns. If you would like further information, please contact Richard Weinert, Deputy Director, Division of Codes and Standards, Department of Housing and Community Development, at richard.weinert@hcd.ca.gov or (916) 263-2966.

Sincerely,



Alexis A. Podesta
Secretary

cc: Office of Governor Edmund G. Brown, Jr.
Office of the Attorney General
Senator Dianne Feinstein
Senator Kamala Harris
Congressman Doug LaMalfa
Richard Weinert, Department of Housing and Community Development

Loyalton City Council
605 School Street
PO Box 128
Loyalton, CA 96118

July 26, 2017

Dear Loyalton City Council,

This letter is to inform the Loyalton City Council of my interest in being considered and appointed as a member of the council.

My interest is in revitalizing the community and stimulating participation between the members of the community and the city council.

I came to Loyalton as a young girl in 1962 with my parents. My parents owned and operated the Loyalton Market and the Yuba Pass Cafe. I left Loyalton in 1983 to attend college and then worked on my career for 23 years as a probation officer in Humboldt and Yuba County. While employed with these counties I learned skills that have enabled me to work with community members, other agencies and the courts. These skills would be an asset to the community and the council. I returned to Loyalton in October of 2012. I have seen many changes in our community through this time. It is unfortunate that Loyalton has not been able to grow and prosper with the changes.

My goals would be, but not limited to creating an environment between the community and the council that would be solution based and in the best interest of the City of Loyalton.

Sincerely,



Joy Markum

ENTERED

AUG 07 2017

BY: _____

My signature is in support of Joy Markum for City Council

Name	Address	Signature
Tommi Brandow	408 Main St Loyalton	<i>Tommi Brandow</i>
Kelly Dines	302 Allegany St Loyalton	<i>Kelly Dines</i>
Joseph James	" "	<i>Joseph James</i>
Ron B. Smith	104 Alleghany St Loyalton	<i>Ron B. Smith</i>
Sandra Bigham White	104 Alleghany St Loyalton	<i>Sandra Bigham White</i>
Francine M. White	103 Alleghany St Loyalton	<i>Francine M. White</i>
Wmuel Robinson	105 Alleghany St Loyalton	<i>Wmuel Robinson</i>
Levy Varnette	132 Beckwith St Loyalton	<i>Levy Varnette</i>
Georgia Vardell	132 Beckwith St Loyalton	<i>Georgia Vardell</i>
Kathy Bowling	308 Meeker St Loyalton	<i>Kathy Bowling</i>
KATHY FUL	106 Taylor Ave Loyalton	<i>Kathy Full</i>
PHYLLIS DEAN MITCHELL	204 ALLEGHANY, LOYALTON	<i>Phyllis Mitchell</i>
ESTER LYSEN	200 PATTERSON AVE, LOYALTON	<i>Ester Lyssen</i>
Laurance Mitchell	132 Beckwith St Loyalton	<i>Laurance Mitchell</i>
Judy Alexander	15 Alexander Ln Loyalton	<i>Judy Alexander</i>
Drew Alexander	15 Alexander Ln Loyalton	<i>Drew Alexander</i>
Chris Alexander	15 Alexander Ln Loyalton	<i>Chris Alexander</i>
Alice York	11 Alexander Ln Loyalton	<i>Alice York</i>
Mary J. Cameron	133 Beckwith St Loyalton	<i>Mary J. Cameron</i>
Deborah L. Jaquez	107 Taylor St Loyalton	<i>Deborah Jaquez</i>
Harold B. Plonnes	704 Church St Loyalton	<i>Harold B. Plonnes</i>
Richard D. Anderson	507 Railroad Av Loyalton	<i>Richard D. Anderson</i>

Letter of Interest and Intent for the position of the City Council Member

July 19, 2018

Mayor Mark Marin
Council Members: Nancy Rogers, Kristin Gallegos & Jason VanDamm

City of Loyalton
605 School Street
Loyalton, Ca. 96118
(530) 993-6750

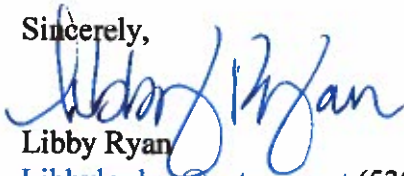
Dear Mayor and City Council Members,

I am writing to express my interest in the vacant City Council seat.

I would like to apply for the position of City Council Member, for the City of Loyalton, California. I would like to start off by introducing myself, my name is Libby Ryan, and I have been calling Sierra Valley my home for the last 12 years. I recently just bought a home a year ago here in the City of Loyalton. My son who is thirteen years old attends Loyalton High and is involved in many local sports and 4-H groups. I have worked here in Sierra Valley for the past 10 Years working for Paul and Sheri Roen at Sierra Valley Feed & Ranch Supply in Sierraville. I feel that anyone with a fair sense of judgment would be an asset to this position with the city. I am a Fast learner and I am also very passionate about our community and the current issues facing the City and the citizens of Loyalton.

In conclusion, I believe that working with the citizens of Loyalton is a very important job and I hope to be one of many voices for the citizens. Knowing that when the citizens show up to council meetings with concerns of their community, they want to be heard and not have their concerns fall to deaf ears. I look forward to answering any question about my qualifications for the position of the vacant council seat for the City of Loyalton.

Sincerely,



Libby Ryan
Libbyloulou@netzero.net (530)519-3119
12 Jones Street Loyalton, Ca. 96118

July 10, 2017

Loyalton City Council:

I would like to submit my name for the vacancy of City Council. I feel I would be a asset to the City Council.. I was raised in Loyalton and was a City employee. I have family here and feel I could do a lot for my community.

Thank you for your time.

ENTERED

JUL 14 2017

BY: _____

Colby Russell



AGED BALANCES

CITY OF LOYALTON

DATE: 08/10/2017 AUTHOR: LOCAC1

CRITERIA: ACCT#: 0 - 999999999 NAME: 0 - Z ZIP: 0 - 0 * includes unbilled transactions

STATUS KEY: N=NORMAL W=NEW C=CUTOFF O=CHARGE OFF I=INACTIVE F=FINAL D=DISABLED R=RENTER L=LANDLORD

Acct#	Stat	Customer	Current	Over 30	Over 60	Over 90	Balance
12	N	BALL, BRUCE	\$104.41	\$99.38	\$0.00	\$0.00	\$203.79
29	N	BUCK, MIKE	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
42	N	SWENOR, STEVEN	\$104.67	\$104.67	\$104.67	\$18461.55	\$18775.56
61	N	WILSON, JOHN	\$99.44	\$104.67	\$104.67	\$2573.89	\$2882.67
76	N	JACOBSEN, DAVE	\$99.95	\$10.15	\$0.00	\$0.00	\$110.10
86	N	RUSSELL, KATHERINE	\$104.67	\$104.67	\$104.67	\$244.11	\$558.12
90	N	BEVINS, JAMES	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
95	N	ROGERS, ANDREW	\$104.67	\$104.67	\$104.67	\$74.35	\$388.36
104	C	WILKINSON, JOSH	\$0.00	\$0.00	\$0.00	\$394.65	\$394.65
107	C	WEIR, KEVIN	\$0.00	\$0.00	\$0.00	\$517.94	\$517.94
131	N	SMITH, KIM	\$104.67	\$14.07	\$0.00	\$0.00	\$118.74
148	N	KELLEY, JASON	\$104.67	\$104.66	\$65.69	\$0.00	\$275.02
149	C	KIMPSON, CINDY	\$104.67	\$0.00	\$104.67	\$9257.78	\$9467.12
169	N	EASTERN PLUMAS	\$105.10	\$36.21	\$0.00	\$0.00	\$141.31
172	N	CORBRIDGE, WYATT	\$103.82	\$87.69	\$0.00	\$0.00	\$191.51
177	F	MATHIS, ROSE	\$0.00	\$0.00	\$0.00	\$1413.34	\$1413.34
206	C	LOYALTON MOBILE	\$0.00	\$628.04	\$628.04	\$23786.93	\$25043.01
208	C	LOYALTON MOBILE	\$0.00	\$4656.42	\$4656.42	\$270132.05	\$279444.89
216	N	CHURCH, WENDY	\$104.16	\$94.47	\$0.00	\$0.00	\$198.63
244	N	RICHARDS, JASON	\$114.67	\$304.67	\$104.67	\$447.30	\$971.31
247	N	TROUPE, GINA	\$104.11	\$93.33	\$0.00	\$0.00	\$197.44
252	N	SIERRA PACIFIC IND.	\$195.31	\$185.54	\$0.00	\$0.00	\$380.85
282	N	BEVINS, JAMES	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
297	F	SILVA, LEE	\$0.00	\$0.00	\$0.00	\$2029.84	\$2029.84
298	N	WOHNOUTKA,	\$104.66	\$3.85	\$0.00	\$0.00	\$108.51
372	F	HUDSON, JEANINE	\$0.00	\$0.00	\$0.00	\$557.87	\$557.87
381	N	ELLSWORTH, DAVE	\$101.56	\$42.41	\$0.00	\$0.00	\$143.97
383	N	ESPANA, SETH &	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
407	N	WOLLEY, GEORGE R.	\$104.41	\$2.00	\$0.00	\$0.00	\$106.41
413	N	CAUDLE, CINDY	\$64.93	\$44.22	\$0.00	\$0.00	\$109.15
436	N	HEASTON, ORA	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
445	N	JACKSON, SARAH	\$99.44	\$2.87	\$0.00	\$0.00	\$102.31
449	N	EASTERN PLUMAS	\$104.66	\$104.41	\$0.00	\$0.00	\$209.07
450	N	CABRERA, CARLOS	\$104.67	\$104.67	\$104.67	\$824.65	\$1138.66
454	N	EASTERN PLUMAS	\$1919.89	\$1915.33	\$0.00	\$0.00	\$3835.22
455	N	BEVINS, JAMES	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
460	F	MADDALENA, SHAWNA	\$0.00	\$0.00	\$0.00	\$2077.76	\$2077.76
461	N	BEVINS, JAMES	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
471	N	SPANGENBERG, RUDY	\$104.67	\$104.67	\$104.67	\$68.60	\$382.61
486	N	WARDROBE, JASON	\$104.67	\$7.85	\$0.00	\$0.00	\$112.52
493	N	RYAN COOK	\$99.44	\$5.44	\$0.00	\$0.00	\$104.88

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CITY OF LOYALTON

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Acct#	Stat	Customer	Current	Over 30	Over 60	Over 90	Balance
496	N	BEVINS, JAMES	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
507	N	MINER, KATRINA L.	\$204.67	\$104.67	\$104.67	\$1954.34	\$2368.35
511	N	SCHWARY, MADERA	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
517	N	HUDSON, MIKE	\$104.41	\$99.44	\$0.00	\$0.00	\$203.85
3411562	N	TIDWELL, ALLAN	\$104.67	\$104.67	\$104.67	\$1008.45	\$1322.46
4883084	N	GARFAT JANCE	\$104.34	\$98.07	\$0.00	\$0.00	\$202.41
8683342	N	PONCIANO, ROBIN	\$104.67	\$104.67	\$104.67	\$161.53	\$475.54
		Totals(48):	\$6,134.44	\$10,477.51	\$6,501.52	\$335,986.93	\$359,100.40

CITY OF LOYALTON

OATH OR AFFIRMATION

I, _____,
do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the Constitution of the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature

Title or Department

The above Oath was subscribed and sworn to before me on this _____ day of _____, 20__.

City Clerk

CITY OF LOYALTON

COUNTY OF SIERRA
210 FRONT STREET
P.O. BOX 128
LOYALTON, CALIFORNIA 96118
(530) 993-6750
FAX (530) 993-6752



OFFICE OF THE MAYOR

AGENDA FOR THE REGULAR MEETING OF THE LOYALTON CITY COUNCIL

6:00 P.M. – LOYALTON SOCIAL HALL- 105 BECKWITH STREET

AUGUST 15, 2017

NEXT ORDINANCE #419

NEXT RESOLUTION NO. 5-2017

Matters under the jurisdiction of the Council, and whether or not on the posted agenda, may be addressed by the general public during the Public Comment Opportunity Time. No action may be taken or substantive discussion on matters not on the posted agenda.

The Council limits public comment to three minutes per person and not more than three individuals addressing the same subject.

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **APPROVAL OF AGENDA**
5. **ANNOUNCEMENTS**
6. **APPROVAL OF MINUTES**
Regular Meeting Minutes- July 18, 2017
7. **PUBLIC COMMENT**
8. **STAFF REPORTS**
Written Communications/Possible Action Items
 1. Liberty Utilities
 2. Status Of Loyalton Mobile Estates
9. **FIRE DEPARTMENT REPORT**

10. FINANCIAL COMMITTEE REPORTS

Financial Committee Report/Update.

1. Approval of Funds Transfers to Account xxxxx0559 for Payment of USDA Loans, September 2017.
2. Approval of Cox & Cox Settlement Balance, Attorney Fee Payment, Black Eagle Payment, Transfer Balance to MM4321
3. Approval of funds transfer, general fund to streets, 2016/2017 Budget
4. Approval of Financial Report
5. Payment of Bills

11. PUBLIC WORKS COMMITTEE REPORTS/PARK AND RECREATION

12. OTHER COMMITTEE REPORTS

13. DISCUSSION AND POSSIBLE ACTION ITEMS

1. Discussion and possible action regarding the Fire Department Budget surplus at fiscal year end to be deposited into Fire Department Reserve account 7243. Submitted by Mark Marin & Kim Lombardi
2. Discussion and possible action regarding approval of 2015/2016 Audit Draft. Submitted by Mark Marin & Kim Lombardi
3. Discussion and possible action regarding approval of 2015/2016 Audit Responses to findings. Submitted by Mark Marin & Kim Lombardi
4. Discussion and possible action regarding Appointment of Council Member to fill vacancy. Submitted by Mark Marin
5. Discussion and possible action regarding increase copy charge from 0.20 per copy to 0.50 per copy. Submitted by Nancy Rogers.

14. ADJOURNMENT

mtg. adjourned @ 6:53pm



NEWS RELEASE 057

Contact: Kathy Carter
kathy.carter2@libertyutilities.com
(775) 813-1280

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State of California
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY

Edmund G. Brown Jr. Governor
Alexis Podesta, Secretary

August 1, 2017

AUG 07 2017

BY: _____

The Honorable Mark Marin, Mayor
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210 Front Street
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Past Actions

By way of background, the Department of Housing and Community Development (Department) previously engaged in the following code enforcement efforts in the determination and correction of the health and safety violations at the Park:

- Prior to conducting a December 2013 Mobilehome Park Maintenance (MPM) inspection, the Park owner had abandoned managerial control of the Park. At the request of one of the Park's lenders, on November 14, 2012, the Sierra County Superior Court ordered the appointment of a court-appointed receiver to take possession, custody, and control of the Park. The Department worked with the receiver to remediate problems in the Park, until the receivership was officially terminated in February 2015, due to lack of funds and fundamental problems with the operation and marketability of the Park.
- The Department, through the Division of Codes and Standards (C&S), conducted an MPM inspection within the Park on December 2013. The inspection identified numerous health and safety violations. Over a 12-month period, the Department staff conducted six additional follow-up

915 Capitol Mall, Suite 350A, Sacramento, California 95814 (916) 653-4090 www.bcsch.ca.gov

inspections before issuing a "Final Compliance Order" on September 16, 2014.

- The Department continued its efforts to locate the absent Park owner and exhausted all options available within the Department's jurisdiction to remediate uncorrected violations. In response to continued violations, the Department issued a Notice of Intent to Suspend in October 2015, and suspended the permit to operate on December 31, 2015.
- The Department did not take steps to revoke the Permit to Operate in 2016. Although the Park's condition was in violation of the Mobilehome Parks Act (MPA). It was the Department position at that time that the Park may be rehabilitated with an interested Park owner, and the County was interested in keeping the Park as a low-income housing option. The Department did not take further action, pending the outcome of the four separate property tax lien auctions in 2016. However, due to the city and county utility rate structures for water, sewer and trash, viable bidders were not interested in purchasing the Park. The Park Owner remained absent and uninvolved with the worsening Park conditions and health and safety violations.

To date, the Department has exhausted most of its enforcement authority through the issuance of Notice of Violations/Corrections and the suspension of the Park's permit to operate. The only enforcement tool the Department has left is to revoke the Park's permit to operate. The revocation of the permit to operate would terminate the Park's legal rights as a Mobilehome Park under the MPA and jurisdiction over the land-use would revert to the zoning and land-use laws of the Sierra County and the City of Loyalton. The Department would no longer have any legal jurisdiction or authority over the Park.

Current Actions and Coordinated Strategy with Sierra County

As the Park's health and safety conditions worsened in the latter part of 2016 and early 2017, the Department and county concerns for health and safety of the lawful residents of the Park increased. The Department became aware that there were now additional imminent hazards inside the Park due to vagrants and trespassers occupying the Park, creating conditions such that it is not safe for the lawful residents or the neighboring community, thus becoming a public nuisance. The Department now must exercise its last enforcement option, which is to revoke the Permit to Operate. It has taken the following code enforcement steps to lay the foundation to revoke the permit to operate:

- April 17, 2017 - The Department filed a request to the Sierra County District Attorney to exercise its mandatory duty to file a civil nuisance abatement action against the Park landowner.
- April 19, 2017 –Department staff attended the Sierra County Board of Supervisors Meeting to provide insight on some possible financial and code enforcement options available to either keep the Park open or to close it.
- May 10, 2017 – Through its efforts, the Department located the Park owner and issued him a Notice of Abatement Order and an Abatement Order (Order) to correct the health and safety violations in the Park by May 22, 2017. The Notice of Abatement apprised the Park owner that:
 - 1) the Park corrections would be verified by the Department on May 23, 2017;
 - 2) that failure to abate could result in civil or criminal action; and
 - 3) that failure to abate could result in the revocation of the Park's permit to operate and also provide an additional ground for establishing a public nuisance in Sierra County's planned nuisance abatement actions.
- May 12, 2017 - The Department met with the Sierra County Counsel and county officials to discuss both state and county code enforcement options, including the revocation of the Park's permit to operate. At the conclusion of the meeting, Department representatives and county officials devised a plan to move forward in a coordinated manner and exercise their respective jurisdictional authority to: 1) close the Park; 2) relocate the lawful residents; and 3) remove the non-tenants from the Park.
- May 23, 2017 - The Department inspected the Park and determined the Park owner had not made any correction to the health and safety violations. An informal conference was conducted with Park owner Steven Griggs. Mr. Griggs requested from the Department an informal conference to discuss the alleged violations. The informal conference is the beginning step in the administrative process to revoke the permit to operate. The date set for the informal conference was June 14, 2017.
- June 2, 2017 – As a result of the abatement verification inspection on May 23, 2017, the Department determined the existence of four new health and safety violations that are imminent hazards. The Department issued a new Notice of Violation to Mr. Griggs to abate the violations by July 4, 2017. These new violations were discussed in the informal conference held on June 14, 2017.

The Honorable Mark Marin, Mayor
August 1, 2017
Page 4

- June 14, 2017 – The Department held the informal conference with Mr. Griggs at the Park. The Department provided 10 working days to complete the informal conference determination report and provide a copy to Mr. Griggs. Mr. Griggs will be apprised of his right to request an informal hearing within 10 days on the violations in the Park and as to whether he is responsible for the Park violations. The Department intends to revoke the Permit to Operate approximately 30 days after receipt of the owner's request (or upon no request) for informal hearing.

To summarize, the Department has exhausted all avenues to assist in the remediation of the Park's health and safety violations. The Department now plans to move forward to revoking the Park's permit to operate and will continue to work with Sierra County.

I hope this addresses your concerns. If you would like further information, please contact Richard Weinert, Deputy Director, Division of Codes and Standards, Department of Housing and Community Development, at richard.weinert@hcd.ca.gov or (916) 263-2966.

Sincerely,



Alexis A. Podesta
Secretary

cc: Office of Governor Edmund G. Brown, Jr.
Office of the Attorney General
Senator Dianne Feinstein
Senator Kamala Harris
Congressman Doug LaMalfa
Richard Weinert, Department of Housing and Community Development

City of Loyalton
Revenue & Expenditures - Financial Report
 As of August 9, 2017

	Aug 9, 17
ASSETS	
Current Assets	
Checking/Savings	
Enterprise Loan MM 0559	204,427.45
General Funds	
General Checking 1956- NEW	687,500.52
General Contingency Saving 0322	107,596.15
Total General Funds	795,096.67
Designated Funds	
WWTP Settlement MM 4321	2,052,010.61
Fire Dept. Reserve 7243	21,555.14
WWTP Construction 1990	5,998.79
Community Dev Block Grant 0059	2,006.12
Total Designated Funds	2,081,570.66
Cash Drawer	450.00
Total Checking/Savings	3,081,544.78
Accounts Receivable	
Accounts Receivable	90,488.52
Total Accounts Receivable	90,488.52
Other Current Assets	
Grants Receivable	-79,061.19
CDBG Loans Receivable	14,104.53
Due From Other Funds	389,174.04
Due From Sewer Fund	-30,000.00
Accounts Receivable- Government	
General Accounts Receivable	-600.00
Accounts Receivable- Government - Other	-100.00
Total Accounts Receivable- Government	-700.00
Accounts Receivable- Proprietar	
Reserve for Bad Debt	-188,104.18
Accts Receivable- Late Fees Wat	5,169.93
Accts Receivable- Late Fees Sew	12,750.46
Sewer Ent. Accounts Receivable	293,630.06
Water Ent. Accounts Receivable	
Reconnect fee	-300.00
Water Ent. Accounts Receivable - Other	143,759.45
Total Water Ent. Accounts Receivable	143,459.45
Total Accounts Receivable- Proprietar	266,905.72
Total Other Current Assets	560,423.10
Total Current Assets	3,732,456.40
Fixed Assets	
Fixed Assets	
Construction in Progress	238,826.18
Land	378,612.00
Buildings	1,029,606.34
Improvements	11,667,426.16
Machinery and Equipment	1,279,747.77
Accumulated Depreciation	-4,619,593.00
Total Fixed Assets	9,974,625.45
Total Fixed Assets	9,974,625.45
TOTAL ASSETS	13,707,081.85
LIABILITIES & EQUITY	

City of Loyalton
Revenue & Expenditures - Financial Report
 As of August 9, 2017

	Aug 9, 17
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	28,477.69
Total Accounts Payable	28,477.69
Other Current Liabilities	
Current Portion-Long Term Debt	-123,505.60
Due to Other Governments	41,836.27
Due to Other Funds	389,174.04
Sales Tax Payable	-1,024.00
J. Cussins Converted Sick Liabi	24,521.47
Due to General Fund	-30,000.00
Accrued Bond Interest Payable	59,544.70
Accrued Payroll	
Propriety Accrued Payroll	
Water Ent. Accrued Payroll	132.51
Sewer Ent. Accrued Payroll	335.51
Total Propriety Accrued Payroll	468.02
Governmental Accrued Payroll	5.67
Total Accrued Payroll	473.69
Customer Deposits	200.00
Payroll Liabilities	
Employee Liability Deductions	-449.41
State Taxes	132.78
Federal Taxes	-157.78
Payroll Liabilities - Other	8,111.41
Total Payroll Liabilities	7,637.00
Total Other Current Liabilities	368,857.57
Total Current Liabilities	397,335.26
Long Term Liabilities	
John Deere Credit Payable 70422	-0.03
John Deere Credit Payable 5215	21,284.56
Bonds Payable	
USDA 92-07	3,215,000.00
Note Payable- Water Proj 91-05	978,400.00
USDA Sewer 92-01	835,338.00
USDA Sewer 92-03	124,491.00
Total Bonds Payable	5,153,229.00
Total Long Term Liabilities	5,174,513.53
Total Liabilities	5,571,848.79
Equity	
Unassigned (Fund Equity)	199,791.14
Reserved Funds	32,967.98
Invested in Fixed Assets	4,956,179.67
Unreserved Fund Balance	2,188,489.72
Net Income	757,804.55
Total Equity	8,135,233.06
TOTAL LIABILITIES & EQUITY	13,707,081.85

City of Loyaltton
Revenue & Expenditures
 July 2017 through June 2018

	Jul '17 - Jun 18
Ordinary Income/Expense	
Income	
Donations	394.00
Property Taxes	
Supplemental	1,172.54
Homeowners	395.22
Clerk Fees	201.85
Secured	3,633.59
Unsecured	7.73
Prior Year	42.39
Total Property Taxes	5,453.32
Taxes & License Revenue	
Sales & Use	4,600.00
Total Taxes & License Revenue	4,600.00
Intergovernmental - Federal	
USDA Grant	1,758.00
Total Intergovernmental - Federal	1,758.00
Intergovernmental - State	
Highway Users Tax	
2103 (Gas Tax)	250.73
2105	378.50
2106	512.76
2107	387.28
2107.5	1,000.00
Total Highway Users Tax	2,529.27
Total Intergovernmental - State	2,529.27
Enterprise Income	
Sewer Service Income	
Late Fees Sewer	456.03
Sewer Service Income - Other	35,718.33
Total Sewer Service Income	36,174.36
Water Service Income	
Connection Fee	100.00
Late Fees Water	228.01
Water Service Income - Other	18,352.08
Total Water Service Income	18,680.09
Total Enterprise Income	54,854.45
Charges for Current Services	
Copies & Faxes	100.65
Cemetery	
Plots	2,000.00
Total Cemetery	2,000.00
Rent Income	
Auditorium Rental	30.00
Rent Income - Other	900.00
Total Rent Income	930.00
Service Area Revenue	10,000.00
Total Charges for Current Services	13,030.65
Revenue Use of Money & Property	
Interest Income	263.45

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08/09/17

Accrual Basis

City of Loyalton
Revenue & Expenditures
 July 2017 through June 2018

	<u>Jul '17 - Jun 18</u>
Total Revenue Use of Money & Property	263.45
Miscellaneous Revenue	
Other Income	
Settlement - WWTP	965,000.00
Total Other Income	965,000.00
Miscellaneous Revenue - Other	20.00
Total Miscellaneous Revenue	965,020.00
Total Income	1,047,903.14
Gross Profit	1,047,903.14
Expense	
DSA 786 Fees	0.60
Small Tools & Equipment	1,270.29
Repairs & Maintenance	2,485.36
Utilities	
Internet - Broadband	284.69
Electric	
Electric for Discharge	65.20
Electric - Other	11,366.11
Total Electric	11,431.31
Total Utilities	11,716.00
Equipment Repair & Maintenance	1,673.25
Salaries and Wages	
Workers Comp.	3,905.87
Payroll Tax Expense	1,524.92
Payroll Expense	
Part Time Wages	7,473.42
Payroll Expense - Other	21,145.69
Total Payroll Expense	28,619.11
Total Salaries and Wages	34,049.90
Employee Benefits	
Nationwide City	146.28
Health Insurance	486.84
Total Employee Benefits	633.12
Services and Supplies	
Postage	99.97
Advertising	170.05
Automobile Expense	
Fuel	781.51
Total Automobile Expense	781.51
Bank Service Charges	12.00
Contracted Services	
Health/Drug Screening	318.00
Professional Fees	3,540.00
Legal Fees	99,082.80
Auditing Expense	-3,753.00
Testing	1,020.00
Contracted Services - Other	16,734.88
Total Contracted Services	116,942.68
Dues and Subscriptions	155.60
Insurance	

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Accrual Basis

City of Loyalton
Revenue & Expenditures
July 2017 through June 2018

	<u>Jul '17 - Jun 18</u>
Liability Insurance	19,090.16
Property Insurance	15,266.56
Insurance - Other	297.00
Total Insurance	34,653.72
Miscellaneous	93.51
Office Expense	942.61
Operating Supplies	186.16
Telephone	335.08
Total Services and Supplies	154,372.89
Total Expense	206,201.41
Net Ordinary Income	841,701.73
Other Income/Expense	
Other Expense	
Debt Service	
Interest Expense	
Interest 91-05 Water	22,047.75
Interest 92-01 Sewer	18,862.59
Interest 92-03 Sewer	2,807.79
Interest 92-07 Sewer	40,225.00
Total Interest Expense	83,943.13
Total Debt Service	83,943.13
Total Other Expense	83,943.13
Net Other Income	-83,943.13
Net Income	757,758.60

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Cash Basis

City of Loyalton
Bills Paid
As of August 9, 2017

Type	Date	Num	Name	Memo	Paid Amount
Enterprise Loan MM 0559					
Total Enterprise Loan MM 0559					
General Funds					
General Checking 1956- NEW					
Bill Pmt -Check	07/25/2017		Liberty Utilities	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/31/2017		Liberty Utilities	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/31/2017		Sierra-Plumas Jnt Unif Schl Dist	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/31/2017		Liberty Utilities	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/31/2017		COLLINS ADJUSTMENTS	VOID: Record June 30, 2015 accounts pay...	0.00
Bill Pmt -Check	07/21/2017		Sierra County	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		COLLINS ADJUSTMENTS	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		Liberty Utilities	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		City of Loyalton-General Fund	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		USDA 92-01	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		USDA 92-03	QuickBooks generated zero amount transac...	0.00
Bill Pmt -Check	07/21/2017		USDA/92-07	QuickBooks generated zero amount transac...	0.00
Check	07/31/2017			Service Charge	-2.00
Liability Check	07/14/2017	EFT	Employment Development Depa...	69817369, 3QTR PPE 7/8/17	-65.56
Liability Check	07/14/2017	EFT	US Treasury-941	94-6000364, 3QTR PPE 7/8/17	-927.24
Liability Check	07/14/2017	EFT	Employment Development Depa...	69817369, 3QTR PPE 7/8/17	-167.67
Check	07/14/2017	EFT	Nationwide	PPE 7/8/17	-123.23
Liability Check	07/21/2017	EFT	Employment Development Depa...	69817369, Cedar Fire Pay 7/17/17	-446.28
Liability Check	07/21/2017	EFT	US Treasury-941	94-6000364, Cedar Fire Pay 7/17/17	-1,229.00
Liability Check	07/28/2017	EFT	Employment Development Depa...	69817369, 3 QTR PPE 7/22/17	-88.28
Liability Check	07/28/2017	EFT	Employment Development Depa...	69817369, 3 QTR PPE 7/22/17	-78.30
Liability Check	07/28/2017	EFT	US Treasury-941	94-6000364, 3 QTR PPE 7/22/17	-1,019.14
Check	07/28/2017	EFT	Nationwide	PPE 7/22/17	-144.33
Bill Pmt -Check	07/21/2017	EFT	Bank of America	5472064000010235	-50.56
Liability Check	08/04/2017	EFT	Employment Development Depa...	69817369, 3QTR, PPE 7/31/17	-44.98
Liability Check	08/04/2017	EFT	US Treasury-941	94-6000364, 3QTR, PPE 7/31/17	-364.00
Bill Pmt -Check	08/09/2017	EFT	Bank of America	5472064000010235	-676.89
Liability Check	08/07/2017	EFT	Employment Development Depa...	69817369, 3QTR PPE 8/5/17	-59.41
Liability Check	08/07/2017	EFT	US Treasury-941	94-6000364, 3QTR PPE 8/5/17	-748.56
Bill Pmt -Check	08/09/2017	EFT	Bank of America	5472064000010235	-445.88
Bill Pmt -Check	08/09/2017	EFT	Bank of America	5472064000010235	-223.10
Bill Pmt -Check	08/09/2017	EFT-KL	Bank of America	5472064000010235	-107.46
Bill Pmt -Check	07/31/2017	3919	City of Loyalton-General Fund	VOID: To reclassify debt payments made to...	0.00
Paycheck	07/17/2017	4523	Evans, John I.	Cedar Fire	-3,532.27
Paycheck	07/17/2017	4524	Jordan, Keith S.	Cedar Fire	-4,833.81
Bill Pmt -Check	07/17/2017	4525	Fire Dept. Reserve Account - 72...	Cedar Fire Funds to Reserve Account	-11,714.20
Bill Pmt -Check	07/17/2017	4526	Susan River District Fire Dept.	Cedar Fire Reimbursement	-5,020.68
Paycheck	07/24/2017	4527	Cussins, John C		0.00
Paycheck	07/24/2017	4528	DeBerg, Austin		-1,377.64
Paycheck	07/24/2017	4529	Gallegos, Krystin M.		-45.72
Paycheck	07/24/2017	4530	Jordan, Keith S.		-1,344.00
Paycheck	07/24/2017	4531	LeBlanc, Katherine L		-876.09
Paycheck	07/24/2017	4532	Lombardi, Kimberly K		-619.58
Paycheck	07/24/2017	4533	Marin, Mark J.		-45.72
Paycheck	07/24/2017	4534	Rogers, Nancy R.		-45.72
Paycheck	07/24/2017	4535	VanDaam, Jason		-45.72
Bill Pmt -Check	07/25/2017	4536	Office Depot	6011 5661 5318 4480	-106.34
Check	07/28/2017	4537	POSTMASTER	July 2017 Water/Sewer Billing	-99.97
Bill Pmt -Check	07/31/2017	4538	Austin R. DeBerg	Phone Reimbursement - July 2017	-15.00
Bill Pmt -Check	07/31/2017	4539	Keith Jordan	Phone Reimbursement - July 2017	-15.00
Bill Pmt -Check	07/31/2017	4540	Mead Law Group	10% Settlement per Agreement - Cox & Cox	-9,650.00
Bill Pmt -Check	07/31/2017	4541	Snell & Wilmer LLP Law Offices	10% Settlement per agreement - Cox & Cox	-86,850.00
Paycheck	08/01/2017	4542	Cussins, John C		-1,419.52
Paycheck	08/01/2017	4543	Jardin, Patsy E		-2,155.92
Paycheck	08/01/2017	4544	McGarity, Orville D		-342.53
Paycheck	08/01/2017	4545	Yegge, Donald M.		-655.54
Bill Pmt -Check	08/04/2017	4546	SVHC- Sierra Valley Home Center	1100	-135.00
Bill Pmt -Check	08/04/2017	4547	AT&T CALNET 3		-85.14
Bill Pmt -Check	08/04/2017	4548	Liberty Utilities		-6,422.36
Bill Pmt -Check	08/04/2017	4549	EPHCC- Eastern Plumas Health...	Fire Department Testing	-106.00
Bill Pmt -Check	08/04/2017	4550	Intermountain Disposal, Inc.	Account code LOYCI	-141.90
Bill Pmt -Check	08/04/2017	4551	Loyalton Volunteer Fire Associat...	LED Lights for E-12	-1,106.09
Bill Pmt -Check	08/04/2017	4552	Sierra Chemical	39500	-734.50
Bill Pmt -Check	08/04/2017	4553	Sierra Environmental Monitoring...	LOY-001	-965.00

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08/09/17
Cash Basis

City of Loyaltan
Bills Paid
As of August 9, 2017

Type	Date	Num	Name	Memo	Paid Amount
Bill Pmt -Check	08/04/2017	4554	Sucaba Fleet Services	E-12 Repairs	-1,405.79
Bill Pmt -Check	08/04/2017	4555	Verizon Wireless	370745244-000001	-38.01
Paycheck	08/07/2017	4556	DeBerg, Austin		-1,171.13
Paycheck	08/07/2017	4557	Jordan, Keith S.		-1,288.00
Paycheck	08/07/2017	4558	LeBlanc, Katherine L		-691.84
Paycheck	08/07/2017	4559	Lombardi, Kimberly K		-528.15
Bill Pmt -Check	08/09/2017	4560	Bastian Engineering	Engineering- Groundwater Gradient	-260.00
Bill Pmt -Check	08/09/2017	4561	Current Electric & Alarm	Q2 2017 System Monitoring	-120.00
Bill Pmt -Check	08/09/2017	4562	EPHCC- Eastern Plumas Health...	Fire Department Testing	-318.00
Bill Pmt -Check	08/09/2017	4563	Home Depot	6035322501434199	-100.00
Bill Pmt -Check	08/09/2017	4564	Mountain Messenger	City Council & City Clerk Vacancy Notices	-60.00
Bill Pmt -Check	08/09/2017	4565	Petty Cash - (Barbara McHenry)	VOID: AAA Batteries	0.00
Bill Pmt -Check	08/09/2017	4566	Plumas-Sierra Telecomm.	Broadband, Account # 37225	-109.00
Bill Pmt -Check	08/09/2017	4567	Plumas Sierra Rural Electric		-4,741.74
Bill Pmt -Check	08/09/2017	4568	Porter Simon Professional Servi...	92132-13200M	-2,582.80
Bill Pmt -Check	08/09/2017	4569	S.C.O.R.E.	2017-18 Property / Liability Insurance	-2,863.06
Bill Pmt -Check	08/09/2017	4570	Sierra Controls, LLC	Tank 2 Transducer Repair	-1,838.42
Bill Pmt -Check	08/09/2017	4571	Sierra County Auditor	Police Contract	-1,250.00
Bill Pmt -Check	08/09/2017	4572	Sierra Environmental Monitoring...	LOY-001	-55.00
Bill Pmt -Check	08/09/2017	4573	State Water Resources Control ...	Water System Fees 7/1/16-6/30/17, System...	-624.00
Bill Pmt -Check	08/09/2017	4574	Underground Service Alert	Account 119808-ANNUAL MEMBERSHIP 2...	-155.60
Bill Pmt -Check	08/09/2017	4575	United Healthcare Insurance Co...	J. Cussins September 2017 Premium - 327...	-243.42
Bill Pmt -Check	08/09/2017	4576	USA Blue Book		-513.43
Bill Pmt -Check	08/09/2017	4577	Xerox Corporation	951429299	-459.85
Bill Pmt -Check	08/09/2017	4578	Petty Cash - (Barbara McHenry)	AAA Batteries	-17.27
Total General Checking 1956- NEW					-168,953.34
General Contingency Saving 0322					
Total General Contingency Saving 0322					
Total General Funds					-168,953.34
Designated Funds					
WWTP Construction 1990					
Bill Pmt -Check	07/27/2017	1183	Black Eagle Consulting, Inc.	Litigation - PP 59	-500.00
Bill Pmt -Check	07/27/2017	1184	Geo-Logic Associates	PP 59 - Litigation	-77.50
Bill Pmt -Check	07/27/2017	1185	Jeffrey Paddock	WWTP - Berm Repair estimates - PP 59	-700.00
Bill Pmt -Check	07/27/2017	1186	Shaw Engineering	Litigation PP 59	-480.00
Bill Pmt -Check	08/09/2017	1187	Black Eagle Consulting, Inc.	WWTP Meeting 7/8/17	-780.00
Total WWTP Construction 1990					-2,537.50
Community Dev Block Grant 0059					
Total Community Dev Block Grant 0059					
Total Designated Funds					-2,537.50
TOTAL					-171,490.84

168,953.34
780.00+

002

169,733.34

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08/09/17

City of Loyalton
Unpaid Bills
As of August 9, 2017

Type	Date	Num	Due Date	Aging	Open Balance
AJE					
General Journal	06/30/2012	AJE cx			2,646.60
Total AJE					2,646.60
Audit Adjustments 2015					
General Journal	07/01/2017	COLR...			-3,753.00
Total Audit Adjustments 2015					-3,753.00
Home Depot					
Bill	07/28/2017	5034963	08/27/2017		148.81
Total Home Depot					148.81
Pape Machinery - POWERPLAN					
Credit	11/26/2014	CM 92...			-6.00
Total Pape Machinery - POWERPLAN					-6.00
S.C.O.R.E.					
Bill	07/01/2017	1718-...	07/31/2017	9	28,630.60
Total S.C.O.R.E.					28,630.60
Sierra Booster					
Bill	07/28/2017	350	08/12/2017		110.05
Total Sierra Booster					110.05
Western Hydro Corporation					
Credit	07/02/2014	CM 15...			-299.37
Total Western Hydro Corporation					-299.37
WWW Construction, Inc.					
Bill	02/27/2015	2121	03/29/2015	864	1,000.00
Total WWW Construction, Inc.					1,000.00
TOTAL					28,477.69

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Fund Travelers # 89624237	WWTP MM	7/25/17	500,000.00
General Fund	WWTP MM	7/25/17	220,000.00
TOTAL			\$720,000.00

For WWTP Legal Fees / Cox & Cox Settlement (10%)

Snell & Wilmer L.L.P.	86,850.00
Leon Mead Group	<u>9,650.00</u>
	96,500.00

Black Eagle	Inv. 0025099-IN	7/27/17	780.00
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THIS TOTAL \$622,720.00

This authorization took place at the council meeting held on 8/15/17 and will be further reflected in the council minutes of this meeting.

Authorized Signature

Mark Marin, Mayor, Dated 8/15/17

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.

Transfer From	Transfer To	Date	Amount
General Fund	Enterprise Loan MM 0559 Water Sewer	9/1/17	1,500.00 4,500.00
General Fund	Enterprise Loan MM 0559 Water Sewer	9/8/17	1,500.00 4,500.00
General Fund	Enterprise Loan MM 0559 Water Sewer	9/15/17	1,500.00 4,500.00
General Fund	Enterprise Loan MM 0559 Water Sewer	9/22/17	1,500.00 4,500.00
General Fund	Enterprise Loan MM 0559 Water Sewer	9/29/17	1,500.00 4,500.00

THIS TOTAL

\$30,000.00

This authorization took place at the council meeting held on 8/15/17 and will be further reflected in the council minutes of this meeting.

Authorized Signature

Mark Marin, Mayor, Dated 8/15/17

Acknowledgement of Approval, City of Loyalton

The City of Loyalton acknowledges approval of the below listed Transfer(s) of Funds.
2016 / 2017 Budget adjustment.

Transfer From	Transfer To	Date	Amount
General Fund	Streets & Highways	8/15/17	\$14,963.00

THIS TOTAL **\$14,963.00**

This authorization took place at the council meeting held on 8/15/17 and will be further reflected in the council minutes of this meeting.

Authorized Signature Mark Marin, Mayor, Dated 8/15/17

2016 / 2017

Streets & Highways

14963.00

6/30/2017

	Budget	Actual	% YTD
1 Account Fund			
2 Cash on Hand			
3 Revenue	33,000.00	23,635.00	72%
4 Misc. Revenue & Donations			
5 Transfers In from General		5,137.00	
6 TOTAL REVENUES	33,000.00	28,772.00	87%
7 Personnel	8,430.00	8,430.00	100%
EXPENSES			
8 Repairs & Maintenance	1,240.00	1,240.00	100%
9 Building Repairs		10.00	
10 Utilities	16,940.00	16,940.00	100%
11 Janitorial	0.00		
12 Equipment Repair & Maintenance	790.00	788.00	100%
13 Taxes & Solid Waste	20.00	20.00	
14 Postage	0.00		
15 Advertising	0.00		
16 Automobile Expense (Fuel)	675.00	671.00	99%
17 Bank Service Charges	0.00	1.00	
18 Legal Fees	725.00	724.00	
19 Auditing Expense	1,600.00	1,590.00	99%
20 Accounting & Financial	653.00	678.00	
21 Other Contracted Services			
22 Dues & Subscriptions	165.00	161.00	98%
23 Equipmental Rental			
24 Insurance	3,675.00	3,675.00	100%
25 Annual Street Report (SCO)	1,310.00	1,310.00	
26 Small Tools & Equipment	95.00	92.00	97%
27 Miscellaneous	0.00		
28 Office Expense	435.00	434.00	100%
29 Interest Expense Loader	730.00	730.00	100%
30 Operating Supplies	60.00	58.00	97%
31 Telephone	55.00	54.00	98%
32 Equipment Expense Loader	6,110.00	6,110.00	100%
33 Contingencies	0.00		
34 Transfers Out *	0.00		
35 TOTAL EXPENSES	43,735.00	43,712.00	100%
36 Total Capital Outlay	0.00		
37 Total Expenses & Capital Outlay	43,735.00		0%
38 Revenue			
39 Expenditures			
40 Difference in Cash Actually Collected			
41 Debt Principal see 32			
42 Debt Interest see 29			
43 Debt Reserve			
44 Short-Lived Asset Reserve			
45 Total Obligations			
46 Back to (Contingency) Savings			
47 Net Revenue & Expenditures			

*Transfers in From General Fund

G&A / Overhead Expenses will be allocated out to the other funds as Mid Year & Year End Adjustments

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08/09/17

Accrual Basis

City of Loyalton
Water
 July 13 through August 9, 2017

	Water Fund 7520-1 (Enterprise Funds)	Total Enterprise Fu...	TOTAL
Ordinary Income/Expense			
Income			
Enterprise Income			
Water Service Income			
Connection Fee	100.00	100.00	100.00
Late Fees Water	228.01	228.01	228.01
Water Service Income - Other	18,455.08	18,455.08	18,455.08
Total Water Service Income	18,783.09	18,783.09	18,783.09
Total Enterprise Income	18,783.09	18,783.09	18,783.09
Total Income	18,783.09	18,783.09	18,783.09
Gross Profit	18,783.09	18,783.09	18,783.09
Expense			
Repairs & Maintenance	1,838.42	1,838.42	1,838.42
Utilities			
Internet - Broadband	43.60	43.60	43.60
Electric	4,848.05	4,848.05	4,848.05
Total Utilities	4,891.65	4,891.65	4,891.65
Salaries and Wages			
Payroll Tax Expense	409.51	409.51	409.51
Payroll Expense			
Part Time Wages	2,124.88	2,124.88	2,124.88
Payroll Expense - Other	3,232.52	3,232.52	3,232.52
Total Payroll Expense	5,357.40	5,357.40	5,357.40
Total Salaries and Wages	5,766.91	5,766.91	5,766.91
Employee Benefits			
Nationwide City	46.21	46.21	46.21
Health Insurance	121.71	121.71	121.71
Total Employee Benefits	167.92	167.92	167.92
Services and Supplies			
Postage	49.99	49.99	49.99
Automobile Expense			
Fuel	66.90	66.90	66.90
Total Automobile Expense	66.90	66.90	66.90
Bank Service Charges	1.00	1.00	1.00
Contracted Services			
Legal Fees	2,072.80	2,072.80	2,072.80
Testing	115.00	115.00	115.00
Total Contracted Services	2,187.80	2,187.80	2,187.80
Dues and Subscriptions	77.80	77.80	77.80
Office Expense	194.38	194.38	194.38
Telephone	70.38	70.38	70.38
Total Services and Supplies	2,648.25	2,648.25	2,648.25
Total Expense	15,313.15	15,313.15	15,313.15
Net Ordinary Income	3,469.94	3,469.94	3,469.94
Net Income	3,469.94	3,469.94	3,469.94

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08/09/17

Accrual Basis

City of Loyalton
Sewer
 July 13 through August 9, 2017

	Sewer Fund 7580-1 (Enterprise Funds)	Total Enterprise Fun...	TOTAL
Ordinary Income/Expense			
Income			
Enterprise Income			
Sewer Service Income			
Late Fees Sewer	456.03	456.03	456.03
Sewer Service Income - Other	35,924.33	35,924.33	35,924.33
Total Sewer Service Income	36,380.36	36,380.36	36,380.36
Total Enterprise Income	36,380.36	36,380.36	36,380.36
Total Income	36,380.36	36,380.36	36,380.36
Gross Profit	36,380.36	36,380.36	36,380.36
Expense			
Utilities			
Internet - Broadband	43.60	43.60	43.60
Electric			
Electric for Discharge	65.20	65.20	65.20
Electric - Other	4,692.84	4,692.84	4,692.84
Total Electric	4,758.04	4,758.04	4,758.04
Total Utilities	4,801.64	4,801.64	4,801.64
Equipment Repair & Maintenance	67.20	67.20	67.20
Salaries and Wages			
Payroll Tax Expense	478.89	478.89	478.89
Payroll Expense			
Part Time Wages	2,080.63	2,080.63	2,080.63
Payroll Expense - Other	4,186.52	4,186.52	4,186.52
Total Payroll Expense	6,267.15	6,267.15	6,267.15
Total Salaries and Wages	6,746.04	6,746.04	6,746.04
Employee Benefits			
Nationwide City	54.12	54.12	54.12
Health Insurance	121.71	121.71	121.71
Total Employee Benefits	175.83	175.83	175.83
Services and Supplies			
Postage	49.98	49.98	49.98
Automobile Expense			
Fuel	85.01	85.01	85.01
Total Automobile Expense	85.01	85.01	85.01
Bank Service Charges	1.00	1.00	1.00
Contracted Services			
Professional Fees	260.00	260.00	260.00
Legal Fees	270.00	270.00	270.00
Testing	905.00	905.00	905.00
Total Contracted Services	1,435.00	1,435.00	1,435.00
Dues and Subscriptions	77.80	77.80	77.80
Office Expense	194.38	194.38	194.38
Operating Supplies	168.89	168.89	168.89
Telephone	70.39	70.39	70.39
Total Services and Supplies	2,082.45	2,082.45	2,082.45
Total Expense	13,873.16	13,873.16	13,873.16
Net Ordinary Income	22,507.20	22,507.20	22,507.20

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08/09/17

Accrual Basis

City of Loyaltan
Sewer
July 13 through August 9, 2017

	Sewer Fund 7580-1 (Enterprise Funds)	Total Enterprise Fun...	TOTAL
Net Income	<u>22,507.20</u>	<u>22,507.20</u>	<u>22,507.20</u>

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 08/09/17
 Accrual Basis

City of Loyalton
General
 July 13 through August 9, 2017

	General Go... (General F...)	Law Enforc... (General F...)	General Fu... (General F...)	Total Gene...	TOTAL
Ordinary Income/Expense					
Income					
Property Taxes					
Supplemental Homeowners	0.00	0.00	1,172.54	1,172.54	1,172.54
Clerk Fees	0.00	0.00	395.22	395.22	395.22
Secured	0.00	0.00	201.85	201.85	201.85
Unsecured	0.00	0.00	3,633.59	3,633.59	3,633.59
Prior Year	0.00	0.00	7.73	7.73	7.73
Total Property Taxes	<u>0.00</u>	<u>0.00</u>	<u>5,453.32</u>	<u>5,453.32</u>	<u>5,453.32</u>
Taxes & License Revenue					
Sales & Use	4,600.00	0.00	0.00	4,600.00	4,600.00
Total Taxes & License Revenue	<u>4,600.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,600.00</u>	<u>4,600.00</u>
Charges for Current Services					
Copies & Faxes	0.00	0.00	26.00	26.00	26.00
Total Charges for Current Services	<u>0.00</u>	<u>0.00</u>	<u>26.00</u>	<u>26.00</u>	<u>26.00</u>
Revenue Use of Money & Property					
Interest Income	19.04	0.00	0.00	19.04	19.04
Total Revenue Use of Money & Property	<u>19.04</u>	<u>0.00</u>	<u>0.00</u>	<u>19.04</u>	<u>19.04</u>
Total Income	<u>4,619.04</u>	<u>0.00</u>	<u>5,479.32</u>	<u>10,098.36</u>	<u>10,098.36</u>
Gross Profit	4,619.04	0.00	5,479.32	10,098.36	10,098.36
Expense					
Utilities					
Internet - Broadband	0.00	0.00	16.35	16.35	16.35
Electric	0.00	0.00	0.52	0.52	0.52
Total Utilities	<u>0.00</u>	<u>0.00</u>	<u>16.87</u>	<u>16.87</u>	<u>16.87</u>
Salaries and Wages					
Payroll Tax Expense	29.73	0.00	61.35	91.08	91.08
Payroll Expense					
Part Time Wages	38.30	0.00	0.00	38.30	38.30
Payroll Expense - Other	348.00	0.00	686.03	1,034.03	1,034.03
Total Payroll Expense	<u>386.30</u>	<u>0.00</u>	<u>686.03</u>	<u>1,072.33</u>	<u>1,072.33</u>
Total Salaries and Wages	<u>416.03</u>	<u>0.00</u>	<u>747.38</u>	<u>1,163.41</u>	<u>1,163.41</u>
Services and Supplies					
Advertising	170.05	0.00	0.00	170.05	170.05
Contracted Services					
Professional Fees	0.00	1,250.00	0.00	1,250.00	1,250.00
Total Contracted Services	<u>0.00</u>	<u>1,250.00</u>	<u>0.00</u>	<u>1,250.00</u>	<u>1,250.00</u>
Miscellaneous	0.00	0.00	93.51	93.51	93.51
Office Expense	68.97	0.00	1.86	70.83	70.83
Telephone	0.00	0.00	13.64	13.64	13.64
Total Services and Supplies	<u>239.02</u>	<u>1,250.00</u>	<u>109.01</u>	<u>1,598.03</u>	<u>1,598.03</u>
Total Expense	<u>655.05</u>	<u>1,250.00</u>	<u>873.26</u>	<u>2,778.31</u>	<u>2,778.31</u>
Net Ordinary Income	<u>3,963.99</u>	<u>-1,250.00</u>	<u>4,606.06</u>	<u>7,320.05</u>	<u>7,320.05</u>
Net Income	<u>3,963.99</u>	<u>-1,250.00</u>	<u>4,606.06</u>	<u>7,320.05</u>	<u>7,320.05</u>

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08/09/17

Accrual Basis

**City of Loyaltan
Streets**
July 13 through August 9, 2017

	Gas Tax 9422-1 (Streets and ...	Streets and H... (Streets and ...	Total Streets ... (Special Rev...	Total Special ...	TOTAL
Ordinary Income/Expense					
Income					
Intergovernmental - State					
Highway Users Tax					
2103 (Gas Tax)	250.73	0.00	250.73	250.73	250.73
2105	0.00	378.50	378.50	378.50	378.50
2106	0.00	512.76	512.76	512.76	512.76
2107	0.00	387.28	387.28	387.28	387.28
2107.5	0.00	1,000.00	1,000.00	1,000.00	1,000.00
Total Highway Users Tax	<u>250.73</u>	<u>2,278.54</u>	<u>2,529.27</u>	<u>2,529.27</u>	<u>2,529.27</u>
Total Intergovernmental - State	<u>250.73</u>	<u>2,278.54</u>	<u>2,529.27</u>	<u>2,529.27</u>	<u>2,529.27</u>
Total Income	<u>250.73</u>	<u>2,278.54</u>	<u>2,529.27</u>	<u>2,529.27</u>	<u>2,529.27</u>
Gross Profit	250.73	2,278.54	2,529.27	2,529.27	2,529.27
Expense					
Small Tools & Equipment	0.00	128.84	128.84	128.84	128.84
Repairs & Maintenance	0.00	215.87	215.87	215.87	215.87
Utilities					
Internet - Broadband	0.00	5.45	5.45	5.45	5.45
Electric	135.38	1,253.94	1,389.32	1,389.32	1,389.32
Total Utilities	<u>135.38</u>	<u>1,259.39</u>	<u>1,394.77</u>	<u>1,394.77</u>	<u>1,394.77</u>
Salaries and Wages					
Payroll Tax Expense	0.00	42.00	42.00	42.00	42.00
Payroll Expense					
Part Time Wages	196.00	59.02	255.02	255.02	255.02
Payroll Expense - Other	21.00	462.68	483.68	483.68	483.68
Total Payroll Expense	<u>217.00</u>	<u>521.70</u>	<u>738.70</u>	<u>738.70</u>	<u>738.70</u>
Total Salaries and Wages	<u>217.00</u>	<u>563.70</u>	<u>780.70</u>	<u>780.70</u>	<u>780.70</u>
Services and Supplies					
Automobile Expense					
Fuel	0.00	8.25	8.25	8.25	8.25
Total Automobile Expense	<u>0.00</u>	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>	<u>8.25</u>
Office Expense					
Telephone	0.00	23.62	23.62	23.62	23.62
Telephone	0.00	4.55	4.55	4.55	4.55
Total Services and Supplies	<u>0.00</u>	<u>36.42</u>	<u>36.42</u>	<u>36.42</u>	<u>36.42</u>
Total Expense	<u>352.38</u>	<u>2,204.22</u>	<u>2,556.60</u>	<u>2,556.60</u>	<u>2,556.60</u>
Net Ordinary Income	<u>-101.65</u>	<u>74.32</u>	<u>-27.33</u>	<u>-27.33</u>	<u>-27.33</u>
Net Income	<u>-101.65</u>	<u>74.32</u>	<u>-27.33</u>	<u>-27.33</u>	<u>-27.33</u>

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08/09/17

Accrual Basis

**City of Loyalton
Park**

July 13 through August 9, 2017

	Park Rental Buil... (Park 9420-1)	Park 9420-1 - Oth... (Park 9420-1)	Total Park 9420-1 (General Fund)	Total General Fu...	TOTAL
Ordinary Income/Expense					
Income					
Charges for Current Services					
Rent Income	900.00	0.00	900.00	900.00	900.00
Total Charges for Current Services	900.00	0.00	900.00	900.00	900.00
Total Income	900.00	0.00	900.00	900.00	900.00
Gross Profit	900.00	0.00	900.00	900.00	900.00
Expense					
Utilities					
Electric	0.00	57.62	57.62	57.62	57.62
Total Utilities	0.00	57.62	57.62	57.62	57.62
Equipment Repair & Maintenance	0.00	67.20	67.20	67.20	67.20
Salaries and Wages					
Payroll Tax Expense	0.00	13.18	13.18	13.18	13.18
Payroll Expense					
Part Time Wages	0.00	672.00	672.00	672.00	672.00
Payroll Expense - Other	0.00	162.00	162.00	162.00	162.00
Total Payroll Expense	0.00	834.00	834.00	834.00	834.00
Total Salaries and Wages	0.00	847.18	847.18	847.18	847.18
Services and Supplies					
Automobile Expense					
Fuel	0.00	12.04	12.04	12.04	12.04
Total Automobile Expense	0.00	12.04	12.04	12.04	12.04
Contracted Services					
Legal Fees	240.00	0.00	240.00	240.00	240.00
Total Contracted Services	240.00	0.00	240.00	240.00	240.00
Total Services and Supplies	240.00	12.04	252.04	252.04	252.04
Total Expense	240.00	984.04	1,224.04	1,224.04	1,224.04
Net Ordinary Income	660.00	-984.04	-324.04	-324.04	-324.04
Net Income	660.00	-984.04	-324.04	-324.04	-324.04

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 08/09/17
 Accrual Basis

**City of Loyalton
 Social Hall
 July 13 through August 9, 2017**

	Social Hall 9420 (Park 9420-1)	Total Park 9420-1 (General Fund)	Total General Fund	TOTAL
Ordinary Income/Expense				
Expense				
Salaries and Wages				
Payroll Expense				
Part Time Wages	14.00	14.00	14.00	14.00
Total Payroll Expense	14.00	14.00	14.00	14.00
Total Salaries and Wages	14.00	14.00	14.00	14.00
Total Expense	14.00	14.00	14.00	14.00
Net Ordinary Income	-14.00	-14.00	-14.00	-14.00
Net Income	-14.00	-14.00	-14.00	-14.00

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 08/09/17
 Accrual Basis

City of Loyalton
MUSEUM
 July 13 through August 9, 2017

	Museums 9410 (General Fund)	Total General Fund	TOTAL
Ordinary Income/Expense			
Income			
Donations	160.00	160.00	160.00
Total Income	160.00	160.00	160.00
Gross Profit	160.00	160.00	160.00
Expense			
Utilities			
Electric	9.75	9.75	9.75
Total Utilities	9.75	9.75	9.75
Salaries and Wages			
Payroll Tax Expense	2.16	2.16	2.16
Payroll Expense	18.00	18.00	18.00
Total Salaries and Wages	20.16	20.16	20.16
Services and Supplies			
Operating Supplies	17.27	17.27	17.27
Total Services and Supplies	17.27	17.27	17.27
Total Expense	47.18	47.18	47.18
Net Ordinary Income	112.82	112.82	112.82
Net Income	112.82	112.82	112.82

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 08/09/17
 Accrual Basis

**City of Loyalton
 Cemetery
 July 13 through August 9, 2017**

	Cemeteries 9220-1 (General Fund)	Total General Fund	TOTAL
Ordinary Income/Expense			
Income			
Charges for Current Services			
Cemetery			
Plots	2,000.00	2,000.00	2,000.00
Total Cemetery	2,000.00	2,000.00	2,000.00
Total Charges for Current Services	2,000.00	2,000.00	2,000.00
Total Income	2,000.00	2,000.00	2,000.00
Gross Profit	2,000.00	2,000.00	2,000.00
Expense			
Salaries and Wages			
Payroll Tax Expense	2.81	2.81	2.81
Payroll Expense			
Part Time Wages	106.51	106.51	106.51
Payroll Expense - Other	18.00	18.00	18.00
Total Payroll Expense	124.51	124.51	124.51
Total Salaries and Wages	127.32	127.32	127.32
Total Expense	127.32	127.32	127.32
Net Ordinary Income	1,872.68	1,872.68	1,872.68
Net Income	1,872.68	1,872.68	1,872.68

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 08/09/17
 Accrual Basis

**City of Loyalton
 Fire Department
 July 13 through August 9, 2017**

	Fire Department 7707-1 (General Fund)	Total General Fund
Ordinary Income/Expense		
Income		
Revenue Use of Money & Property		
Interest Income	0.97	0.97
Total Revenue Use of Money & Property	0.97	0.97
Miscellaneous Revenue	20.00	20.00
Total Income	20.97	20.97
Gross Profit	20.97	20.97
Expense		
Small Tools & Equipment	1,106.09	1,106.09
Utilities		
Electric	356.81	356.81
Total Utilities	356.81	356.81
Equipment Repair & Maintenance	1,538.85	1,538.85
Salaries and Wages		
Payroll Expense	10,041.36	10,041.36
Total Salaries and Wages	10,041.36	10,041.36
Services and Supplies		
Automobile Expense		
Fuel	243.43	243.43
Total Automobile Expense	243.43	243.43
Contracted Services		
Health/Drug Screening	212.00	212.00
Contracted Services - Other	16,734.88	16,734.88
Total Contracted Services	16,946.88	16,946.88
Total Services and Supplies	17,190.31	17,190.31
Total Expense	30,233.42	30,233.42
Net Ordinary Income	-30,212.45	-30,212.45
Net Income	-30,212.45	-30,212.45

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08/09/17
Accrual Basis

City of Loyalton
Fire Department
July 13 through August 9, 2017

	<u>TOTAL</u>
Ordinary Income/Expense	
Income	
Revenue Use of Money & Property	
Interest Income	0.97
Total Revenue Use of Money & Property	0.97
Miscellaneous Revenue	20.00
Total Income	20.97
Gross Profit	20.97
Expense	
Small Tools & Equipment	1,106.09
Utilities	
Electric	356.81
Total Utilities	356.81
Equipment Repair & Maintenance	1,538.85
Salaries and Wages	
Payroll Expense	10,041.36
Total Salaries and Wages	10,041.36
Services and Supplies	
Automobile Expense	
Fuel	243.43
Total Automobile Expense	243.43
Contracted Services	
Health/Drug Screening	212.00
Contracted Services - Other	16,734.88
Total Contracted Services	16,946.88
Total Services and Supplies	17,190.31
Total Expense	30,233.42
Net Ordinary Income	-30,212.45
Net Income	<u>-30,212.45</u>

8/1/2017

Gmail - Audit Draft



Kim Lombardi <loyalton.klombardi@gmail.com>

Audit Draft

1 message

Larry Bain <lpbain@sbcglobal.net>
Reply-To: Larry Bain <lpbain@sbcglobal.net>
To: Kim Lombardi <loyalton.klombardi@gmail.com>

Mon, Jul 31, 2017 at 5:15 PM

Hi Kim,

Attached is the draft audit with the functional expense allocations. Please let me know the status of the City review and when I can expect a response to the findings. Thanks.

Larry
916.601-8894

 **LoyaltonAUDIT2016.docx**
201K

CITY OF LOYALTON
FINANCIAL STATEMENTS
JUNE 30, 2016

LARRY BAIN, CPA

AN ACCOUNTING CORPORATION

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894
lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Loyalton, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the City of Loyalton, California, as of and for the year ended June 30, 2016, which collectively comprise the City's basic 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 the 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 of material misstatement.

An audit includes 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 City'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 City'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 financial statement presentation.

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

Basis for Qualified Opinion

The City does not utilize an accounting system with a self-balancing set of accounts for recording transactions to each fund. As a result entries can be posted to the general ledger causing the financial statements to be out of balance by fund and entries posted to funds causing material misstatement without being detected in a timely manner by the finance staff. The City also provides pension benefits to four retirees, however the City has not performed an actuarial for the retirement plan in accordance with Governmental Accounting Standards Board Statement 68 and have not recorded the net pension liability and deferred inflows/outflows associated with the plan. Furthermore, the City has not reviewed and adjusted prior year allocations to the enterprise funds debt service bank accounts. The net effect of adjustments could result in material misstatements to these financial statements the amount of which are unknown.

CITY OF LOYALTON

**STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Activities	Business-type Activities	Total
Current Assets			
Cash and investments	\$ 253,276	\$ 55,322	\$ 308,598
Accounts receivable	11,984	75,133	87,117
Grants receivable		6,089	6,089
Restricted cash and investments	19,094	293,886	312,980
Total Current Assets	284,354	430,430	714,784
Non Current Assets			
Loans receivable	15,523		15,523
Internal balances	86,146	(86,146)	-
Capital assets:			
Land	55,293	373,319	428,612
Construction in Progress	56,546	-	56,546
Buildings	810,524	415,920	1,226,444
Site improvements	2,363,686	11,030,055	13,393,741
Equipment	584,973	695,449	1,280,422
Less: accumulated depreciation	(1,137,256)	(4,214,479)	(5,351,735)
Total Capital Assets	2,733,766	8,300,264	11,034,030
Total Non Current Assets	2,835,435	8,214,118	11,049,553
Total Assets	\$ 3,119,789	\$ 8,644,548	\$ 11,764,337
Liabilities			
Current liabilities:			
Accounts payable	\$ 22,729	\$ 48,656	\$ 71,385
Accrued wages	3,008	5,585	8,593
Customer deposits	100		100
Accrued interest payable		67,838	67,838
Long-term liabilities-due within one year	6,582	117,572	124,154
Total Current Liabilities	32,419	239,651	272,070
Liabilities-due in more than one year:			
Compensated absences		8,404	8,404
Note payable		1,025,129	1,025,129
Certificate of participation		4,135,900	4,135,900
Total Liabilities Due In More Than One Year	-	5,169,433	5,169,433
Total Liabilities	32,419	5,409,084	5,441,503
Net Position			
Net investment in capital assets	2,727,184	3,023,922	5,751,106
Restricted for debt service		287,086	287,086
Unrestricted	360,186	(75,544)	284,642
Total Net Position	\$ 3,087,370	\$ 3,235,464	\$ 6,322,834

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	Special Revenue Funds			Total Governmental Funds
	General	Gas Tax	CDBG	
Assets				
Cash and investments	\$ 240,887	\$ -	\$ 12,389	\$ 253,276
Restricted cash	19,094			19,094
Receivables				
Accounts	11,984			11,984
Loans			15,523	15,523
Due from other funds	191,536	18,974	196,287	406,797
Total Assets	\$ 463,501	\$ 18,974	\$ 224,199	\$ 706,674
Liabilities				
Accounts payable	\$ 17,994	\$ 4,736	\$ -	\$ 22,730
Accrued payroll	3,008			3,008
Customer deposits	100			100
Due to other governments	-			
Due to other funds	267,312	53,339		320,651
Total Liabilities	288,414	58,075		346,489
Fund Balances				
Nonspendable for loans receivable			15,523	15,523
Assigned for special revenue funds			208,676	208,676
Unassigned	175,087	(39,101)		135,986
Total Fund Balances	175,087	(39,101)	224,199	360,185
Total Liabilities and Fund Balances	\$ 463,501	\$ 18,974	\$ 224,199	\$ 706,674

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			Total Governmental Funds
	General	Gas Tax	CDBG	
Revenues				
Taxes	\$ 80,567	\$ -	\$ -	\$ 80,567
Licenses and permits	15,703			15,703
Intergovernmental	55,653	21,142		76,795
Charges for current services	67,051	21		67,072
Use of money and property	363		1,427	1,790
Other	4,677			4,677
Total Revenues	<u>224,014</u>	<u>21,163</u>	<u>1,427</u>	<u>246,604</u>
Expenditures				
Current:				
General government	51,630			51,630
Public safety	63,366			63,366
Health and sanitation	926			926
Highways and streets		34,670		34,670
Culture and recreation	27,076			27,076
Debt service				
Principal	-	8,187		8,187
Interest		634		634
Capital Outlay	-	-		-
Total Expenditures	<u>142,998</u>	<u>43,491</u>	<u>-</u>	<u>186,489</u>
Excess (Deficit) of Revenues over Expenditures	<u>81,016</u>	<u>(22,328)</u>	<u>1,427</u>	<u>60,115</u>
Other Financing Sources (Uses)				
Operating transfers in		15,205		15,205
Operating transfers out	(15,205)			(15,205)
Total Other Financing Sources (Uses)	<u>(15,205)</u>	<u>15,205</u>	<u>-</u>	<u>-</u>
Special Item-Insurance Recovery	-			-
Net Change in Fund Balance	65,811	(7,123)	1,427	60,115
Fund Balances, July 1, 2015	<u>109,276</u>	<u>(31,978)</u>	<u>222,772</u>	<u>300,070</u>
Fund Balances, June 30, 2016	<u>\$ 175,087</u>	<u>\$ (39,101)</u>	<u>\$ 224,199</u>	<u>\$ 360,184</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Water	Sewer	Totals
Current assets:			
Cash and investments	\$ 45,296	\$ 10,026	\$ 55,322
Restricted cash and investments	61,887	231,999	293,886
Receivables			
Accounts (Net of allowance for doubtful accounts)	23,874	51,259	75,133
Grants receivable		6,089	6,089
Due from other funds	29,831		29,831
Total current assets	<u>160,888</u>	<u>299,373</u>	<u>460,261</u>
Capital assets:			
Nondepreciable capital assets:			
Land		373,319	373,319
Construction in progress			-
Depreciable capital assets			
Building		415,920	415,920
Site improvements	2,787,734	8,242,321	11,030,055
Equipment	167,153	528,296	695,449
Less accumulated depreciation	(996,294)	(3,218,185)	(4,214,479)
Total capital assets (net of accumulated depreciation)	<u>1,958,593</u>	<u>6,341,671</u>	<u>8,300,264</u>
Total Assets	<u>\$ 2,119,481</u>	<u>\$ 6,641,044</u>	<u>\$ 8,760,525</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 11,824	\$ 36,832	\$ 48,656
Accrued payroll	2,371	3,214	5,585
Due to other funds		115,977	115,977
Current portion - long term liabilities	18,513	99,059	117,572
Interest payable	14,960	52,878	67,838
Total current liabilities	<u>47,668</u>	<u>307,960</u>	<u>355,628</u>
Noncurrent liabilities:			
Compensated absences	2,773	5,631	8,404
Bonds payable		1,025,129	1,025,129
Certificates of participation	979,900	3,156,000	4,135,900
Total noncurrent liabilities	<u>982,673</u>	<u>4,186,760</u>	<u>5,169,433</u>
Total Liabilities	<u>1,030,341</u>	<u>4,494,720</u>	<u>5,525,061</u>
Net position:			
Net investment in capital assets	960,180	2,063,742	3,023,922
Restricted for debt service	61,887	225,199	287,086
Unrestricted	67,073	(142,617)	(75,544)
Total Net Position	<u>\$ 1,089,140</u>	<u>\$ 2,146,324</u>	<u>\$ 3,235,464</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
JUNE 30, 2016

	Water	Sewer	Totals
Cash Flows from Operating Activities			
Cash received from customers	\$ 190,619	\$ 365,755	\$ 556,374
Cash payments to suppliers	(94,112)	(226,856)	(320,968)
Cash payments to employees	(43,963)	(60,474)	(104,437)
Net Cash Provided By (Used For) Operating Activities	<u>52,544</u>	<u>78,425</u>	<u>130,969</u>
Cash Flows from Noncapital Financing Activities			
Interfund lending	24,597	75,276	99,873
Net Cash Provided By (Used For) Noncapital Financing Activities	<u>24,597</u>	<u>75,276</u>	<u>99,873</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of fixed assets		(22,390)	(22,390)
Reductions of debt	(16,600)	(94,000)	(110,600)
Capital grant		100,370	100,370
Interest expense	(45,252)	(128,412)	(173,664)
Net Cash Provided By (Used For) Capital and Related Financing Activities	<u>(61,852)</u>	<u>(144,432)</u>	<u>(206,284)</u>
Cash Flows from Investing Activities:			
Interest income	99	295	394
Net Cash Provided By Investing Activities	<u>99</u>	<u>295</u>	<u>394</u>
Net Increase (Decrease) in Cash and Cash Equivalents	15,388	9,564	24,952
Cash and Cash Equivalents, July 1, 2015	91,795	232,461	324,256
Cash and Cash Equivalents, June 30, 2016	<u>\$ 107,183</u>	<u>\$ 242,025</u>	<u>\$ 349,208</u>
Reconciliation of Cash and Cash Equivalents:			
Cash and investments	\$ 45,296	\$ 10,026	\$ 55,322
Restricted cash and investments	61,887	231,999	293,886
Total Cash and Cash Equivalents	<u>\$ 107,183</u>	<u>\$ 242,025</u>	<u>\$ 349,208</u>
Reconciliation of Operating Income to Net Cash Provided by (Used For) Operating Activities			
Adjustments to operating income:			
Depreciation	71,848	531,934	603,782
(Increase) decrease in accounts receivable	7,262	10,463	17,725
Increase (decrease) in accounts payable	(18,703)	(61,992)	(80,695)
Increase (decrease) in accrued payroll	(70)	1,006	936
Increase (decrease) in compensated absences	(383)	(778)	(1,161)
Net Cash Provided By (Used For) Operating Activities	<u>\$ 52,544</u>	<u>\$ 78,425</u>	<u>\$ 130,969</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOYALTON

Notes to the Financial Statements June 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the City). These statements include the financial activities of the overall government. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

The City reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Gas Tax Fund – This fund is used to account the revenues and expenditures of the State Gas Tax

CDBG Fund – This is used to account for Community Development revenue and expenditures

The City reports the following major enterprise funds.

Water and Sewer Funds - account for the operation of the City's water and sewer utilities. Activities of these funds include administration, operation and maintenance of the water and sewer systems and billing and collection activities. The Funds also accumulate resources for, and payment of long-term debt principal and interest. All costs are financed through charges made to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the Funds.

CITY OF LOYALTON

Notes to the Financial Statements June 30, 2016

Note 1: Summary of Significant Accounting Policies (Continued)

H. Balance Sheet Classifications

Certain resources are classified as restricted assets as their use is restricted for specific purposes by bond agreements, lease agreements, trust agreements, grant agreements, City Charter provisions, or other requirements. Governmental fund types' restricted assets are for grant advances. Proprietary fund types' restricted assets are for renewal and replacement of equipment and debt service reserves.

I. Compensated Absences

City employees are granted vacation in varying amounts based on classification and length of service. Upon termination or retirement, the City is to pay 100% of the vacation time accrued and 25-35% of the accrued sick leave depending on the length of employment with the City.

Governmental Funds – Governmental Funds record expenditures for compensated absences as they are taken by employees. A year-end accrual for compensated absences has not been made in the Governmental Funds as of June 30, 2016, because the City does not believe any of the available year-end resources will be required to fund the year-end compensated absences liability.

Proprietary Funds – Proprietary funds accrue a liability for unused compensated absences earned through year-end. An expense is recognized for the increase in liability from the prior year.

J. Intergovernmental Revenues

Federal and state governments reimburse the City for costs incurred on certain fixed asset construction projects under capital grant agreements. Amounts claimed under such grants are credited to intergovernmental revenues if the project is being administered by a Capital Projects Fund or to contributed capital if administered by a Proprietary Fund. Additionally, the City receives reimbursement from federal and state governments for other programs, such as housing and rehabilitation. These reimbursements are recorded in the fund administering the program as intergovernmental revenues with the related program costs included in expenditures.

The respective grant agreements generally require the City to maintain accounting records and substantiating evidence to determine if all costs incurred and claimed are proper and that the City is in compliance with other terms of the grant agreements. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future claims or be directly recovered from the City.

K. Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- Restricted net position – Consists of net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects, debt service requirements and other special revenue fund purposes.

CITY OF LOYALTON

**Notes to the Financial Statements
June 30, 2016**

Cash and investments	\$	308,598
Restricted cash and investments		312,980
Total per statement of activities	\$	621,578
Checking account	\$	422,870
Imprest cash		450
Savings		198,258
Total cash and investments	\$	621,578

Note 2: Cash and Investments (Continued)

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Loyalton by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

B. Concentrations of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

C. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total

CITY OF LOYALTON

**Notes to the Financial Statements
June 30, 2016**

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

CITY OF LOYALTON

**Notes to the Financial Statements
June 30, 2016**

Depreciation expense was charged to functions/programs of the City as follows:

General government	\$ 87,311
Public safety	17,026
Streets and roads	1,793
Parks	<u>22,229</u>
Total	<u>\$ 128,359</u>

The City believes the estimated useful lives of some of the assets involved at the Wastewater Treatment Plant will be much less than was previously anticipated at the time the assets were completed. Depreciation expense has been increased accordingly. The ultimate useful life of these items will depend on the alternative corrective action the City selects for repair of the facility.

Note 5: Lease Income

The City of Loyalton derives a portion of its revenue from the rental of real property based on a fixed lease amount. All leases of the City are treated as operating leases for accounting purposes. Lease terms can be terminated by lessor at any time and without cause. Because these are cancelable leases we do not present the operating revenue over the term of the lease.

Note 6: Long-term Liabilities

A summary of the changes in the City's long-term liabilities reported in the governmental activities column of the government-wide financial statements for the year ended June 30, 2016:

	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Adjustments/ Retirements</u>	<u>Balance June 30, 2016</u>	<u>Due Within One Year</u>
Capital leases	\$ 14,769	\$ -	\$ (8,187)	\$ 6,582	\$ 6,582
Total	<u>\$ 14,769</u>	<u>\$ -</u>	<u>\$ (8,187)</u>	<u>\$ 6,582</u>	<u>\$ 6,582</u>

Governmental Activities:

A. On June 21, 2012 the City obtained financing from John Deere Financial to lease a John Deere Wheel Loader. The lease calls for monthly payments of \$684.12, including interest, beginning July 1, 2012 and maturing May 1, 2017. The City shall have the option to purchase all of the equipment by paying to the lessor all rent payments then due (including accrued interest, if any) plus the termination value as stipulated in the lease agreement. Interest rates on the capital lease are imputed at the lessor's rate of return. The Gas Tax Fund is used to liquidate this capital lease liability. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of minimum lease payments as of June 30, 2016:

General Fund-Wheel Loader

Fiscal Year Ended	
<u>June 30,</u>	
2017	<u>6,840</u>
Total minimum lease payments	<u>6,840</u>
Less: Amount representing interest	<u>(258)</u>
Present value of minimum lease payments	<u>\$ 6,582</u>

Note 6: Long-term Liabilities (Continued)

Capital Leases Payable (Continued)

CITY OF LOYALTON

**Notes to the Financial Statements
June 30, 2016**

The City of Loyalton issued \$1,256,500 in revenue bonds on February 1, 1995 through Rural Economic and Community Development Service to provide funds for the construction of various water system improvements.

The payments are secured by a pledge of the net revenues of the City's sewer system as provided in the instalment purchase contract. The interest rate is 4.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2034.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2016 are as follows:

Fiscal Year End June 30,	Principal	Interest	Total
2017	\$ 30,500	\$ 38,414	\$ 68,914
2018	31,800	37,013	68,813
2019	33,000	35,555	68,555
2020	34,800	34,029	68,829
2021	36,000	32,436	68,436
2022-2026	203,900	135,983	339,883
2027-2031	253,700	84,719	338,419
2032-2035	245,138	22,680	267,818
Totals	\$ 868,838	\$420,829	\$ 1,289,667

Sewer Fund – Series 1995-B Revenue Bond

The City of Loyalton issued \$186,200 in revenue bonds on February 1, 1995 through Rural Economic and Community Development Service to provide funds for the construction of various water system improvements.

The payments are secured by a pledge of the net revenues of the City's sewer system as provided in the instalment purchase contract. The interest rate is 4.5% with payment due dates of February 1 and August 1 and final payment due August 1, 2034.

Future annual requirements to amortize the long-term debt outstanding as of June 30, 2016 are as follows:

Fiscal Year End June 30,	Principal	Interest	Total
2017	\$ 4,300	\$ 5,713	\$ 10,013
2018	4,500	5,515	10,015
2019	4,600	5,310	9,910
2020	4,800	5,099	9,899
2021	5,100	4,876	9,976
2022-2026	30,700	20,540	51,240
2027-2031	38,800	12,690	51,490
2032-2035	36,291	3,364	39,655
Totals	\$ 129,091	\$ 63,106	\$ 192,197

Note 6: Long-term Liabilities (Continued)

Sewer Fund – 2009 Certificate of Participation

CITY OF LOYALTON

Notes to the Financial Statements
June 30, 2016

The gas tax fund has a deficit fund balance of \$39,101 at June 30, 2016. The deficit fund balance is expected to be eliminated upon receipt of future funding or transfers from the general fund.

B. Deficit Budget to Actual Expenditures

The gas tax fund expenditures exceeded the budget by \$7,123.

Note 9: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the City’s ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 10: Related Party Transactions

The City currently is operating without a City Manager and members of the City Council have taken on the job duties normally performed by a City Manager. The City is also operating the water and wastewater treatment plants under the licensing of one of the City Council Members. The members of the City Council are not compensated for taking on these duties in excess of the \$49.50 stipend per meeting received by all City Council members.

Note 11: Gann Limit

Proceeds subject to the limit for 2015-16	\$ 246,604
Amount of limit for 2015-16	<u>1,000,820</u>
Amount (under)/over the limit	<u>\$ (754,216)</u>

Per Capita Percentage Change	3.82%
Population Change*	-0.68%

* Net of exclusions for correctional institution

Note 12: Commitments and Contingencies

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Commitments

The City had ongoing engineering and professional service commitments as of June 30, 2016.

Lawsuits

Various claims have been filed against the City. In the opinion of the City’s management and legal counsel, the likelihood of an unfavourable outcome and the dollar range of potential loss was not determinable.

Note 13: Subsequent Events

CITY OF LOYALTON
Budget to Actual-General Fund
June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Taxes	\$ -	\$ -	\$ 80,567	*
Licenses and permits			15,703	*
Intergovernmental			55,653	*
Charges for current services			67,051	*
Use of money and property			363	*
Other			4,677	*
Total Revenue	<u>228,824</u>	<u>228,824</u>	<u>224,014</u>	<u>(4,810)</u>
Expenditures				
Current:				
General government	113,781	113,781	51,630	62,151
Public safety	26,480	26,480	63,366	(36,886)
Health and sanitation	2,750	2,750	926	1,824
Culture and recreation	17,820	17,820	27,076	(9,256)
Capital Outlay	13,173	13,173	-	13,173
Total Expenditures	<u>174,003</u>	<u>174,003</u>	<u>142,998</u>	<u>31,005</u>
Excess (Deficit) of Revenues Over Expenditures	<u>54,821</u>	<u>54,821</u>	<u>81,016</u>	<u>26,195</u>
Other Financing Sources (Uses)				
Operating transfers in				
Operating transfers out	<u>(33,625)</u>	<u>(33,625)</u>	<u>(15,205)</u>	<u>18,420</u>
Total Other Financing Sources (Uses)	<u>(33,625)</u>	<u>(33,625)</u>	<u>(15,205)</u>	<u>18,420</u>
Net Change in Fund Balance	<u>\$ 21,196</u>	<u>\$ 21,196</u>	65,811	<u>\$ 44,615</u>
Fund Balance, July 1, 2015			<u>109,276</u>	
Fund Balance, June 30, 2016			<u>\$ 175,087</u>	

* Only total budgeted revenue is reported

City of Loyalton
Note to Required Supplementary Information
June 30, 2016

Budgets and Budgetary Accounting

As required by the laws of the State of California, the City prepares and legally adopts a final balanced operating budget. Public hearings were conducted on the proposed final budget to review all appropriations and the sources of financing. Because the final budget must be balanced, any shortfall in revenue requires an equal reduction in financing requirements.

Budgets for the general fund and gas tax special revenue fund are adopted on the modified accrual basis of accounting. The budgets for the general fund and gas tax special revenue fund are the only legally adopted budgets. Budgets for the proprietary funds are used for management and control purposes only.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the City Council.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Loyalton's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Schedule of Findings. The City's response, if any, was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the audit committee, City Council, the Sierra County Auditor Controller's Office, the California State Controller's Office, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Larry Bain, CPA,
An Accounting Corporation
July 11, 2017

CITY OF LOYALTON
FINANCIAL STATEMENT FINDINGS (Continued)
JUNE 30, 2016

Significant Deficiencies Not Deemed Material Weaknesses

Finding 16-3 (Prior Year Finding 14-10): We noted the City did not have a written financial and accounting policy/manual that included internal control procedures. The City should create the financial and accounting policies that demonstrate how transactions are processed from beginning to end. The policy should include the processes for internal controls that are designed to provide reasonable assurance that objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations are met. This also should include documenting controls over processing transactions, authorizing transactions and for maintaining and safeguarding assets.

Current Year Follow Up: No change, however the City is in the process of developing the written financial and accounting policy/manual and taking it to City Council for review and approval.

Recommendation: We recommend the City finish creating the written financial manual and accounting policy.

City Response:

Finding 16-4 (Prior Year Finding 14-11): We noted the City has not adopted an investment policy or a conflict of interest policy. These are required to be adopted and reviewed bi-annually.

Current Year Follow Up: We noted on June 21, 2016 the City Council accepted the updated conflict of interest policy, We did not observe that an updated investment policy was adopted.

Recommendation: We recommend the City adopt the investment policy.

City Response:

Finding 16-5 (Prior Year Finding 14-11): We noted the City had a lack of segregation of duties, as one person is capable of handling all aspects of certain transactions from beginning to end. A lack of segregation of duties increases the risk of potential errors or irregularities occurring without being detected; however, due to a limited number of personnel an adequate segregation of duties is not possible without incurring additional costs.

Current Year Follow Up: No change

City Response:

Finding 16-6 (Prior Year Finding 14-13): We noted the City did not implement the provisions of Government Accounting Standards Board Statement 54 as required by U.S. generally accepted accounting policies. This new standard went into effect for fiscal year ending June 30, 2011. The requirement categorizes fund balances into five separate categories and sets a new definition for special revenue funds.

Current Year Follow Up: No change. We noted the City allocated \$19,084 to a new fire district reserve funded by strike team reimbursements that will require a 4/5ths City Council approval for allocating these funds to the budget. We did not observe the general ledger reflecting the fund equity commitment or a separate schedule for committed fund balance that complies with GASB 54.

Recommendation: We recommend the City review the provisions of GASB 54 and take action to adopt this standard. We also recommend the City create a schedule track all restricted, unspendable and committed fund balances in compliance with GASB 54.

Finding 16-7: During our audit we noted the City does not have an operating agreement between the City and the senior center. The lease agreement should specify terms such as rental payments, shared utility costs, liability etc.

Responses to 2015 / 2016 Findings

16-1 The City will go back to when the transfers started, 11/23/12, and make adjustments to properly allocate the funds in question.

The City continues to build the 1 year reserve required by USDA and will check with USDA to see if the reserve funds are required to be maintained in a separate account.

16-2 The City continues to pursue possible funding sources and/or options for true fund accounting software. The expense has been prohibitive, but options are being sought.

16-3 City is currently holding weekly financial meetings to accomplish this goal.

16-4 The City agrees and will adopt an investment policy.

16-5 While the City staff is extremely small, the city is addressing additional segregation of duties where possible through the Financial Policy. Implementation will take place as personnel availability allows.

16-6 The City agrees with the recommendation and will take steps to adopt GASB 54 standards.

16-7 The City does have lease agreements with both the Senior Center (located on First St.) dated 7/26/02 running through 6/30/27 and the Senior Thrift Store (located on School Street) dated 7/13/16 running through 12/31/2037.

16-8 The City agrees – separate spread sheets will be established to track sick and vacation accruals and use.

16-9 Budgets are determined based on prior year revenues and expenditures, which are reviewed by the Finance Committee. Quarterly reviews will be addressed by the Finance Committee until such time as the City is able to update and install new accounting software, when the budget updates will be done monthly.

July 10, 2017

Loyalton City Council:

I would like to submit my name for the vacancy of City Council. I feel I would be a asset to the City Council.. I was raised in Loyalton and was a City employee. I have family here and feel I could do a lot for my community.

Thank you for your time.

Colby Russell



RECEIVED

JUL 14 2017

BY: _____

Letter of Interest and Intent for the position of the City Council Member

July 19, 2018

Mayor Mark Marin

Council Members: Nancy Rogers, Kristin Gallegos & Jason VanDamm

City of Loyalton
605 School Street
Loyalton, Ca. 96118
(530) 993-6750

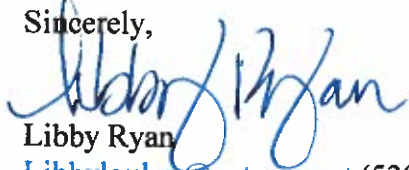
Dear Mayor and City Council Members,

I am writing to express my interest in the vacant City Council seat.

I would like to apply for the position of City Council Member, for the City of Loyalton, California. I would like to start off by introducing myself, my name is Libby Ryan, and I have been calling Sierra Valley my home for the last 12 years. I recently just bought a home a year ago here in the City of Loyalton. My son who is thirteen years old attends Loyalton High and is involved in many local sports and 4-H groups. I have worked here in Sierra Valley for the past 10 Years working for Paul and Sheri Roen at Sierra Valley Feed & Ranch Supply in Sierraville. I feel that anyone with a fair sense of judgment would be an asset to this position with the city. I am a Fast learner and I am also very passionate about our community and the current issues facing the City and the citizens of Loyalton.

In conclusion, I believe that working with the citizens of Loyalton is a very important job and I hope to be one of many voices for the citizens. Knowing that when the citizens show up to council meetings with concerns of their community, they want to be heard and not have their concerns fall to deaf ears. I look forward to answering any question about my qualifications for the position of the vacant council seat for the City of Loyalton.

Sincerely,



Libby Ryan

Libbyloulou@netzero.net (530)519-3119

12 Jones Street Loyalton, Ca. 96118

Loyalton City Council
605 School Street
PO Box 128
Loyalton, CA 96118

July 26, 2017

Dear Loyalton City Council,

This letter is to inform the Loyalton City Council of my interest in being considered and appointed as a member of the counsel.

My interest is in revitalizing the community and stimulating participation between the members of the community and the city council.

I came to Loyalton as a young girl in 1962 with my parents. My parents owned and operated the Loyalton Market and the Yuba Pass Cafe. I left Loyalton in 1983 to attend college and then worked on my career for 23 years as a probation officer in Humboldt and Yuba County. While employed with these counties I learned skills that have enabled me to work with community members, other agencies and the courts. These skills would be an asset to the community and the council. I returned to Loyalton in October of 2012. I have seen many changes in our community through this time. It is unfortunate that Loyalton has not been able to grow and prosper with the changes.

My goals would be, but not limited to creating an environment between the community and the council that would be solution based and in the best interest of the City of Loyalton.

Sincerely,



Joy Markum

RECEIVED

AUG 07 2017

BY: _____

My signature is in support of Joy Markum for City Council

Name	Address	Signature
Tommi Bandow	408 MAIN ST Loyalton	Tommi Bandow
Kelly Dines	302 Allegheny St Loyalton	Kelly Dines
Russell Dines	"	Russell Dines
Ron Ryan	104 Allegheny St Loyalton	Ron Ryan
Janice B. Boush	104 Allegheny St Loyalton	Janice B. Boush
Janice M. Boush	103 Allegheny St Loyalton	Janice M. Boush
David DeLynn	105 Allegheny St Loyalton	David DeLynn
Conny Varette	132 Beckwith St Loyalton	Conny Varette
Georgina Varette	132 Beckwith St Loyalton	Georgina Varette
Kathy Boush	132 Beckwith St Loyalton	Kathy Boush
Kathy Boush	308 Meeker St Loyalton	Kathy Boush
PHYLLIS DEAN MITCHELL	106 Taylor Ave Loyalton	Phyllis Dean Mitchell
ESTER LYSEN	204 ALLEGHENY Loyalton	Ester Lyssen
ENVIRONMENTAL MICHAIL	200 PATTERSON AVE Loyalton	Michael
Judy Alexander	132 Beckwith St Loyalton	Judy Alexander
Drew Alexander	15 Alexander Ln Loyalton	Drew Alexander
Chris Alexander	15 Alexander Ln Loyalton	Chris Alexander
Alice York	11 Alexander Ln Loyalton	Alice York
Mary J. GILBERTON	133 Beckwith St Loyalton	Mary J. Gilberton
Woodman L. JONES	107 Teller St Loyalton	Woodman L. Jones
Harold B. JONES	704 Church St Loyalton	Harold B. Jones
Richard D. JONES	509 Railroad Ave Loyalton	Richard D. Jones