



City of Gridley

685 Kentucky Street
Gridley, CA 95948

October 1, 2013

The Honorable Stephen E. Benson, Presiding Judge
c/o Court Administration
Superior Court of California, County of Butte
One Court Street
Oroville, CA 95965

FILED Superior Court of California
County of Butte
OCT 08 2013
Kimberly Fiener, Clerk
By *K. Mortensen* Deputy

Dear Judge Howell,

We appreciate the opportunity to address the findings concerning the City of Gridley contained in the 2012-2013 Grand Jury Report. The City has two Findings (F9 and F10) that need to be responded to:

Finding F9: Gridley traditionally balances its General Operating Budget by supplementing its revenue with monies from the Electrical Fund.

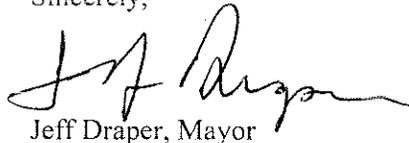
City Response: *The City Council concurs with the finding. The City utilizes GASB procedures as well as best practices to manage its budget. The General Operating Budget is funded in part by the appropriate enterprise funds as allowed by law.*

Finding F10: Gridley Strengthened its internal controls after embezzlement discovered in 2010.

City Response: *The City Council concurs with the finding. The City routinely reviews internal controls in order to maximize internal controls.*

Thank you again for the opportunity to respond to your final report. It was a sincere pleasure for members of staff to work with the Grand Jury during the last year as they sought to learn about our organization. We are most proud of our resources and the services we are able to provide.

Sincerely,


Jeff Draper, Mayor

CC: City Council
City Administrator
Chief of Police