



## Staff Report

### September 9, 2025

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Ted Williams, Finance Director  
**DATE:** September 9, 2025  
**RE:** Audited Financial Statements for the Year ended June 30, 2024

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#### **Recommendation**

Receive and File

#### **Issue Statement and Discussion**

Every year, the Town engages an independent auditor to audit the financial statements of the Town and to provide its professional opinion on those statements.

On September 12, 2023, the Town Council approved a five-year contract with Richardson and Company, LLP to provide audit services annually. Ingrid Sheipline, Managing Partner of Richardson & Company, LLP, will present the audited financial statements and accompanying reports for the fiscal year ended June 30, 2024.

#### **CEQA Requirements**

CEQA does not apply to financial policies

#### **Financial and/or Policy Implications**

The Richardson & Company, LLP contract runs through fiscal year 2026/27 with a total cost of \$108,575. The cost for fiscal year 2023/24 is \$36,175.

#### **Attachments**

- A. Audited Financial Statements
- B. Management Letter
- C. Governance Letter
- D. Independent Account's Report on Agreed-Upon Procedures Applied to Appropriations Limit Testing.

## **Item 7 Attachment A**

**TOWN OF LOOMIS, CALIFORNIA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**

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# TOWN OF LOOMIS, CALIFORNIA

Audited Financial Statements  
For the Year Ended June 30, 2024

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# TOWN OF LOOMIS, CALIFORNIA

Audited Financial Statements  
For the Year Ended June 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

To the City Council  
Town of Loomis, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the aggregate remaining fund information of the Town as of June 30, 2024, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison for the General Fund and major special revenue funds, the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions and Schedule of Changes in the Total OPEB Liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the City Council  
Town of Loomis, California

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Loomis's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

*Richardson & Company, LLP*

August 12, 2025



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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As management of the Town of Loomis (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information presented.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources at the close of Fiscal Year 2023-2024 by \$36,758,872 (Net Position). These assets are allocated as follows:
  - Net Investment in capital assets - \$21,556,904. Total capital additions for the fiscal year were \$4,823,833.
  - Restricted net position - \$12,772,925. This amount is restricted for Maintenance Districts, capital projects, and legally segregated taxes, grants, and fees.
  - Unrestricted net position of \$2,429,043. These funds may be used to meet the ongoing obligations of the Town. Town committed and assigned reserves are included in the unrestricted net position.
- Total revenue from all sources was \$12,458,792, of which \$1,806,431 was from grants and contributions.
- The total expenses of all the Town's governmental activities were \$8,541,177.
- The net pension liability increased \$183,206 over the prior year due to the performance of the CalPERS pooled investments during the measurement period included in this fiscal year's financial statements.
- The net Other Post Employment Benefits (OPEB) liability increased \$314,143 from the prior year due to a change in actuarial assumptions and a difference in experience (program costs) during the year.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The Statement of Net Position on page 15 and the Statement of Activities on page 16 provide information about the activities as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 17. For governmental activities, these statements explain how programs and services were financed in the short term (the most recently completed fiscal year), as well as the amounts remaining available for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds.

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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### **Government-Wide Financial Statements – Reporting the Town as a Whole**

Our analysis of the Town begins on page 15 with the government-wide financial statements. One of the most important questions asked about the Town's finances is, "*Is the Town as a whole better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. The government-wide Statement of Net Position includes all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector business entities. The government-wide Statement of Activities focuses on measuring the net revenues or expenses of each activity. All current year's revenues and expenses are considered, regardless of when cash is received or paid.

These two statements report on the Town's net position and changes in it. You can think of the Town's net position – the difference between assets and liabilities – as a way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. To reach a conclusion on this issue, you may need to consider other matters of a non-financial nature, such as:

- The condition of the Town's infrastructure (streets and roadways, storm drainage improvements, etc.), or
- The economic vitality of the core business districts, or
- The adequacy of staff to supply services required by the citizenry, in order to properly assess the overall health of the Town.

For many cities, the Statement of Net Position and the Statement of Activities are divided between governmental and business-type activities. The Town has no business-type activities (i.e., water or sewer utilities), and, therefore, only reports governmental activities. Governmental activities include general government, public safety, public works, and planning (for land use). Taxes (primarily property and sales), licenses, permits, state and federal grants, and franchise payments finance most of these activities.

### **Governmental Fund Financial Statements – Reporting the Town's Most Significant Funds**

Our analysis of the Town's major funds begins on page 17. The Town's various funds are reported as governmental-type funds. Governmental funds focus on how money flows into and out of those funds, and the balances left at year-end that may be available for future spending. These funds are reported using an accounting method described as modified accrual accounting. This accounting method measures the availability of cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations, and the basic services it provides to residents and visitors to the Town. Governmental fund information helps to determine what financial resources are available to be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds, in a reconciliation at the bottom of the fund financial statements.

The fund financial statements provide detailed information about the major funds, not the Town as a whole. Some funds are required to be established by State law (Gas Tax and law enforcement grant funds). However, the Town Council establishes many other funds to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024**

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The funds shown in these statements are:

- The General Fund is the primary operating fund of the Town. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund. Flow-through funds for Developer Activities and fees collected for other governmental activities, which were classified as Fiduciary Funds in previous years, are included in the General Fund this year because they are considered activities of the Town.
- The Maintenance Districts Special Revenue Funds represent the various maintenance districts throughout the Town.
- The COSTCO Fair Share fund was established to collect and distribute the contributions from COSTCO to mitigate transportation impacts.
- The Road Circulation Capital Projects Fund is for the creation of new roads or improvements to existing arterials that create new capacity.
- The Capital Projects Fund was established to segregate and track all capital project activity for the Town. Funding for expenditures is transferred from other funds as applicable.
- The Nonmajor Governmental Funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves are not significant to the Town as a whole. Therefore, they are combined and reported as one. They include funds for transportation, recycling, parks, and rehabilitation loans.

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

### Government-Wide Financial Analysis – The Town as a Whole

The Town's combined net position for the years ended June 30, 2024, and June 30, 2023, is summarized in *Table 1 – Net Position* below.

**Table 1 – Net Position**

	2024	2023	Increase (Decrease)	Percent Change
<b>ASSETS</b>				
Current assets	\$ 20,941,220	\$ 19,122,917	\$ 1,818,303	9.51%
Capital assets, net	22,082,543	17,258,710	4,823,833	27.95%
Total Assets	43,023,763	36,381,627	6,642,136	18.26%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension	842,299	970,915	(128,616)	-13.25%
<b>LIABILITIES</b>				
Current liabilities	5,074,066	2,950,579	2,123,487	71.97%
Other liabilities	1,868,306	1,363,376	504,930	37.04%
Total Liabilities	6,942,372	4,313,955	2,628,417	60.93%
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension	164,818	197,330	(32,512)	-16.48%
<b>NET POSITION</b>				
Net investment in capital assets	21,556,904	16,731,955	4,824,949	28.84%
Restricted	12,772,925	12,632,203	140,722	1.11%
Unrestricted	2,429,043	3,477,099	(1,048,056)	-30.14%
Total Net Position	\$ 36,758,872	\$ 32,841,257	\$ 3,917,615	11.93%

#### Assets

Current assets increased by \$1,818,303 from the prior fiscal year. This increase is primarily attributable to increases in cash balances in the General Fund as of the end of the fiscal year. This is due to the Town having a large increase in impact fees for the fiscal year.

Capital Assets (net of depreciation) increased 27.95% due to considerable investment in capital projects such as Sierra College Blvd Widening, Street Resurfacing Project, Street Culvert Crossing, Sunrise Loomis Park Playground, and others for the fiscal year ended June 30, 2024.

#### Deferred Outflows of Resources

Deferred outflows of resources decreased due to changes in assumptions and projected versus actual earnings related to the Town's pension plan.

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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### Liabilities

The significant increase in current liabilities is attributable to the large balance in Accounts Payable at the end of the fiscal year due to capital projects and delayed billing for the Town's public safety services.

Other liabilities increased \$504,930 over the prior year due to an increase in the Town's unfunded liabilities for pension and OPEB. The Town's defined pension plan and post-employment benefits plan are further defined in Note 8 and Note 9 of this report, respectively.

### Net Position

Net position serves as a useful indicator of a government's financial position.

A significant portion of the Town's net position reflects its investment in capital assets (e.g., land, streets, storm drain systems, buildings and park assets, machinery and equipment). The capital assets net of accumulated depreciation as a percentage of total assets was 51.3% and 47.4% for the fiscal years ended June 30, 2024, and June 30, 2023, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The amount reported for net position of governmental activities does not include the value of the Town's infrastructure (roadways, bridges, and storm drainage improvements) acquired upon incorporation on December 17, 1984.

Restricted net position increased 1.11% over the prior fiscal year, primarily due to the receipt of impact fees. Restricted net position represents resources that are subject to external restrictions on how they may be used.

During the year ended June 30, 2024, the government's unrestricted net position decreased \$1,048,056 due primarily to approved and budgeted investments in capital projects and infrastructure improvements in the current year.



# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

### Governmental Activities

The Town's changes in net position for the years ended June 30, 2024, and June 30, 2023, are summarized in Table 2 – Statement of Activities below:

**Table 2 – Statement of Activities**

	2024	2023	Increase (Decrease)	Percent Change
<b>REVENUES:</b>				
Charges for services	\$ 4,290,373	\$ 1,592,874	\$ 2,697,499	169.35%
Operating grants and contributions	357,405	255,075	102,330	40.12%
Capital grants and contributions	1,449,026	1,101,735	347,291	31.52%
<b>GENERAL REVENUES:</b>				
Property taxes	2,700,799	2,682,487	18,312	0.68%
Other taxes	236,148	208,216	27,932	13.41%
Sales and use taxes	1,155,438	1,432,286	(276,848)	-19.33%
Prop tax in-lieu of vehicle license fees	978,139	905,579	72,560	8.01%
Franchise fees	376,221	344,322	31,899	9.26%
Investment income	867,564	108,707	758,857	698.08%
Refunds and reimbursements	38,944	32,065	6,879	21.45%
Other income	8,735	98,247	(89,512)	-91.11%
Total Revenue	<u>12,458,792</u>	<u>8,761,593</u>	<u>3,697,199</u>	42.20%
<b>EXPENSES:</b>				
General government	3,293,926	2,769,987	523,939	18.91%
Public safety	2,172,241	2,050,349	121,892	5.94%
Public works	2,576,824	2,503,573	73,251	2.93%
Planning	498,186	630,479	(132,293)	-20.98%
Interest expense	-	390	(390)	-100.00%
Total expenses	<u>8,541,177</u>	<u>7,954,778</u>	<u>586,399</u>	7.37%
<b>CHANGE IN NET POSITION</b>	3,917,615	806,815	3,110,800	385.57%
<b>NET POSITION, JULY 1</b>	32,841,257	32,771,702	69,555	0.21%
Restatement		(737,260)		
<b>NET POSITION, JULY 1 - restated</b>	<u>32,841,257</u>	<u>32,034,442</u>	<u>69,555</u>	
<b>NET POSITION, JUNE 30</b>	<u>\$ 36,758,872</u>	<u>\$ 32,841,257</u>	<u>\$ 3,180,355</u>	9.68%

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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Highlights of the changes in net position for the fiscal year ended June 30, 2024, were as follows:

### Revenues

- Charges for service increased by \$2,697,499 due primarily to increases in impact fees and other developer fees.
- Combined operating and capital grants increased by \$449,621, mostly due to recognizing the ARPA grant when the funds were spent.
- Property tax revenues increased 0.68% or \$18,312 and continue to be the largest contributor to general revenues.
- Sales and Use tax had a 19.33% decrease due to converting from cash accounting to accrual accounting in the previous year for sales tax earned in that year. In other words, the previous year reflected 13 months of sales tax revenue; this year correctly reflects 12 months of revenue, as will every year going forward.
- Investment income increased by \$758,857 due to improved market earnings on the Town's investments.

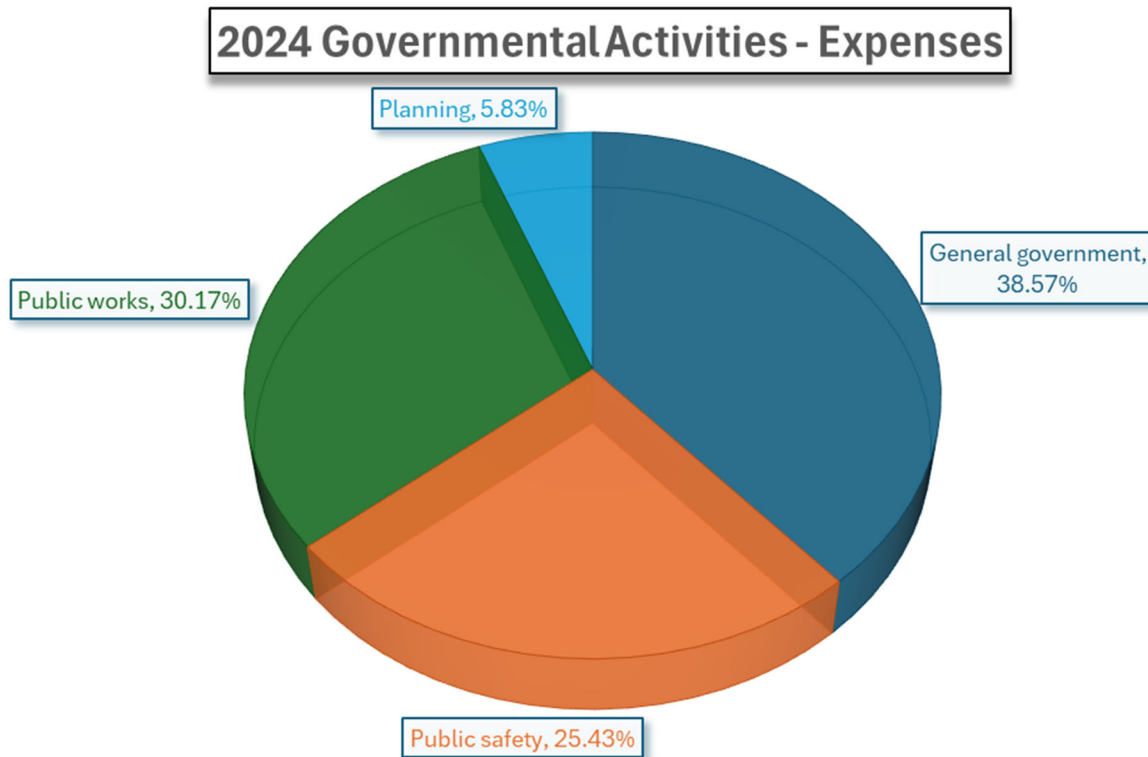
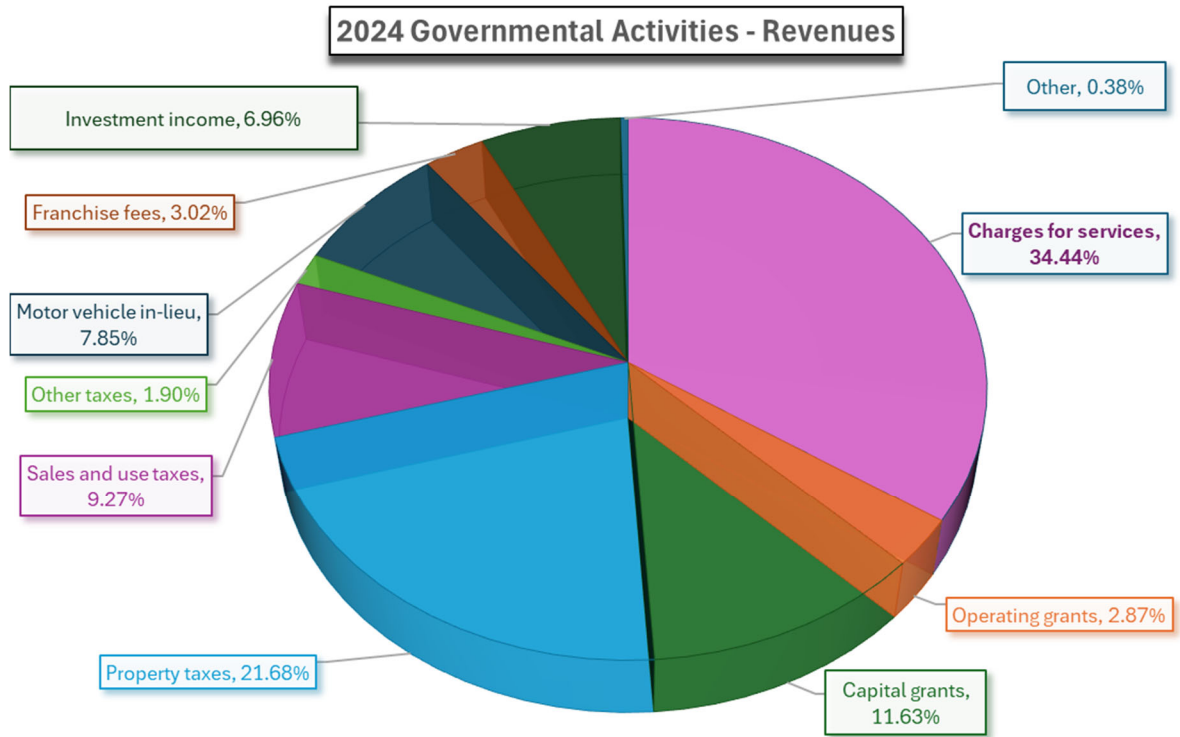
### Expenses

- The increase in general government expenses was due to increased consulting expenses in the Finance Department, increased spending on capital projects, and increased spending on contracted services in the Building Department.
- Planning expenses decreased 20.98% due to lower personnel and project expenses in the Planning Department.

For the fiscal year ended June 30, 2024, revenues and expenses are reflected graphically in the charts below:

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024



# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

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### Financial Analysis of Government Funds

**General Fund:** Fund balance was \$3,220,299 and \$4,105,106 for the fiscal years ended 2024 and 2023, respectively. Because the Town generally does not finance through debt, the General Fund is strong. For 2024, General Fund revenues exceeded expenses by \$1,085,594. Net transfers out were \$1,970,301, primarily for budgeted capital projects.

**Maintenance Districts Special Revenue Fund:** This fund accounts for the maintenance fees collected through the property tax rolls for the various districts within the Town. Revenues exceeded expenditures by \$293,629 for the year ended June 30, 2024, while revenues exceeded expenditures by \$223,311 for the year ended June 30, 2023. A total of \$429,436 was transferred out in the current fiscal year for capital projects.

**COSTCO Fair Share Fund:** This fund accounts for the payment received from COSTCO to mitigate the transportation impacts of the COSTCO construction projects. The fund received \$1,044,400 in the year ended June 30, 2024. The Town retained \$287,300 in fee revenue, and the remaining balance is due to other agencies.

**Road Circulation Capital Projects Fund:** This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by \$2,855,920 and \$447,176 for the years ended June 30, 2024, and 2023, respectively. The increase in the current year is due to revenues collected for residential and commercial development impacts.

**Capital Projects Fund:** This fund accounts for the capital projects of the Town through funding transferred from other funds. The fund has \$5,396,836 of expenditures and \$5,396,836 of transfers from other funds, up from \$1,435,536 in the year ended June 30, 2023.

**Nonmajor Governmental Funds:** The combined fund balances of all nonmajor governmental funds totaled \$3,725,106 and \$3,001,211 for 2024 and 2023, respectively.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Page 44, shows the difference between the budgeted revenues and expenditures and the actual amounts received and expended. In total, for the fiscal year ended June 30, 2024, revenues were over budget by 20.6% and expenditures were under budget by 27.6%. In total, for the fiscal year ended June 30, 2023, revenues were over budget by 34.0% and expenditures were over budget by 12.4%.

### CAPITAL ASSETS AND LONG-TERM LIABILITIES

#### Capital Assets

The capital assets of the Town are those assets that are used in the performance of Town functions, including infrastructure assets. Capital assets include land, streets, storm drain systems, buildings and park assets, machinery and equipment, vehicles, and infrastructure. Net capital assets of the governmental activities totaled \$21,556,904 and \$16,733,071 on June 30, 2024, and June 30, 2023, respectively. Depreciation of capital assets is recognized in the Government-Wide Statement of Activities. The Town's capital assets, net of depreciation, as of June 30, 2023, and 2022, are summarized below:

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024

**Table 3 – Capital Assets**

	2024	2023
Capital assets, not being depreciated:		
Land	\$ 2,524,686	\$ 2,524,686
Construction in progress	4,030,612	1,174,975
Sub-total	<u>6,555,298</u>	<u>3,699,661</u>
Depreciable capital assets, net of accumulated depreciation:		
Office equipment	24,962	28,809
Equipment under capital lease	-	-
Tools and equipment	75,074	65,036
Vehicles	58,362	44,250
Land improvements	74,200	84,851
Infrastructure	13,475,941	11,416,685
Buildings and improvements	1,093,191	1,167,242
Corp yard improvements	190,625	216,258
Intangible assets	9,251	10,279
Sub-total	<u>15,001,606</u>	<u>13,033,410</u>
Capital Assets, Net	<u>\$ 21,556,904</u>	<u>\$ 16,733,071</u>

Major capital asset improvements and additions during the fiscal year ended June 30, 2024, included the following street improvement projects:

Completed projects:

- Street resurfacing
- Town-wide concrete repair
- Hunter Oaks landscape and rock wall

Construction in progress:

- Sierra College Blvd widening
- Town-wide striping and signage
- Street culvert crossing reconstruction
- STBG paving project – Brace Road
- Library parking lot
- Humphrey Road sidewalk gap closures
- Hunter Oaks landscape and rock wall

For more information regarding the Town's capital assets, refer to Note 3 of this report.

# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2024**

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### **Long-term liabilities**

The Town's long-term liabilities, which include net pension liability, net OPEB liability, and noncurrent compensated absences liability had a balance of \$1,868,306 as of June 30, 2024, an increase of \$504,930 over the prior year. For more information regarding the Town's long-term liabilities, refer to Notes 5, 8, and 9 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

One of the Town's largest, yet most volatile, revenue sources is sales tax. Between changes in how online retailers report their sales and the threat of an impending recession, there could be a negative effect on the Town's income. Fortunately, the opening of a COSTCO is expected to have a major positive effect on the Town's finances. Also, it is critical that the Town's Transactions and Use Tax, which is set to expire in 2027, is renewed by the Town's voters.

### **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance, Town of Loomis, 3665 Taylor Road, Loomis, California 95650.



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**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**TOWN OF LOOMIS, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 19,442,997
Receivables:	
Accounts receivable	191,108
Due from other governments	1,092,701
Interest receivable	113,829
Assessments receivable	98,236
Due from employees	845
Prepaid costs and deposits	1,504
<b>TOTAL CURRENT ASSETS</b>	<u>20,941,220</u>
<b>NONCURRENT ASSETS</b>	
Loans receivable	525,639
Nondepreciable capital assets	6,555,298
Depreciable capital assets, net	15,001,606
	<u>21,556,904</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>22,082,543</u>
<b>TOTAL ASSETS</b>	<u>43,023,763</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources related to pensions	842,299
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable and other accrued expenses	3,313,751
Accrued payroll liabilities	48,829
Unearned revenue	904,279
Due to other governments	628,200
Compensated absences liability, current	56,890
Retentions payable	122,117
<b>TOTAL CURRENT LIABILITIES</b>	<u>5,074,066</u>
<b>NONCURRENT LIABILITIES</b>	
Net pension liability	1,320,631
Total OPEB liability	502,758
Compensated absences liability	44,917
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>1,868,306</u>
<b>TOTAL LIABILITIES</b>	6,942,372
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pensions	164,818
<b>NET POSITION</b>	
Net investment in capital assets	21,556,904
Restricted	12,772,925
Unrestricted	2,429,043
<b>TOTAL NET POSITION</b>	<u><u>\$ 36,758,872</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LOOMIS, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,293,926	\$ 140,685	\$ 171,246	\$ (2,981,995)
Public safety	2,172,241	16,014	186,159	(1,970,068)
Public works	2,576,824	3,578,054		2,450,256
Planning	498,186	555,620		57,434
Total governmental activities	<u>\$ 8,541,177</u>	<u>\$ 4,290,373</u>	<u>\$ 357,405</u>	<u>\$ (2,444,373)</u>
General revenues:				
Property taxes				2,700,799
Sales and use taxes				1,155,438
Other taxes				236,148
Property taxes in-lieu of vehicle license fees				978,139
Franchise fees				376,221
Investment income				867,564
Refunds and reimbursements				38,944
Other income				8,735
Total general revenues				<u>6,361,988</u>
Change in net position				3,917,615
Net position, beginning of year				<u>32,841,257</u>
Net position, end of year				<u>\$ 36,758,872</u>

The accompanying notes are an integral part of these financial statements.

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**BASIC FINANCIAL STATEMENTS**

**FUND FINANCIAL STATEMENTS**

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**TOWN OF LOOMIS, CALIFORNIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Major			Major			
	Special Revenue Funds			Capital Projects Funds			
	Maintenance	Costco Fair		Road	Capital	Nonmajor	
	Districts	Share		Circulation	Projects	Governmental	
	General	Fund	Fund	Fund	Fund	Funds	Total
ASSETS							
Cash and investments	\$ 5,117,670	\$ 3,222,582	\$ 949,354	\$ 5,371,446	\$ 1,042,104	\$ 3,739,841	\$19,442,997
Receivables:							
Accounts receivable	186,998					4,110	191,108
Due from other governments	519,349				296,952	276,400	1,092,701
Interest receivable	33,881	17,395	4,525	38,299		19,729	113,829
Assessments receivable	89,357	8,879					98,236
Due from employees	845						845
Loans receivable						525,639	525,639
Prepaid costs and deposits	1,504						1,504
Due from other funds	51,002					17,390	68,392
TOTAL ASSETS	\$ 6,000,606	\$ 3,248,856	\$ 953,879	\$ 5,409,745	\$ 1,339,056	\$ 4,583,109	\$21,535,251
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ 1,827,099	\$ 5,741			\$ 1,216,939	\$ 263,972	\$ 3,313,751
Accrued payroll liabilities	48,829						48,829
Deferred revenue	904,279						904,279
Due to other governments			\$ 628,200				628,200
Due to other funds						68,392	68,392
Retentions payable					122,117		122,117
Total Liabilities	2,780,207	5,741	628,200	-	1,339,056	332,364	5,085,568
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue						525,639	525,639
FUND BALANCES							
Restricted for:							
Maintenance districts		3,243,115					3,243,115
Capital projects				\$ 5,409,745		2,378,849	7,788,594
Low income density						418,909	418,909
Tree removal						299,902	299,902
AB 939						169,599	169,599
Law enforcement						142,652	142,652
Streets & roads						312,209	312,209
Other	69,280		325,679			2,986	397,945
Committed	674,244						674,244
Assigned	942,023						942,023
Unassigned	1,534,852						1,534,852
Total Fund Balances	3,220,399	3,243,115	325,679	5,409,745	-	3,725,106	15,924,044
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,000,606	\$ 3,248,856	\$ 953,879	\$ 5,409,745	\$ 1,339,056	\$ 4,583,109	\$21,535,251

The accompanying notes are an integral part of these financial statements.

**TOWN OF LOOMIS, CALIFORNIA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE GOVERNMENT-WIDE**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

<b>Fund balances - total governmental funds</b>		\$ 15,924,044
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		21,556,904
Certain notes receivable and accounts receivable are not available to pay for current period expenditures and, therefore are offset by deferred revenue in the governmental funds.		525,639
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.		842,299
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.		(164,818)
Long-term liabilities, including financing leases, are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(101,807)	
Net pension liability	(1,320,631)	
Total OPEB liability	(502,758)	
		<u>(1,925,196)</u>
<b>Net position of governmental activities</b>		<u><u>\$ 36,758,872</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF LOOMIS, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

		Major Special Revenue Funds			Major Capital Projects Funds			
		(Formerly Major Fund)						
	General Fund	Low Income Density Fund	Maintenance Districts Fund	Costco Fair Share Fund	Road Circulation Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES:								
Tax revenues	\$ 4,658,063		\$ 203,497				\$ 208,964	\$ 5,070,524
Licenses, fees, and permits	1,167,963			\$ 287,300	\$ 2,530,011		196,148	4,181,422
Franchise fees	376,221							376,221
Intergovernmental	669,835					\$ 296,952	966,571	1,933,358
Fines, forfeitures, and penalties	17,571							17,571
Refunds and reimbursements	38,944							38,944
Use of money and property	262,090		127,548	38,379	326,159		113,388	867,564
Other revenues	38,188						-	38,188
Total revenues	7,228,875	-	331,045	325,679	2,856,170	296,952	1,485,071	12,523,792
EXPENDITURES:								
Current:								
General government	2,411,683		2,035				149,856	2,563,574
Public safety	1,997,449						174,792	2,172,241
Public works	1,235,963		35,381		250	2,001	542,757	1,816,352
Planning	498,186							498,186
Capital outlay						5,691,787		5,691,787
Total expenditures	6,143,281	-	37,416	-	250	5,693,788	867,405	12,742,140
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,085,594		293,629	325,679	2,855,920	(5,396,836)	617,666	(218,348)
Other Financing Sources (Uses):								
Transfers in	73,416					5,396,836	198,716	5,668,968
Transfers out	(2,043,717)		(429,436)		(2,695,139)		(500,676)	(5,668,968)
Total other financing sources (uses)	(1,970,301)	-	(429,436)	-	(2,695,139)	5,396,836	(301,960)	-
NET CHANGE IN FUND BALANCES	(884,707)	-	(135,807)	325,679	160,781	-	315,706	(218,348)
Fund balances, beginning of year, as previously presented	4,105,106	\$ 408,189	3,378,922	-	5,248,964		3,001,211	16,142,392
Change within financial reporting entity (major to nonmajor fund)		(408,189)					408,189	-
Fund balances, beginning of year, as adjusted	4,105,106	-	3,378,922	-	5,248,964	-	3,409,400	16,142,392
Fund balances - end of year	\$ 3,220,399	\$ -	\$ 3,243,115	\$ 325,679	\$ 5,409,745	\$ -	\$ 3,725,106	\$ 15,924,044

The accompanying notes are an integral part of these financial statements.



**TOWN OF LOOMIS, CALIFORNIA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL  
FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances - total governmental funds	\$ (218,348)
--	--------------

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	5,691,787	
Less: current year depreciation	(867,955)	
		4,823,832

Some receivables are deferred in the governmental funds because the  
amounts do not represent current financial resources that are recognized  
under the accrual basis in the statement of activities.

Difference between unavailable revenue recognized in the current year and prior year	(65,000)
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Expenditures in the statement of activities that do not require the use of  
current financial resources are not reported as expenditures in the funds:

Change in deferred inflows of resources related to pensions	32,512
Change in the liability for compensated absences	(30,532)
Change in net pension liability	(183,206)
Change in OPEB liability	(314,143)
Change in deferred outflows of resources related to pensions	(128,616)

Repayment of capital leases is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the statement of  
net position.

	1,116
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Change in net position of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; padding: 2px 0;">\$ 3,917,615</div>
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The accompanying notes are an integral part of these financial statements.

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Loomis (“the Town”) was incorporated in 1984, under the laws and regulations of the State of California. The Town operates under Town Council – Manager form of government and provides or contracts for the following services: public safety (Police), highways and streets, public improvements, planning and zoning, and general administration. Authority and responsibility for operations is given to the Town Council by the voters of the Town of Loomis. The Town Council has the authority to employ administrative and support personnel to carry out its directives. The primary method used to monitor the performance of the Town’s financial management is the financial budget which is adopted annually by the Town Council.

The Town operates as a self-governing governmental unit within the State of California. The financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting.

The financial statements of the Town have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity: The Town operates as a self-governing local government unit within the state of California. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a Town council that passes laws and determines broad policies. The council also oversees the operations of the Town and approves all budgets, fund transfers and fund balance reserves. The Town’s main funding sources include property taxes, sales taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The Town is a member of the Placer County Transportation Planning Agency (the Agency), a joint powers authority. The Town is not directly responsible for the liabilities of the Agency and only has a residual equity interest in the Agency that would result in the Town’s proportional share of residual assets being distributed to the Town, if any of the members vote to terminate the Agency. The Agency issues separate financial statements, which are available on its website.

Basis of Accounting – Government-Wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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 and charges for support. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities in the statement of activities. Program revenues include 1) Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) Grants and contributions that are restricted to

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues are presented as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenue. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the Town are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for governmental funds and fiduciary funds, even though the last is excluded from the government-wide financial statements. The Town has no Fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 360 days of the end of the current fiscal period, with the exception of property taxes. Property taxes are considered to be available if they are collected within 60 days of the current fiscal period. Amounts received after the availability period are reported as unavailable revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Major revenues that are determined to be susceptible to accrual include property taxes and assessments, sales taxes, franchise taxes, charges for services, intergovernmental revenues, and earnings on investments. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues (government mandated nonexchange transactions) are recognized when the Town has satisfied all applicable eligibility requirements and if the amounts are measurable. If the grant funds are received before the revenue recognition criteria are satisfied, the unearned amounts are reported as unearned revenue.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

The Town's accounts are organized into three fund types with the major funds described as follows:

#### ***Governmental Funds***

**General Fund** is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specific purposes.

#### *Governmental Funds (continued)*

The Town reports the following major special revenue funds:

- Low Income Density Fund is used to account for the monies received for loan repayments.
- Maintenance Districts Fund is used to account for the monies received for the various maintenance districts of the Town.

**Capital Projects Funds** are used to account for revenues and expenditures restricted to the acquisition or construction of capital assets and are accounted for in a manner similar to the General Fund.

The Town reports the following major capital projects fund:

- Road Circulation Fund is used to account for the monies received for creation of new roads, or improvements to existing arterials that create new capacity.
- Capital projects fund is used to account for all capital projects of the Town.

Cash and Cash Equivalents: The Town considers all highly-liquid investment with an original maturity of three months or less when purchased to be cash equivalents.

Receivables and Payables: Sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 360 days of year end. Property taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and collectible.

Property Taxes: The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The Town recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year end. Secured property taxes are levied on or before January 1 of each year. They become a lien on real property on January 1. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs and interest when paid. These taxes are secured by liens on the property being taxed.

## TOWN OF LOOMIS, CALIFORNIA

### Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The term “unsecured” refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the “Teeter Plan,” as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the City receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

These taxes are recognized as intergovernmental revenues only if they are received from the County within 60 days after year end for the governmental funds and are recognized when earned for government-wide presentation regardless of the timing of the related cash flows.

Capital Assets: Capital assets for governmental fund types of the Town are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as expenditures in the governmental fund, and the related assets are reported in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. Contributed capital assets are recorded at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. Public domain (infrastructure) capital assets consisting of certain improvements other than buildings, but including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems have been capitalized prospectively beginning July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not included in the current year’s additions to governmental or business-type capital assets. Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	30 years
Equipment	5 to 20 years

The Town’s current capitalization threshold is \$5,000 for equipment and all costs related to land and buildings. The sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. The proceeds reported in the governmental fund are eliminated and the gain or loss on sale is reported in the government-wide presentation.

Allowance for Doubtful Accounts: No amount has been provided as an allowance for doubtful accounts because, in the opinion of management, all material amounts are fully collectable.

Interfund Transactions: Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” Eliminations have not been made between or within the fund types.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences: It is the Town's policy to permit employees to accumulate earned but unused vacation. Vacation credits must be used during the next succeeding year. Vacation is accrued when earned in the government-wide presentation and in the proprietary funds and reported as a fund liability. Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable, are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in the governmental fund financial statements for these amounts.

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Town. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. Accumulated sick leave benefits are recognized as liabilities of the Town. Employees vest in sick leave benefits after completing five years of service at a rate of 50%.

Pension Plan: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to the pension plan, and pension expense, information about the fiduciary net position of the City's California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of financial position reports a separate section for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net assets or fund balance by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net assets or fund balance that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. The governmental funds report unavailable revenues for grants and other revenues when the amounts meet the asset recognition criteria under GASB 33 and were accrued as receivables, but the amounts were not received in the availability period. Deferred outflows and inflows of resources include amounts deferred related to the Town's pension plan under GASB Statement No. 68 as described in Note 8.

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

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.



## TOWN OF LOOMIS, CALIFORNIA

### Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws, or regulations of other government and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the Town not restricted for any project or other purpose.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Equity: In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Town Council. These amounts cannot be used for any other purpose unless the Town Council modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the Town's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

The Town Council establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The Town's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Budgetary Policy and Data: The Town Council annually adopts a Town-wide budget resolution for the Town. Department heads submit budget requests to the Town Manager. Town employees prepare estimates of revenue and recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by resolution of the Town Council on or before June 30. Budget appropriations lapse at the end of the year. The budget is prepared on a cash basis, which does not vary significantly from the basis of accounting used in the financial statements. The Town did not budget for the Costco Fair Share Fund.

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Excess Expenditures Over Appropriations: The following funds had excess expenditures over appropriations:

Fund	Appropriations	Total Expenditures and Transfers Out	Excess Expenditures
Road maintenance	\$ -	\$ 188,353	\$ 188,353
Streets and roads	-	475,720	475,720
Gas tax	-	198,716	198,716
Transit	-	61,570	61,570
Road circulation	-	2,695,389	2,695,389
Community facilities	-	33,515	33,515
Maintenance districts	63,993	466,852	402,859
AB939	65,158	155,797	90,639
Capital projects and equipment	1,983,120	5,693,788	3,710,668

Although expenditures exceed the budget, there is fund balance to cover the expenditures.

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for year ended June 30, 2025.

## TOWN OF LOOMIS, CALIFORNIA

### Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement will implement changes to the financial reporting model including the Management's Discussion and Analysis, Unusual or Infrequent Items, presentation of the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position, Major Component Unit Information, and Budgetary Comparison Information. The provisions of this Statement are effective for year ended June 30, 2026.

In October 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. This Statement is effective for the year ended June 30, 2026.

The Town is currently analyzing the impact of this new Statement on the financial statements.

#### NOTE 2: CASH AND INVESTMENTS

Cash and investments consisted of the following for the fiscal year ended June 30, 2024:

##### Cash and Cash Equivalents:

Cash on hand	\$ 175
Deposits with financial institutions	781,324
Total Cash and Cash Equivalents	<u>781,499</u>

##### Investments:

Municipal bonds	7,985,110
Corporate securities	4,211,169
Negotiable certificates of deposit	3,816,725
Money market funds	1,999,870
Local Agency Investment Fund	648,624
Total Investments	<u>18,661,498</u>
Total Cash and Investments	<u>\$ 19,442,997</u>

Investment policy: Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, §53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the Town by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The Town's investment policy provides for additional restrictions as to the investment type, maximum maturity, percentage of portfolio, and maximum in a single user.

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

During the fiscal year ended June 30, 2024, the Town's permissible investments included the following instruments:

	<u>Maximum Maturity</u>	<u>Maximum % of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Bonds issued by Town of Loomis	5 years	5%	100%
Federal treasury notes, bonds, bills	5 years	100%	50%
State agency bonds, etc.	5 years	50%	50%
Local agency bonds, etc.	5 years	50%	15%
Federal agency bonds	5 years	100%	100%
Bankers acceptances	180 days	40%	15%
Commercial paper	180 days	15%	15%
Negotiable certificates of deposit	5 years	30%	15%
Repurchase agreements	90 days	20%	15%
Reverse repurchase agreements	90 days	20%	15%
Local agency investment funds	N/A	100%	N/A
Time deposits	5 years	25%	15%

The Town complied with the provisions of the California Government Code and its investment policy pertaining to the types of investments held, institutions in which deposits were made and security requirements.

**Interest rate risk:** Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Town manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair value of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity at June 30, 2024:

Type of Investment	Total	Remaining Maturity (in Months)				
		12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
Municipal Bonds	\$ 7,985,110	\$ 2,355,864	\$ 2,552,547	\$ 931,140	\$ 1,771,532	\$ 374,027
Corporate Securities	4,211,169	612,310	2,647,829	951,030	-	-
Negotiable Certificates of Deposit	3,816,725	247,276	230,477	1,624,139	1,714,833	-
Money Market	1,999,870	1,999,870	-	-	-	-
Local Agency Investment Fund	648,624	648,624	-	-	-	-
<b>Total</b>	<b>\$ 18,661,498</b>	<b>\$ 5,863,944</b>	<b>\$ 5,430,853</b>	<b>\$ 3,506,309</b>	<b>\$ 3,486,365</b>	<b>\$ 374,027</b>

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the Town's actual ratings of its investments as of June 30, 2024:

Credit Risk	Type of Investment					Total
	Municipal Bond	Coporate Securities	Negotiable Certificates of Deposit	Money Market Funds	Local Agency Investment Funds	
AAA	\$ 829,223					\$ 829,223
AA+	238,143					238,143
AA	4,433,943	\$ 250,267				4,684,210
AA-	2,284,985	1,501,936				3,786,921
A+	198,816	431,407				630,223
A		1,544,209				1,544,209
A-		483,350				483,350
No Rating			\$ 3,816,725	\$ 1,999,870	\$ 648,624	6,465,219
Total	<u>\$ 7,985,110</u>	<u>\$ 4,211,169</u>	<u>\$ 3,816,725</u>	<u>\$ 1,999,870</u>	<u>\$ 648,624</u>	<u>\$ 18,661,498</u>

Concentration of credit risk: The investment policy of the Town limits the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2024, the Town did not have any investment in any one issuer exceeding its existing investment policy.

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 deposits 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 or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure 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 governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the carrying amount of the Town's deposits was \$781,324 and the balance in financial institutions was \$773,392. Of the balances in financial institutions, \$250,000 was covered by federal depository insurance with the remaining \$523,392 was covered by the pledging financial institution with assets held in a common pool for the Town and other government agencies, but not in the name of the Town.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the Town investments in the following investment types were held by the same custodial account that was used by the Town to buy the securities:

Municipal bonds	\$ 7,985,110
Corporate securities	4,211,169
Negotiable certificates of deposit	3,816,725
Money market funds	1,999,870

Fair Value Measurement: The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, Level 3 inputs are significant unobservable inputs. All of the Town's investments are considered to be valued based on Level 2 inputs.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$178,255,132,764, which is managed by the State Treasurer. Of that amount, 3.00% is invested in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

### NOTE 3: LOANS RECEIVABLE

Loans Receivable: The Town has various loans receivable from past community development block grant awards and for economic development. Generally, the block grant loans are due on change of title of the underlying property. The Low Income Density receivable balance is offset by deferred inflows of resources in the governmental fund financial statements. The activity for the fiscal year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year
Low Income Density Special Revenue Fund	525,639	-	-	525,639	-
	<u>\$ 525,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 525,639</u>	<u>\$ -</u>

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 4: CAPITAL ASSETS AND DEPRECIATION

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. There were no impaired assets at the year end. Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets, not being depreciated:				
Land	\$ 2,524,686			\$ 2,524,686
Constructions in progress	1,174,975	\$ 4,101,589	(1,245,952)	4,030,612
	<u>3,699,661</u>	<u>4,101,589</u>	<u>(1,245,952)</u>	<u>6,555,298</u>
Depreciable capital assets:				
Office equipment	73,893			73,893
Equipment under financing lease	27,804		(27,804)	-
Tools and equipment	183,298	23,182		206,480
Vehicles	392,867	27,736		420,603
Land improvements	274,626			274,626
Infrastructure	18,189,530	1,539,281	1,245,952	20,974,763
Buildings and improvements	1,948,964			1,948,964
Corp yard improvements	725,724			725,724
Intangible assets	12,335			12,335
	<u>21,829,041</u>	<u>1,590,199</u>	<u>(27,804)</u>	<u>24,637,388</u>
Total cost				
Less accumulated depreciation:				
Office equipment	(45,084)	(3,847)		(48,931)
Equipment under capital lease	(27,804)		27,804	-
Tools and equipment	(118,262)	(13,144)		(131,406)
Vehicles	(348,617)	(13,624)		(362,241)
Land improvements	(189,775)	(10,651)		(200,426)
Infrastructure	(6,772,845)	(725,977)		(7,498,822)
Buildings and improvements	(781,722)	(74,051)		(855,773)
Corp yard improvements	(509,466)	(25,633)		(535,099)
Intangible assets	(2,056)	(1,028)		(3,084)
	<u>(8,795,631)</u>	<u>(867,955)</u>	<u>27,804</u>	<u>(9,635,782)</u>
Total accumulated depreciation:				
	<u>15,001,606</u>			
Capital Assets, Net	<u>\$ 16,733,071</u>	<u>\$ 722,244</u>	<u>\$ -</u>	<u>\$ 21,556,904</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 199,655
Public works	<u>668,300</u>
	<u>\$ 867,955</u>

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 5: LONG-TERM LIABILITIES

The changes in long-term liabilities for the fiscal year ended June 30, 2024 were as follows:

	Balance at July 1, 2023	Incurred	Retired	Balance at June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 71,273	\$ 30,534		\$ 101,807	\$ 56,890
Lease liability	1,116		(1,116)	-	-
Net Pension Liability	1,137,425	183,206		1,320,631	
Total OPEB Liability	188,615	314,143		502,758	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	\$ 1,398,429	\$ 527,883	\$ (1,116)	\$ 1,925,196	\$ 56,890
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Financing Lease Liability: Copier lease dated September 11, 2018, due in monthly payments of \$564 including interest at 8.46% per annum through August, 2023. The leases ended on August 28, 2023.

### NOTE 6: INTERFUND TRANSACTIONS

#### Due To/From Other Funds

Interfund balances for operations as of June 30, 2024 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 51,002	
Nonmajor Special Revenue Funds:		
Streets and Roads Fund	17,390	\$ 51,002
Gas Tax Fund		17,390
	<u>          </u>	<u>          </u>
Total	\$ 68,392	\$ 68,392
	<u>          </u>	<u>          </u>



# TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

## NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

### Transfers

During the year ended June 30, 2024, the following interfund transfers were made to allocate capital expenditures by fund:

Fund	Transfers In	Transfers Out
General Fund	\$ 73,416	\$ 2,043,717
Special Revenue Funds:		
Maintenance Districts Fund		429,436
Capital Projects Funds:		
Road Circulation Fund		2,695,139
Capital Projects Funds	5,396,836	
Nonmajor Special Revenue Funds:		
Streets and Roads Fund	198,716	7,517
Gas Tax Fund		198,716
Westside Specific Plan		1,137
Master Plan Fund		
Road Maintenance Fund		188,353
Bike Lane Fund		
Nonmajor Capital Projects Funds:		
Community Facilities Capital Projects Fund		33,515
Park Fee Fund		71,438
Total	<u>\$ 5,668,968</u>	<u>\$ 5,668,968</u>

## NOTE 7: NET POSITION/FUND BALANCE

The following are the purposes for which net positions are restricted:

	Governmental Activities
Maintenance districts	\$ 3,243,115
Capital projects	7,788,594
Low income density	418,909
Tree removal	299,902
AB 939	169,599
Law enforcement	142,652
Streets & roads	312,209
Other	397,945
	<u>\$ 12,772,925</u>

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 7: NET POSITION/FUND BALANCE (CONTINUED)

The Town's committed fund balance in the general fund represents amounts set aside for the Town's capital improvement program. The Town's assigned fund balance in the general fund consists of the following:

Drainage	\$ 55,000
Fire	45,863
Community facilities	200,000
Litigation	50,000
Parks	50,000
Business assistance	100,000
Supplemental law enforcement	71,244
OPEB set aside	101,430
Library reserves	248,769
State disability access fees	19,717
	<hr/>
	\$ 942,023

### NOTE 8: PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the Town's cost-sharing multiple-employer defined benefit pension plan (the Plan) administered by the California Public Employees' Retirement System (CalPERS). The Town participates in the Miscellaneous Risk Pool and the following cost-sharing rate plans:

- Miscellaneous Rate Plan
- PEPRM Miscellaneous Rate Plan

Benefit provisions under the Plan are established by State statute and Council resolution. CalPERS issues publicly available reports that include a full description of the Plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRM Miscellaneous Rate Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2024

### NOTE 8: PENSION PLAN (CONTINUED)

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous Rate Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Rate Plan (On or after January 1, 2013)
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	11.84%	7.68%

In addition to the contribution rates above, the Town was also required to make payments of \$65,988 toward its unfunded actuarial liability during the year ended June 30, 2024. The Miscellaneous Rate Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the employer contribution made to the Plan was \$182,140.

Pension Liability, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2024, the Town reported a net pension liability for its proportionate share of the net pension liability of \$1,320,631.

The Town's net pension asset is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2023 was as follows:

# TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

## NOTE 8: PENSION PLAN (CONTINUED)

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2023	0.02431%
Proportion - June 30, 2024	<u>0.02641%</u>
Change - Increase (Decrease)	0.00210%

For the year ended June 30, 2024, the Town recognized a pension expense of \$461,449. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 79,732	
Differences between expected and actual experience	67,465	\$ (10,466)
Differences between projected and actual investment earnings	213,822	
Differences between employer's contributions and proportionate share of contributions		(154,352)
Change in employer's proportion	299,140	
Pension contributions made subsequent to measurement date	<u>182,140</u>	
Total	<u>\$ 842,299</u>	<u>\$ (164,818)</u>

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date above will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as net deferred inflows of resources related to the Plan will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2025	\$ 202,140
2026	130,596
2027	156,471
2028	<u>6,134</u>
	<u>\$ 495,341</u>

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 8: PENSION PLAN (CONTINUED)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90% (a)
Inflation	2.30%
Projected Salary Increase	Varies depending on entry age and service
Mortality (1)	Derived using CalPERS Membership Data

(a) Net of pension plan investment expenses, including inflation

(1) The underlying mortality assumptions were developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. Further details can be found in the 2021 experience study report on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 6.90%, which is the same used in the prior year. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The following table reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

# TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

## NOTE 8: PENSION PLAN (CONTINUED)

Asset Class (c)	New Strategic Allocation	Real Return Years 1 - 10(a),(b)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the Town's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability/(Asset)	\$2,385,327
Current Discount Rate	6.90%
Net Pension Liability/(Asset)	\$1,320,631
1% Increase	7.90%
Net Pension Liability/(Asset)	\$ 444,294

Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

## NOTE 9: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description: The Town administers a single employer defined benefit healthcare plan (the Retiree Health Plan). Benefit provisions are established and may be amended by the Town. Healthcare benefits are provided to eligible retirees and their dependents through the California Public Employees' Retirement System healthcare program (PEMHCA).

The Plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 9: POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Benefits Provided: The Town provides a retiree medical contribution for employees who retire within 120 days of separation from the Town under CalPERS at 55 years of age and after 5 years of service. The Town's contribution is capped at the CalPERS Minimum Employer Contribution, which was \$162.75 per month for fiscal year 2024. Retirees may enroll in Town sponsored medical plans and may cover dependents. The benefit continues to surviving spouses and dependents. No other benefits are offered.

Employees Covered by Benefit Terms: As of the June 30, 2024 valuation, the following employees were covered by the Plan's benefit terms:

Active employees	15
Inactive employees or beneficiaries currently receiving benefit payments	6
	<u>20</u>

Contributions: The contribution requirements of Plan members and the Town are established and may be amended by the Town's Council. The required contribution is based on actual retiree health insurance premium payments required under the Plan. For the year ended June 30, 2024, the Town did not contribute any benefit payments. Plan members did not make any contributions to the Plan. The Town does not contribute to a trust fund on behalf of employees.

OPEB Liability: The Town's Total OPEB liability of \$502,758 was measured as of June 30, 2023, which was determined by an Alternative Measurement Method.

Actuarial Assumptions: The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	3.86%
Salary increases	2.50%
Medical, not Medicare eligible	7.6% for FY2024 and 8.6% for FY2025, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.
Medical, Medicare eligible	5.1% for FY2024 and 6.3% for FY2025, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years
Mortality Table	Based on assumption for Public Agency Miscellaneous members published in the 2021 CalPERS experience study. These tables include generational mortality improvement using 80% of scale MP-2020

Discount Rate: The discount rate used to measure the total OPEB liability was 3.86%. The discount rate is based on the Fidelity general obligation AA 20 Years Municipal Index. The discount rate was decreased from 4.13% to 3.86% for the year ended June 30, 2024.

# TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

## NOTE 9: POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2023	\$ 188,615
Changes for the year:	
Service cost	
Interest on the total OPEB liability	
Difference between expected and actual experience	73,000
Change in assumption	241,143
Benefit payments	<u>-</u>
Net changes	<u>314,143</u>
Balance at June 30, 2024	<u><u>\$ 502,758</u></u>

The Town has elected to use the GASB 75 “lookback” method where assets and liabilities are measured as of the prior fiscal year-end, but applied to the current fiscal year. Since this year’s report reflects no change in the measurement date (June 30, 2023), the only adjustments to the Total OPEB Liability are due to experience (e.g., medical claims and premiums) and assumption changes implemented by the actuary.

Changes in assumptions include the following: Updates to healthcare cost trends, medical per capita claims costs, mortality rates, rate of inflation, salary increase rates; change in future retirees assumed to elect coverage from 100% to 45%; change in expected retirement age from 70 to 58; and change in payroll growth from 2% to 3%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	<u>1% Decrease 2.86%</u>	<u>Discount Rate 3.86%</u>	<u>1% Increase 4.86%</u>
Total OPEB liability	\$574,065	\$502,758	\$442,595

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the Town, as well as what the Town’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability	\$429,953	\$502,758	\$593,370



## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 9: POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

OPEB Plan Fiduciary Net Position: The Plan does not have fiduciary net position as the Town does not contribute to a qualified trust fund on behalf of the participants.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2024, the Town recognized OPEB expense of \$314,143. Under the Alternative Measurement Method, changes due to experience and assumptions are expensed immediately and only investment gains or losses are amortized, which does not apply to unfunded plans.

### NOTE 10: INSURANCE

The Town is a member of the Small Cities Organized Risk Effort (SCORE) with other northern California cities. SCORE is a joint powers authority organized in accordance with Article 1, Chapter 5, Division 7, Title I of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide liability insurance. SCORE provides claims processing administrative services, risk management services and actuarial studies. A member from each city governs SCORE. The Town of Loomis council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. The Town does not retain the risk of loss. However, ultimate liability for payment of claims and insurance premiums resides with member cities. SCORE is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If SCORE becomes insolvent, the Town is responsible only to the extent of any deficiency in its equity balance. SCORE establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The Town's insurance coverage and the respective coverage providers are as follows:

Coverage	SCORE	Excess	Banking Layer/ Deductible
Liability	\$ 750,000	\$ 39,500,000	\$ 25,000
Employers liability/crime	1,000,000		2,500
Property	500,000,000		25,000
Boiler and machinery	100,000,000		10,000
Mobile equipment	7,000,000		10,000
Crime	1,000,000		2,500
Workers Compensation liability	250,000	4,750,000	50,000
Deadly Weapons	10,000,000		250,000
Pollution	10,000,000		250,000

The Town also carries commercial insurance for additional liability and property insurance coverage. There have been no significant reductions in insurance coverage from coverage in the prior fiscal year. Also, settlements have not exceeded the insurance coverage for the past three fiscal years. The audited financial statements of SCORE are available from SCORE at [www.scorejpa.org](http://www.scorejpa.org).

## TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements  
For the Fiscal Year Ended June 30, 2024

### NOTE 11: COMMITMENTS AND CONTINGENCIES

Contract Commitments: The Town had the following contract commitments at June 30, 2024:

	Remaining Contract Amount
Civil design services	\$ 75,000
Traffic signal interconnect project	97,896
Engineering striping services	150,000
Engineering services	271,608
Sierra College Boulevard widening project	654,982
Landscaping	5,690
Storm drain design	350,908
	<u>\$ 1,606,084</u>

The Town entered into a contract effective July 1, 2024 with the Placer County Department of Health and Human Services for the regulation, control, impounding, and care for stray animals. Either party has the right to terminate this contract without cause, and cancellation will take effect 30 calendar days after written notice. Payments under the contract will not exceed \$152,774 through June 30, 2026.

The Town entered into a contract effective July 1, 2023 with the Placer County Sheriff-Coroner-Marshall Agency for law enforcement services. Either party has the right to terminate this contract with no less than 120 days' advance notice. The remaining amount owed on the contract through June 30, 2026 is \$4,593,952.

Grant Contingency: The Town participates in various federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. No audits by the grantors have occurred in the current fiscal year. The amount, if any, which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

### NOTE 12: CHANGES IN REPORTING UNITS

During the year ended June 30, 2024, reporting units changed as a result of the following:

	Low Income Density Fund	Nonmajor Governmental Funds
June 30, 2023, as previously reported	\$ 408,189	\$ 3,001,211
Change from major to nonmajor fund	(408,189)	408,189
June 30, 2023, as adjusted	<u>\$ -</u>	<u>\$ 3,409,400</u>

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF LOOMIS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with
	Original	Final	Basis	Final Budget
REVENUES:				
Tax revenues	\$ 5,200,000	\$ 5,200,000	\$ 4,658,063	\$ (541,937)
Licenses, fees, and permits	312,500	312,500	1,167,963	855,463
Franchise fees	367,000	367,000	376,221	9,221
Intergovernmental			669,835	669,835
Fines, forfeitures, and penalties	7,000	7,000	17,571	10,571
Refunds and reimbursements			38,944	38,944
Use of money and property	65,000	65,000	262,090	197,090
Other revenues	40,000	40,000	38,188	(1,812)
Total revenues	5,991,500	5,991,500	7,228,875	1,237,375
EXPENDITURES:				
Current:				
General government	3,917,700	3,917,700	2,411,683	(1,506,017)
Public safety	2,001,877	2,001,877	1,997,449	(4,428)
Public works	2,025,050	1,916,450	1,235,963	(680,487)
Planning	613,900	613,900	498,186	(115,714)
Capital outlay	35,260	35,260		(35,260)
Total expenditures	8,593,787	8,485,187	6,143,281	(2,341,906)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,602,287)	(2,493,687)	1,085,594	3,579,281
Other Financing Sources (Uses):				
Transfers in			73,416	73,416
Transfers out			(2,043,717)	(2,043,717)
Total other financing sources (uses)	-	-	(1,970,301)	(1,970,301)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(2,602,287)	(2,493,687)	(884,707)	1,608,980
Fund balances - beginning	4,105,106	4,105,106	4,105,106	-
Fund balances - ending	\$ 3,220,399	\$ 3,220,399	\$ 3,220,399	\$ -

**TOWN OF LOOMIS, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - MAINTENANCE DISTRICTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Tax revenues	\$ 212,346	\$ 212,346	\$ 203,497	\$ (8,849)
Use of money and property	55,800	55,800	127,548	71,748
Total revenues	268,146	268,146	331,045	62,899
EXPENDITURES:				
Current:				
General government	2,126	2,126	2,035	(91)
Public works	61,867	61,867	35,381	(26,486)
Total expenditures	63,993	63,993	37,416	(26,577)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	204,153	204,153	293,629	89,476
Other Financing Sources (Uses):				
Transfers out			(429,436)	(429,436)
Total other financing sources (uses)	-	-	(429,436)	(429,436)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	204,153	204,153	(135,807)	(339,960)
Fund balances - beginning	3,378,922	3,378,922	3,378,922	-
Fund balances - ending	\$ 3,243,115	\$ 3,243,115	\$ 3,243,115	\$ -

**TOWN OF LOOMIS, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)**  
**Last 10 Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.02641%	0.02431%	0.00050%	0.01968%	0.01765%	0.01515%	0.03059%	0.02918%	0.02691%	0.02819%
Proportionate share of the net pension liability	\$ 1,320,631	\$ 1,137,425	\$ 9,482	\$ 830,145	\$ 706,991	\$ 571,066	\$ 1,205,984	\$ 1,013,576	\$ 738,347	\$ 696,698
Covered payroll - measurement period	\$ 1,241,861	\$ 1,155,801	\$ 1,141,886	\$ 939,760	\$ 797,721	\$ 681,332	\$ 666,518	\$ 677,599	\$ 660,429	\$ 660,429
Proportionate share of the net pension liability as a percentage of covered payroll	106.34%	98.41%	0.83%	88.34%	88.63%	83.82%	180.94%	149.58%	111.80%	105.49%
Plan fiduciary net position as a percentage of the total pension liability	83.22%	84.50%	100.31%	87.22%	88.13%	78.17%	23.24%	21.95%	16.51%	15.89%

Notes to Schedule:

Reporting valuation date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Reporting measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Discount rate	6.90%	6.90%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%	7.50%	7.50%
Change in benefit terms:	None									

Changes in assumptions: The discount rate was changed from 7.15% to 6.90% in the 2021 valuation.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)**  
**Last 10 Years**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution - employer fiscal year (actuarially determined)	\$ 182,140	\$ 184,098	\$ 173,226	\$ 158,087	\$ 146,323	\$ 120,118	\$ 45,298	\$ 54,460	\$ 56,073	\$ 54,082
Contributions in relation to the actuarially determined contributions	(182,140)	(184,098)	(173,226)	(158,087)	(146,323)	(120,118)	(45,298)	(54,460)	(56,073)	(54,082)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - employer fiscal year	\$ 1,286,234	\$ 1,241,861	\$ 1,155,801	\$ 1,141,886	\$ 989,760	\$ 797,721	\$ 681,332	\$ 666,518	\$ 677,599	\$ 660,429
Contributions as a percentage of covered payroll	14.16%	14.82%	14.99%	13.84%	14.78%	15.06%	6.65%	8.17%	8.28%	8.19%

Notes to schedule:

Contribution valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and assumptions used to determine contribution rates:

Amortization cost method	Entry age normal cost method									
Amortized method	Level percentage of payroll, closed									
Remaining amortization period	Varies, but not more than 30 years									
Asset valuation method	Market Value									
Inflation	2.300%	2.500%	2.500%	2.500%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Payroll growth	2.800%	2.750%	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Salary increases										
Investment rate of return and discount rate	6.80%	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age										
Mortality										

Omitted years: GASB 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Information will be added prospectively as becomes available until 10 years are reported.



**TOWN OF LOOMIS, CALIFORNIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2024**

**Schedule of Changes in Total OPEB Liability**  
**Last 10 years**

	2024	2023	2022	2021	2020	2019
Total OPEB liability						
Service cost	\$ -	\$ 5,979	\$ 8,523	\$ 10,183	\$ 17,028	\$ 17,028
Interest	-	5,400	16,567	6,710	6,669	5,730
Difference between expected and actual experience	73,000	12,498	(92,121)	(46,974)	(13,288)	4,380
Change in assumptions	241,143	(31,640)	79,764	16,371	5,633	13,042
Benefit payments	-	(10,579)	(8,523)	(7,812)	(7,812)	(7,975)
Employer contributions			-	-	-	-
Net change in Net OPEB liability	314,143	(18,342)	4,210	(21,522)	8,230	32,205
Total OPEB liability - beginning	188,615	206,957	202,747	224,269	216,039	183,834
Total OPEB liability - ending	<u>\$ 502,758</u>	<u>\$ 188,615</u>	<u>\$ 206,957</u>	<u>\$ 202,747</u>	<u>\$ 224,269</u>	<u>\$ 216,039</u>
Covered-employee payroll - measurement period	\$ 1,241,861	\$ 1,241,861	\$ 1,275,366	\$ 1,159,708	\$ 1,052,275	\$ 852,485
Total OPEB liability as a percentage of covered-employee payroll	40.5%	15.2%	16.2%	17.5%	21.3%	25.3%
Notes to schedule:						
Measurement period	June 30, 2023	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Discount rate	3.86%	4.13%	2.60%	2.10%	2.66%	2.31%
Medical trend	5.1% to 3.9%			4.570% to 3.00%		
Salary increases	3.00%	2.00%	2.00%	3.00%	4.00%	4.00%
Retirement age			50-75 years			

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Benefit changes: None since June 30, 2019.

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2019. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

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**SUPPLEMENTARY INFORMATION**  
**COMBINING FUND FINANCIAL STATEMENTS**

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**TOWN OF LOOMIS, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
<hr/>			
ASSETS			
Cash and investments	\$ 1,372,930	\$ 2,366,911	\$ 3,739,841
Receivables:			
Accounts receivable	4,110		4,110
Due from other governments	276,400		276,400
Interest receivable	7,791	11,938	19,729
Loans receivable	525,639		525,639
Due from other funds	17,390		17,390
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 2,204,260</u>	<u>\$ 2,378,849</u>	<u>\$ 4,583,109</u>
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 263,972		\$ 263,972
Due to other funds	68,392		68,392
Total liabilities	<hr/> 332,364	<hr/> -	<hr/> 332,364
 DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	<hr/> 525,639	<hr/>	<hr/> 525,639
 Fund balances			
Restricted for:			
Capital projects		\$ 2,378,849	2,378,849
Low income density	418,909		418,909
Tree removal	299,902		299,902
AB 939	169,599		169,599
Law enforcement	142,652		142,652
Streets & roads	312,209		312,209
Other	2,986		2,986
Total fund balances	<hr/> 1,346,257	<hr/> 2,378,849	<hr/> 3,725,106
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,204,260</u>	<u>\$ 2,378,849</u>	<u>\$ 4,583,109</u>

**TOWN OF LOOMIS, CALIFORNIA  
COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
REVENUES:			
Tax revenues	\$ 208,964		\$ 208,964
Licenses, fees, and permits	111,540	\$ 84,608	196,148
Intergovernmental	966,571		966,571
Use of money and property	58,443	54,945	113,388
	<u>1,345,518</u>	<u>139,553</u>	<u>1,485,071</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	149,856		149,856
Public safety	174,792		174,792
Public works	542,757		542,757
	<u>867,405</u>	<u>-</u>	<u>867,405</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	478,113	139,553	617,666
Other Financing Sources (Uses):			
Transfers in	198,716		198,716
Transfers out	(395,723)	(104,953)	(500,676)
	<u>(197,007)</u>	<u>(104,953)</u>	<u>(301,960)</u>
Total other financing sources (uses)			
Net change in fund balance	281,106	34,600	315,706
Fund balances - beginning of year, as previously presented	656,962	2,344,249	3,001,211
Change within financial reporting entity (major to nonmajor)	408,189		408,189
Fund balances - beginning of year, as adjusted	<u>1,065,151</u>	<u>2,344,249</u>	<u>3,409,400</u>
Fund balances - end of year	<u>\$1,346,257</u>	<u>\$ 2,378,849</u>	<u>\$ 3,725,106</u>

**TOWN OF LOOMIS, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2024**

	Streets and Roads Fund	Gas Tax Fund	Tree Removal Fund	AB 939 Fund	Low Income Density Fund
<b>ASSETS</b>					
Cash and investments	\$ 27,950		\$ 298,479	\$ 178,976	\$ 417,435
Receivables:					
Accounts receivable				4,110	
Due from other governments	229,228	\$ 16,526			
Interest receivable		864	1,423	987	1,474
Loans receivable					525,639
Due from other funds	17,390				
<b>TOTAL ASSETS</b>	<b>\$ 274,568</b>	<b>\$ 17,390</b>	<b>\$ 299,902</b>	<b>\$ 184,073</b>	<b>\$ 944,548</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 37,928			\$ 14,474	
Due to other funds	51,002	\$ 17,390			
Deferred revenue					
Total liabilities	88,930	17,390	-	14,474	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue					\$ 525,639
Fund balances					
Restricted for:					
Capital projects					
Low income density					418,909
Tree removal			\$ 299,902		
AB 939				169,599	
Law enforcement					
Streets & roads	185,638				
Other					
Total fund balances	185,638	-	299,902	169,599	418,909
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 274,568</b>	<b>\$ 17,390</b>	<b>\$ 299,902</b>	<b>\$ 184,073</b>	<b>\$ 944,548</b>

Transit Fund	Supplemental Law Enforcement Fund	Road Maintenance Fund	Total
\$ 64,250	\$ 291,264	\$ 94,576	\$ 1,372,930
			4,110
		30,646	276,400
306	1,388	1,349	7,791
			525,639
			17,390
<u>\$ 64,556</u>	<u>\$ 292,652</u>	<u>\$ 126,571</u>	<u>\$ 2,204,260</u>
\$ 61,570	\$ 150,000		\$ 263,972
			68,392
			-
<u>61,570</u>	<u>150,000</u>	<u>-</u>	<u>332,364</u>
			525,639
			418,909
			299,902
			169,599
	142,652		142,652
		\$ 126,571	312,209
2,986			2,986
<u>2,986</u>	<u>142,652</u>	<u>126,571</u>	<u>1,346,257</u>
<u>\$ 64,556</u>	<u>\$ 292,652</u>	<u>\$ 126,571</u>	<u>\$ 1,678,621</u>

**TOWN OF LOOMIS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Streets and Roads	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Low Income Density Fund
REVENUES:					
Tax revenues		\$ 192,680		\$ 16,284	
Licenses, fees, and permits			\$ 111,540		
Intergovernmental	\$ 462,642			80,000	
Use of money and property		6,036	10,975	6,959	\$ 10,720
Total revenues	462,642	198,716	122,515	103,243	10,720
EXPENDITURES:					
Current:					
General government	322			149,534	
Public safety					
Public works	467,881		7,043	6,263	
Total expenditures	468,203	-	7,043	155,797	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,561)	198,716	115,472	(52,554)	10,720
Other Financing Sources (Uses):					
Transfers in	198,716				
Transfers out	(7,517)	(198,716)			
Total other financing sources (uses)	191,199	(198,716)	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	185,638	-	115,472	(52,554)	10,720
Fund balance - beginning of year as previously presented			184,430	222,153	
Change within financial reporting entity (major to nonmajor fund)					408,189
Fund balance - beginning of year, as adjusted	-	-	184,430	222,153	408,189
Fund balances - end of year	\$ 185,638	\$ -	\$ 484,332	\$ 391,752	\$ 827,098

Transit Fund	Supplemental Law Enforcement Fund	Westside Specific Plan Fund	Road Maintenance Fund	Total
				\$ 208,964
				111,540
\$ 61,927	\$ 186,159		\$ 175,843	966,571
2,597	10,318		10,838	58,443
64,524	196,477	-	186,681	1,345,518
				149,856
	174,792			174,792
61,570				542,757
61,570	174,792	-	-	867,405
2,954	21,685	-	186,681	478,113
				198,716
		\$ (1,137)	(188,353)	(395,723)
-	-	(1,137)	(188,353)	(197,007)
2,954	21,685	(1,137)	(1,672)	281,106
32	120,967	1,137	128,243	656,962
				408,189
32	120,967	1,137	128,243	1,065,151
\$ 3,018	\$ 263,619	\$ 1,137	\$ 254,814	\$ 2,411,408



**TOWN OF LOOMIS, CALIFORNIA**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2024**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 374,291	\$ 843,168	\$ 1,149,452	\$ 2,366,911
Interest receivable	1,784	4,334	5,820	11,938
<b>TOTAL ASSETS</b>	<u><u>\$ 376,075</u></u>	<u><u>\$ 847,502</u></u>	<u><u>\$ 1,155,272</u></u>	<u><u>\$ 2,378,849</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
Fund balances				
Restricted for:				
Capital projects	\$ 376,075	\$ 847,502	\$ 1,155,272	\$ 2,378,849
Total fund balance	<u>376,075</u>	<u>847,502</u>	<u>1,155,272</u>	<u>2,378,849</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 376,075</u></u>	<u><u>\$ 847,502</u></u>	<u><u>\$ 1,155,272</u></u>	<u><u>\$ 2,378,849</u></u>

**TOWN OF LOOMIS, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
REVENUES:				
Licenses, fees, and permits	\$ 19,879	\$ 9,577	\$ 55,152	\$ 84,608
Use of money and property	13,101	(832)	42,676	54,945
Total revenues	32,980	8,745	97,828	139,553
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	32,980	8,745	97,828	139,553
Other Financing Sources (Uses):				
Transfers out		(33,515)	(71,438)	(104,953)
Total other financing sources (uses)	-	(33,515)	(71,438)	(104,953)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	32,980	(24,770)	26,390	34,600
Fund balances - beginning	343,095	872,272	1,128,882	2,344,249
Fund balances - ending	\$ 376,075	\$ 847,502	\$ 1,155,272	\$ 2,378,849

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**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor, Town Manager,  
and Members of the Town Council  
Town of Loomis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California (the Town) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Loomis, California's basic financial statements, and have issued our report thereon dated August 12, 2025.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Honorable Mayor, Town Manager,  
and Members of the Town Council  
Town of Loomis, California

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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 that are required to be reported under *Government Auditing Standard*.

***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.

*Richardson & Company, LLP*

August 12, 2025

## TOWN OF LOOMIS, CALIFORNIA

### Schedule of Prior Year Findings For the Fiscal Year Ended June 30, 2024

#### Finding 2023-001 – Internal Controls over Financial Reporting & Segregation of Duties – Material Weakness

**Condition:** The design and implementation of internal controls is crucial to the effective operation of the Town and for accurate financial reporting. If proper separation of duties cannot be accomplished, then maintaining an effective review and oversight function are important to establishing an effective internal control system. Due to the small staff size, it is difficult to achieve a proper segregation of duties. The Town's Finance Director performed all of the accounting functions with minimal oversight. The following areas were noted:

- The Finance Director has the ability to set up new employees in the payroll system, process payroll and also make adjustments to payroll accounts in the general ledger. If it is not possible to segregate these duties, then the payroll registers should be reviewed by the City Manager or someone that does not have access to the payroll system. There was also no indication the timesheets were reviewed.
- The Finance Director had the ability to purchase items, approve invoices for payment, generate checks, record checks in the general ledger, sign checks (although a second signature is required), mail checks and prepare bank reconciliations. These duties should be segregated to ensure proper segregation of duties, or reviews should be performed by someone that does not have access to the accounting system.
- The Town should consider having three people set up with access to the investment account and investment transactions should be reviewed.
- Bank reconciliations were prepared by the Finance Director, but were not being reviewed. The bank reconciliations should be reviewed by someone not having access to the general ledger. This review should be documented by initials and date on the reconciliation to show review is done timely.
- No indication exists that journal entries were reviewed. One person should enter the JE and another one should review it. Initialing and dating this review along with the initial and date of the person who posted the JE will help to ensure that is properly reviewed and documented. As a best business practice, the support for this review should be kept in place until after the audit or in accordance with the Town's document retention policy.

**Recommendation:** We recommend that the Town develop internal control procedures to create a responsible structure for accurate financial reporting and proper separation of duties. Procedures should be in place to prepare the required reconciliations at year-end and throughout the year. Policies and procedures should be developed to ensure proper separation of duties and oversight.

**Status:** The conditions noted in the fiscal year 2022/23 audit were resolved with new controls and review processes put in place. The Town is continuing to make improvements in this area with cross training, probable implementation of a new accounting system, and improving documentation of procedures.



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## MANAGEMENT LETTER

Town Council  
Town of Loomis  
Loomis, California

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Loomis (the Town) for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we identified deficiencies in internal control that we consider to be material weaknesses, which are reported in the Schedule of Findings included within the Audited Financial Statements.

During our prior year audit, we became aware of the following matters that have been included in this letter for your further consideration:

Policies and Procedures: We discovered that several of the Town's policies—including the employee handbook and credit card policy—were outdated. We advise the Town to revise any policies that are pertinent to the financial accounts of the Town. Since certain principles and guidelines in the employee handbook might no longer be in compliance with current labor laws or union contracts.

Fund Balance Reserve Policy: GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* revised the reporting and disclosure requirements for governmental fund balances. Some of the new fund balance classifications have very specific guidelines and some require formal governing board action before the end of a fiscal year. Committed fund balances represent a constraint placed on the use of resources imposed by formal action by the Council prior to the end of the reporting period. Assigned fund balance are constrained by the government's intent to be used for specific purposes. The Town has a capital improvement reserve that is briefly described in its Administrative Policies and Procedures, but the policy does not discuss target levels and funding, and is not reviewed by the Council as part of the budget process. In addition, the Town has a number of assigned fund balance amounts that are not officially documented.

We recommend the Town adopt a GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* policy and the Town consider a resolution, if needed, to formally commit any governmental funds for their intended purpose and specify which member of management has the authority to assign fund balances for financial reporting purposes. The policy should also describe the purpose of the Town's assigned fund balance and restricted resources and the intent of the Council to establish reserves. The Town needs to review the assigned fund balance amounts to determine if they need to be revised, since the balance recorded have not changed for several years.

Grant Tracking: We noted the tracking of grant-reimbursable expenses are tracked informally through spreadsheets. Grant activity in fiscal year 2023/24 was minimal, but the Town should consider tracking grant activity through funds or departments in the general ledger if grant activity is expected to increase.

Financial and Accounting Manual: We recommend a comprehensive accounting procedures manual be developed to provide documentation of transaction flows, accounting, routines, editing routines, and internal controls, including review and supervision, to ensure consistency in practices should turnover be experienced.

Journal Entry Supporting Documentation: We noted that a file of journal entries with supporting documentation attached was not maintained for journal entries made during the fiscal year. A file should be maintained of these journal entries and be maintained for audit purposes.

Payable Accruals: During our review of subsequent disbursements, we noted several payments to vendors that were for work performed prior to June 30 that were not accrued. We recommend the Town ensure payments made after year-end that relate to the prior fiscal year are accrued back prior to the start of the audit.

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This communication is intended solely for the information and use of the Town Council, management, and others within the organization and does not affect our report dated August 12, 2025 on the financial statements of the Town.

*Richardson & Company, LLP*

August 12, 2025



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### GOVERNANCE LETTER

To the Town Council  
Town of Loomis  
Loomis, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California (the Town), for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 22, 2023. Professional standards also require that we communicate to you the following information related to our audit.

#### Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated August 22, 2023, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the system of internal control of the Town. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

#### Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Internal control related matters are discussed in a separate report.

We are required by the audit standards to identify potential risks of material misstatement during the audit process. We have identified the following significant risk of material misstatement as part of our audit planning: Management override of controls and revenue recognition. These are the areas that the audit standards require at a minimum to be identified as a significant risk, although no such items were noted during our audit.

We performed the audit according to the planned scope previously communicated to you in our engagement letter date August 22, 2023.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note A to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year. We noted no transaction entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statement prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were determining the depreciable lives used for capital assets, the accrual of the grant receivables and the computation of the net pension asset and total OPEB liability. We evaluated the methods, assumptions, and data used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The net pension asset was determined by an actuarial valuation performed by CalPERS. The total OPEB liability was determined by the alternative measurement approach using a tool from an actuarial company.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the following:

- Pension Liability: Information on the Town's pension plans, including the Town's share of the unfunded pension liability, is shown in Note 8. The Town's share of the unfunded pension liability at June 30, 2023, the most recent measurement date, was \$1,320,631, which is reflected as a liability in the Town's financial statements as of June 30, 2024. The pension liability increased by \$183,206 due to a unrealized losses CalPERS plan assets.
- Other Postemployment Benefits Liability: The other postemployment benefits (OPEB) liability disclosure in Note 9 shows the Town's total OPEB liability had increased to \$502,758 as of June 30, 2024 due to a decrease in the discount rate used to calculate the liability, and changes in actuarial assumptions.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted one adjustment during the audit to record a liability for invoices paid after year-end. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 12, 2025.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the required supplementary information (RSI) listed in the table of contents, which are RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

To the Town Council  
Page 4

Restriction on Use

This information is intended solely for the information and use of the Town Council and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

*Richardson & Company, LLP*

August 12, 2025

## Item 7 Attachment D



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### INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT TESTING

Town Council  
Town of Loomis  
Loomis, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the Town of Loomis (the Town) for the year ended June 30, 2024. The Town management is responsible for complying with the appropriations limit calculation. The Town and the League of California Cities (as presented in the publication entitled Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the Town in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the Town's calculation of the 2023/2024 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Town Council.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost of living adjustment component to Article XIII B which states that the Town may annually adjust the component for either the change in California per capita personal income or, the percentage change in the Town's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the Town may annually choose to adjust the component for either the change in population in the County in which the Town is located, or the change in population within the unincorporated area of the County in which the Town is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.



4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Town Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2023/2024 Appropriation Limit by multiplying the product of the two above factors by the 2022/2023 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the Town's actual revenues to the computed appropriation limit for fiscal year 2023/2024.

Finding: For the 2023/2024 fiscal year, the Town's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the Town Council.

We were engaged by the Town to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying calculation of the Appropriation Limit. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the Town of Loomis and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Town of Loomis and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Richardson & Company, LLP*

August 12, 2025

## APPENDIX A

### TOWN OF LOOMIS APPROPRIATION LIMIT CALCULATION Year Ended June 30, 2024

#### APPROPRIATION LIMIT ADOPTED BY CITY:

Recorded in Final 2023/2024 Budget	\$10,413,596
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#### APPROPRIATION LIMIT COMPUTATION PER REVIEW:

2022/23 Appropriation Limit	\$10,134,047	
Cost of living factor:		
Change in California per capita income	1.0444	
Population Adjustment Factor:		
Population change in Town of Loomis	<u>0.9839</u>	
Auditor computed limitation		<u>\$10,413,596</u>
Variance		<u><u>\$0</u></u>