

TOWN OF LOOMIS, CALIFORNIA

AUDITED FINANCIAL STATEMENTS

**FOR THE FISCAL
YEAR ENDED JUNE 30, 2013**



TOWN OF LOOMIS, CALIFORNIA

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TOWN OF LOOMIS, CALIFORNIA

TOWN OFFICIALS

TOWN COUNCIL

- *Walt Scherer* Mayor
- *Dave Wheeler* Mayor Pro-Tem
- *Sandra Calvert* Council member
- *Rhonda Morillas* Council member
- *Miguel Ucovich* Council member

OTHER TOWN OFFICIALS

- *Rick Angelocci* Town Manager
- *Jeff Mitchell* Town Attorney
- *Roger Carroll* Town Treasurer/
Finance Officer
- *(Vacant)* Planning Director
- *Brian Fragio* Director of Public
Works/Town Engineer
- *Bureau Veritas, Inc.* Building Inspector
- *Crickett Strock* Deputy Town
Clerk/Administrative
Assistant



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BOLER & ASSOCIATES

PROFESSIONAL ACCOUNTANCY CORPORATION
750 F STREET • DAVIS, CA 95616

(530) 756-1735

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Loomis, California, as of and for the year ended June 30, 2013, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the General Fund and the major special revenue funds: Streets and Roads Fund, Low Income Density Fund, and Maintenance Districts of the Town of Loomis, California, as of June 30, 2013, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Loomis, California's financial statements as a whole. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The combining and nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 September 16, 2013, on our consideration of the Town of Loomis, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance.



September 16, 2013

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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, 2013. 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 Town's government-wide net position increased in total by \$388,577, or 1.66%.
- The total governmental fund revenues from all sources were \$3,933,569.
- The total cost of all Town programs in the Town's governmental funds were \$3,544,992.
- The General Fund reported a deficiency of revenues over expenditures and other financing sources of \$(555,203).
- Actual resources received in the General Fund were over final budget by \$17,277 (not including budgeted use of prior years' reserves) while actual expenditures were under the final budget by \$1,038.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$3,963,512.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The government-wide Statement of Net Position on page 14 and the Statement of Activities on page 15 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 16. 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. Fund financial statements also provide financial information about activities for which the Town acts solely as a trustee of agent (fiduciary) for the benefit of individuals and entities external to this governmental unit.

Government-wide Financial Statements - Reporting the Town as a Whole

Our analysis of the Town as a whole begins on page 14 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 account used by most private-sector business entities. The government-wide Statement of Activities focus is to measure net revenues or expenses of each activity and all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

These two statements report the Town's net position and changes in them. 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, on 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 Government and business-type activities. The Town has no Business-type activities (i.e. water or sewer utilities), so 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 of page 16. 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 (basis) 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 of the Towns. Governmental fund information helps you 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 the 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 particular purposes (like the Flow-through fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants received for recycling or park expansion). 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.
- The Streets and Roads Special Revenue Fund accounts for funding received for transportation purposes, including: public transportation, road construction and road maintenance. The

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

majority of the funds received are from gasoline and sales taxes collected by the state and passed to the Town by the state or through the county.

- The Low Income Density Special Revenue Fund represents the loan activity for the housing rehabilitation program.
- The Maintenance Districts Special Revenue Fund represents the various maintenance districts throughout the town.
- The Road Circulation Capital Projects Fund creation of new roads, or improvements to existing arterials that create new capacity, such as the Taylor Road reconstruction.
- The Nonmajor Government funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves they 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.

Fiduciary Fund Statements - The Town as a Fiduciary

The Town is a fiduciary for certain pension amounts held on behalf of developers and other governmental agencies. These fiduciary activities are reported in separate statements on pages 26. These activities are excluded from the Town's other financial statements, because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used of their intended purposes.

Government-wide Financial Analysis - The Town as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial positions. In the case of the Town of Loomis, assets exceeded liabilities by \$23.8 million as of June 30, 2013 compared to \$23.4 million as of June 30, 2012.

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 47.09% and 48.08% for the fiscal year ended June 30, 2013 and 2012, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The Town's combined net position for the years ending June 30 are summarized, as follows:

	<u>2013</u>	<u>2012</u>
ASSETS:		
Current and other assets	\$ 12,779,106	\$ 12,280,073
Capital assets, net	<u>11,375,384</u>	<u>11,370,194</u>
TOTAL ASSETS	<u>\$ 24,154,490</u>	<u>\$ 23,650,267</u>
LIABILITIES:		
Liabilities due after one year	\$ 86,203	\$ 82,155
Other liabilities	<u>284,640</u>	<u>173,042</u>
TOTAL LIABILITIES	<u>\$ 370,843</u>	<u>\$ 255,197</u>
NET ASSETS:		
Investment in capital assets	\$ 11,363,813	11,349,760
Restricted	6,414,175	6,066,686
Unrestricted	<u>6,005,659</u>	<u>5,978,624</u>
TOTAL NET ASSETS	<u>\$ 23,783,647</u>	<u>\$ 23,395,070</u>

As of June 30, 2013, \$6.4 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$6.0 million, may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town of Loomis is able to report positive balances in all three categories of net position.

As of June 30, 2012, \$6.1 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$6.0 million, may be used to meet the Town's ongoing obligations to citizens and creditors.

The government's net position increased \$0.4 million in most part settlement of litigation and increased building activities for the fiscal year ended June 30, 2013. For the fiscal year ended June 30, 2012, net position increased \$0.6 million.

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.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Governmental Activities

The Town's changes in the governmental activities net position are as follows:

CHANGE IN NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30		
	2013	2012
PROGRAM REVENUES:		
Charges for services	\$ 327,061	\$ 171,042
Operating grants and contributions	534,688	677,871
GENERAL REVENUES:		
Property taxes	1,641,377	1,717,881
Other taxes	158,323	155,799
Sales and use taxes	515,299	600,571
Motor vehicle in-lieu	3,457	17,342
Franchise fees	234,000	254,327
Investment income	176,765	787,647
Refunds and reimbursements	34,019	183,286
Litigation settlement	231,491	
Other income	77,089	15,662
TOTAL REVENUES	3,933,569	4,581,428
EXPENSES:		
General governmental	1,233,814	1,222,282
Public safety	1,510,362	1,421,098
Public works	679,064	741,626
Planning	120,322	156,110
Interest expense	1,430	1,830
TOTAL EXPENSES	3,544,992	3,542,946
SPECIAL ITEMS:		
Loss on sale of bond investment	-	395,989
CHANGE IN NET POSITION	388,577	642,493
NET POSITION, JULY 1	23,395,070	22,752,577
NET POSITION, JUNE 30	\$ 23,783,647	\$ 23,395,070

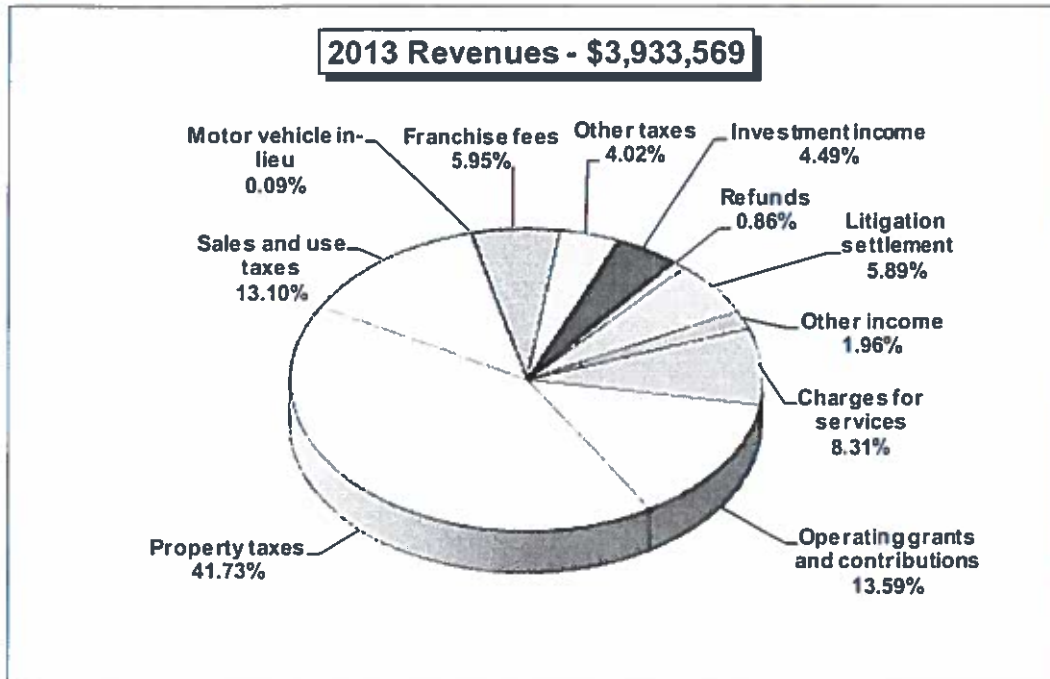
Highlights of the change in net position for the fiscal year ended June 30, 2012 were as follows:

- Charges for services increase by \$156,019. This was due to the increase in building activity for the year.
- Operating grants and contributions decreased by \$143,183.
- Property tax revenues decreased by \$76,504.
- Total governmental activities revenues decreased by \$647,859 largely attributed to the decreased fair market valuation adjustment of the Town's portfolio investments.

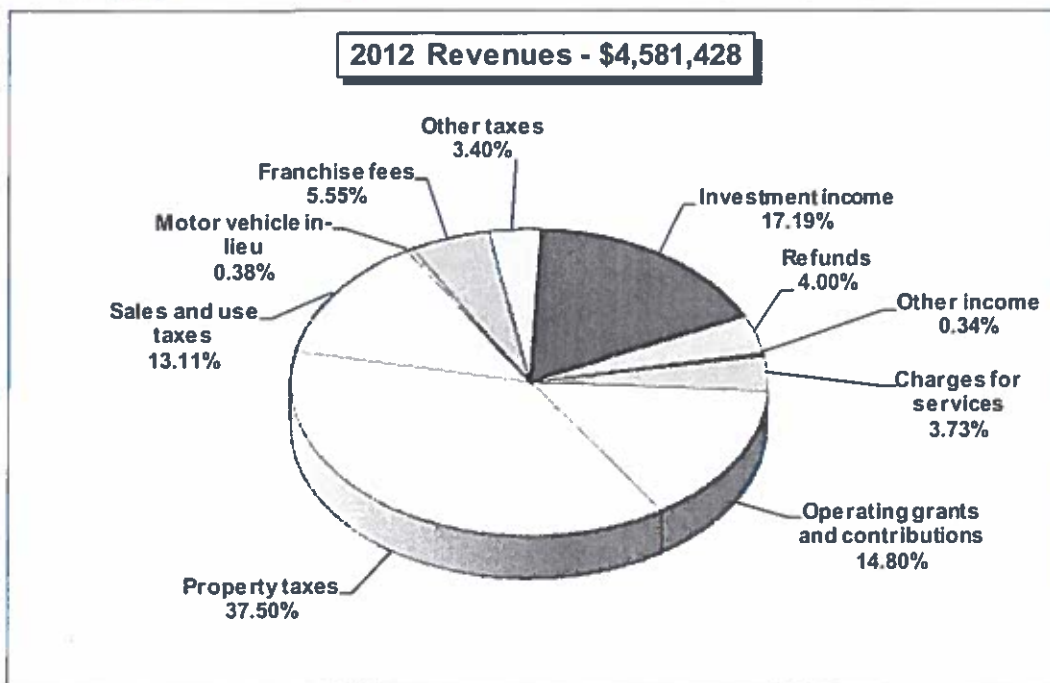
TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The fiscal year ended June 30, 2013 revenues are reflected graphically as follows:



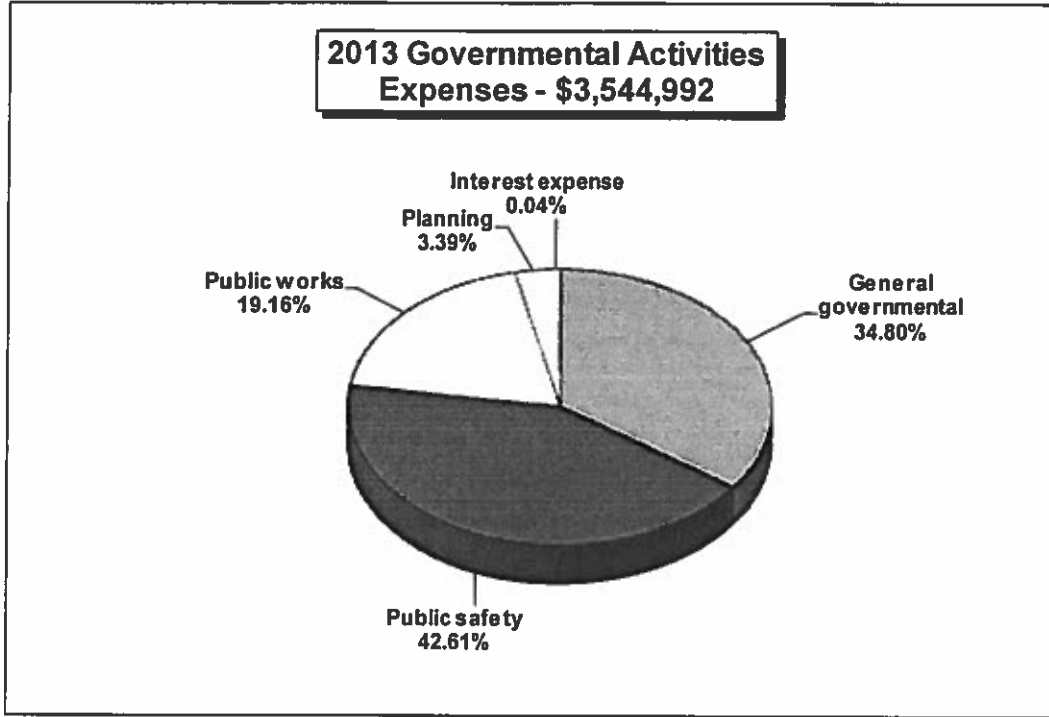
The fiscal year ended June 30, 2012 revenues are reflected graphically as follows:



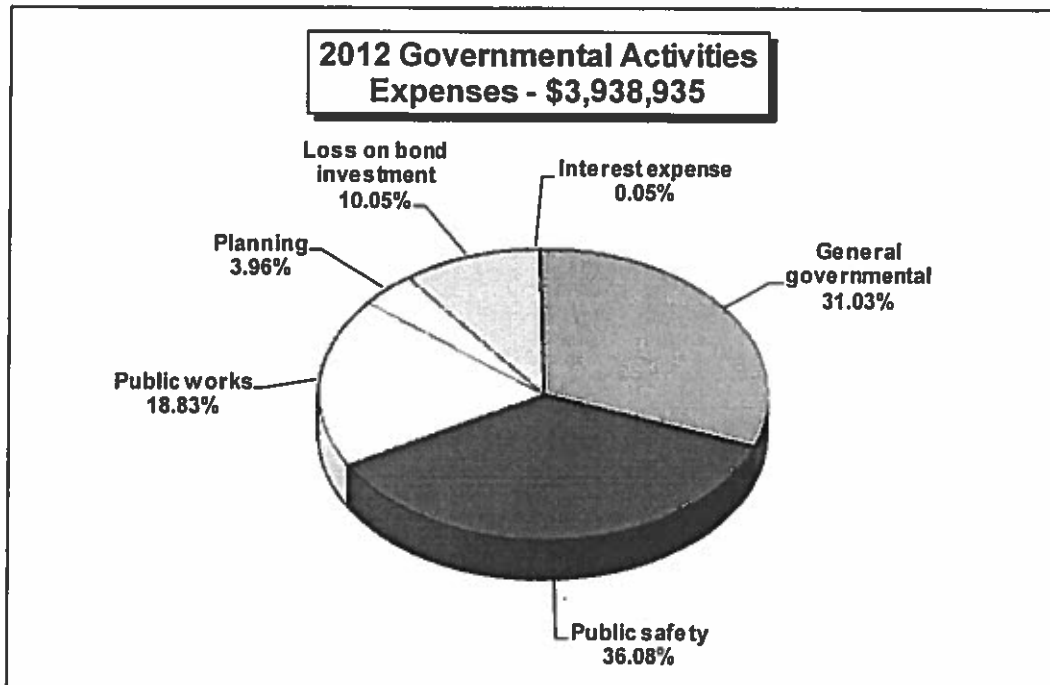
TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The fiscal year ended June 30, 2013 expenses are reflected graphically as follows:



The fiscal year ended June 30, 2012 expenses are reflected graphically as follows:



TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The table shows the cost of each of the Town's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. For the fiscal year ended June 30, 2013 the net cost is as follows:

NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Total cost of services	Charges for services	Grants		Net cost (revenue) of services
			Operating	Capital	
General governmental	\$ 1,233,814	\$ 25,751	\$ -	\$ -	\$ (1,208,063)
Public safety	1,510,362	19,226	100,000	-	(1,391,136)
Public works	679,064	225,972	434,688	-	(18,404)
Planning	120,322	56,112	-	-	(64,210)
Interest expense	1,430	-	-	-	(1,430)
	<u>\$ 3,544,992</u>	<u>\$ 327,061</u>	<u>\$ 534,688</u>	<u>\$ -</u>	<u>\$ (2,683,243)</u>

For the fiscal year ended June 30, 2012 the net cost is as follows:

NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Total cost of services	Charges for services	Grants		Net cost (revenue) of services
			Operating	Capital	
General governmental	\$ 1,222,282	\$ 22,826	\$ -	\$ -	\$ (1,199,456)
Public safety	1,421,098	15,077	100,000	-	(1,306,021)
Public works	741,626	115,125	577,871	-	(48,630)
Planning	156,110	18,014	-	-	(138,096)
Interest expense	1,830	-	-	-	(1,830)
	<u>\$ 3,542,946</u>	<u>\$ 171,042</u>	<u>\$ 677,871</u>	<u>\$ -</u>	<u>\$ (2,694,033)</u>

Financial Analysis of Government funds

General Fund: Fund balance was \$4,483,285 and \$5,038,488 for the fiscal year ended 2013, and 2012, respectively. Because the Town generally does not finance through debt, the General Fund is strong. Total fund balance is 95.0% and 97.6% of total assets for 2013 and 2012, respectively. For each dollar of liabilities, there is \$16 of cash and receivables, which shows that the General Fund can easily pay its obligations as they come due. General Fund expenditures exceeded revenues by \$(64,892). Expenditures were 102.4% of total General fund revenues for 2012. For 2012, General Fund revenues exceeded expenditures by \$51,675. The expenditures were 98.3% of total General fund revenues.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Streets and Roads Special Revenue Fund: Fund deficit is \$(232,176) and \$(748,771) for 2013 and 2012, respectively. This fund reports revenues received from Placer County and the State for use on building and maintaining road and transportation systems. Because the Town's road needs exceed the funds provided by the County and the State, funds were allocated from the gas tax funds and the General Fund.

Low Income Density Special Revenue Fund: This fund accounts for the Town's low income loan program's receipts and disbursement. Revenues exceeded expenditures by \$62,673 and \$12,032 for the years ended June 30, 2013 and 2012, respectively.

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 \$144,648 and \$166,440 for the years ended June 30, 2013 and 2012, respectively.

Road Circulation Capital Projects Fund: This fund accounts for the revenues received for new road construction or improvements. For the year ended June 30, 2013, revenues exceeded expenditures by \$307,062. For the year ended June 30, 2012, expenditures exceeded revenues by \$8,894.

Nonmajor Governmental Funds: The combined fund balances of all nonmajor governmental funds totaled \$2,038,542 and \$2,052,050 for 2013 and 2012, respectively.

Overall, the year had a net decrease in combined fund balances of the nonmajor governmental funds of \$(13,508) or 2.74% of total revenues for 2013 and an increase of \$39,964 or 6.80% for 2012. The nonmajor governmental funds' fund balances are 96.4% and 97.29% of total nonmajor governmental funds' assets for 2013 and 2012, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Page 22, 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, 2013, revenues were over budget by 0.65% and expenditures under budget by 0.04%. In total for the fiscal year ended June 30, 2012, revenues were over budget by 10.99% and expenditures over budget by 6.26%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital assets include police services and public works equipment, vehicles, buildings and roads. Net capital assets of the governmental activities totaled \$11.4 million and \$11.4 million at June 30, 2013 and 2012, respectively. Depreciation on capital assets is recognized in the Government-Wide Statement of Activities.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CAPITAL ASSETS, NET OF DEPRECIATION AS OF JUNE 30

	<u>2013</u>	<u>2012</u>
Capital assets, not being depreciated:		
Land	\$ 2,424,686	\$ 2,424,686
Construction in progress	3,641	-
Depreciable capital assets:		
Office equipment	18,478	27,941
Tools and equipment	42,224	48,890
Vehicles	155,702	171,506
Land improvements	131,059	139,133
Infrastructure	6,949,102	6,836,115
Buildings and improvements	1,200,605	1,248,011
Corp yard improvements	449,887	473,913
TOTAL	<u>\$ 11,375,384</u>	<u>\$ 11,370,195</u>

Major capital asset improvements and additions during the fiscal year ended June 30, 2013 included the following:

- Reconstruction of various streets throughout the Town;
- The final phase of the Blue Anchor Park was completed. This included a skate plaza and a children's water spray pad.

Debt administration

The Town's liabilities included compensated absences due after one year which had a balance of \$81,122 as of June 30, 2013, an increase of \$9,821 over the prior year. The Town has obligations under capital lease for copier leases with a balance at year end of \$11,571. A total of \$5,768 in payments was made on the leases. Special assessment bonds payable decreased \$3,094 and were paid off at June 30, 2013.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The year saw the beginnings of real estate development in the Town and it is expected to continue. Homes are selling and lots within previously stagnant subdivision have seen activity. Sales and property taxes are both projected to increase. The Town Council has chosen to be aggressive in the new budget year and is planning to complete road projects with prior year reserves totaling \$500,000. The General fund projects revenue of \$3,155,000 and expenses of \$3,154,000.

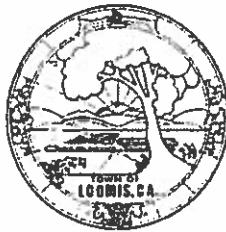
The Town is in very good financial condition: there is negligible long term debt, and with proper fiscal oversight, the available reserves will cover these lean years.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances, and how 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, 6140 Horseshoe Bar Road, Suite K, Loomis, California 95650.



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BASIC FINANCIAL STATEMENTS



TOWN OF LOOMIS, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2013

ASSETS:

CURRENT ASSETS:

Cash and investments	\$ 11,869,955
Receivables:	
Accounts receivable	80,150
Due from other governments	82,446
Interest receivable	75,332
Assessments receivable	42,480
Due from employees	3,103
Loans receivable	609,552
Due from agency funds	16,088
TOTAL CURRENT ASSETS	12,779,106

NONCURRENT ASSETS:

Capital assets, net:	
Nondepreciable	2,428,327
Depreciable, net	8,947,057
TOTAL NONCURRENT ASSETS	11,375,384
TOTAL ASSETS	24,154,490

LIABILITIES:

CURRENT LIABILITIES:

Accounts payable and other accrued expenses	\$ 259,522
Due to other governments	778
Performance bonds	17,850
Long-term debt, due within one year	6,490
TOTAL CURRENT LIABILITIES	284,640

NONCURRENT LIABILITIES, due after one year

Compensated absences	81,122
Long-term debt	5,081
TOTAL NONCURRENT LIABILITIES	86,203

TOTAL LIABILITIES

\$ 370,843

NET POSITION:

Invested in capital assets, net of related debt	\$ 11,363,813
Restricted for:	
Maintenance projects	2,212,326
Capital project funds	4,201,849
Unrestricted	6,005,659
TOTAL NET POSITION	\$ 23,783,647

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LOOMIS, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (expense) revenue - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Grants and contributions Operating</u>	
GOVERNMENTAL ACTIVITIES:				
General governmental	\$ 1,233,814	\$ 25,751	\$ -	\$ (1,208,063)
Public safety	1,510,362	19,226	100,000	(1,391,136)
Public works	679,064	225,972	434,688	(18,404)
Planning	120,322	56,112	-	(64,210)
Interest expense	1,430	-	-	(1,430)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 3,544,992</u>	<u>\$ 327,061</u>	<u>\$ 534,688</u>	<u>\$ -</u>
GENERAL REVENUES:				
				1,641,377
				158,323
				515,299
				3,457
				234,000
				176,765
				34,019
				231,491
				<u>77,089</u>
				<u>3,071,820</u>
				388,577
				<u>23,395,070</u>
				<u>\$ 23,783,647</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LOOMIS, CALIFORNIA

BALANCE SHEET - GOVERNMENTAL FUNDS AS OF JUNE 30, 2013

ASSETS	Major Funds				
	General Fund	Special Revenue Funds			Capital Pro- jects Fund
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Cir- culation Fund
ASSETS:					
Cash and investments	\$ 3,591,310	\$ 220,664	\$ 362,200	\$2,211,756	\$ 3,424,928
Receivables:					
Accounts receivable	76,541	-	-	-	-
Due from other governments	30,704	-	-	-	-
Interest receivable	75,332	-	-	-	-
Assessments receivable	36,166	-	-	6,314	-
Due from employees	3,103	-	-	-	-
Loans receivable	23,413	-	586,139	-	-
Due from other funds	884,048	-	-	-	75,388
TOTAL ASSETS	\$ 4,720,617	\$ 220,664	\$ 948,339	\$2,218,070	\$ 3,500,316
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 218,704	\$ 32,978	\$ -	\$ 1,099	\$ -
Due to other funds	-	419,862	-	4,645	449,676
Due to other governments	778	-	-	-	-
Performance bonds	17,850	-	-	-	-
TOTAL LIABILITIES	237,332	452,840	-	5,744	449,676
DEFERRED INFLOWS OF RESOURCES:					
Repayment of community development loans	-	-	586,139	-	-
FUND BALANCES:					
Non-spendable:					
Long-term receivable	14,702	-	-	-	-
Restricted for:					
Maintenance districts	-	-	-	2,212,326	-
Capital projects	-	-	-	-	3,050,640
Committed to subsequent year's expenditure					
General fund	505,071	-	-	-	-
Special revenue funds	-	125,007	-	-	-
Unassigned:					
General fund	3,963,512	-	-	-	-
Special revenue funds	-	(357,183)	362,200	-	-
TOTAL FUND BALANCES	4,483,285	(232,176)	362,200	2,212,326	3,050,640
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,720,617	\$ 220,664	\$ 948,339	\$2,218,070	\$ 3,500,316

The accompanying notes to financial statements are an integral part of this statement.

Nonmajor Governmental Fund	TOTALS
\$ 2,059,097	\$11,869,955
3,609	80,150
51,742	82,446
-	75,332
-	42,480
-	3,103
-	609,552
-	959,436
<u>\$ 2,114,448</u>	<u>\$13,722,454</u>
\$ 6,741	\$ 259,522
69,165	943,348
-	778
-	17,850
<u>75,906</u>	<u>1,221,498</u>
-	<u>586,139</u>
-	14,702
-	2,212,326
1,151,209	4,201,849
-	505,071
307,899	432,906
-	3,963,512
579,434	584,451
<u>2,038,542</u>	<u>11,914,817</u>
<u>\$ 2,114,448</u>	<u>\$13,722,454</u>

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TOWN OF LOOMIS, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2013

TOTAL GOVERNMENTAL FUND BALANCES \$ 11,914,817

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,375,384
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.	586,139
Compensated absences in the general fund are not due and payable in the current period and therefore are not reported in the general funds.	(81,122)
Long-term debt in the general fund are not due and payable in the current period and therefore are not reported in the general funds.	<u>(11,571)</u>

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 23,783,647

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Major Funds				Capital Pro- jects Fund Road Cir- culation Fund
	General Fund	Special Revenue Funds			
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	
REVENUES:					
Tax revenues	\$ 1,595,848	\$ -	\$ -	\$ 142,321	\$ -
License, fees and permits	137,534	-	750	-	62,855
Franchise fees	234,000	-	-	-	-
Intergovernmental revenues	472,579	284,766	-	-	-
Fines, forfeitures and penalties	19,226	-	-	-	-
Investment income	82,850	3,408	4,484	24,978	37,363
Refunds and reimbursements	34,019	-	-	-	-
Program income	-	-	62,889	-	-
Litigation settlement	-	-	-	-	231,491
Other	87,121	-	-	-	-
	2,663,177	288,174	68,123	167,299	331,709
TOTAL REVENUES					
EXPENDITURES:					
Current:					
General government	686,510	-	-	7,983	-
Public safety	1,385,100	-	-	-	-
Public works	386,256	197,737	-	11,371	-
Planning	117,072	-	-	-	-
Debt service:					
Interest costs	1,430	-	-	-	-
Principal payments	8,862	-	-	-	-
Capital outlay	142,839	51,721	5,450	-	24,647
	2,728,069	249,458	5,450	19,354	24,647
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(64,892)	38,716	62,673	147,945	307,062
OTHER FINANCING SOURCES (USES):					
Transfers in	3,297	477,879	-	-	-
Transfers out	(493,608)	-	-	(3,297)	-
	(490,311)	477,879	-	(3,297)	-
TOTAL OTHER FINANCING					
NET CHANGE IN FUND BALANCES	(555,203)	516,595	62,673	144,648	307,062
FUND BALANCES (DEFICIT), JULY 1	5,038,488	(748,771)	299,527	2,067,678	2,743,578
FUND BALANCES (DEFECIT), JUNE 30	\$ 4,483,285	\$(232,176)	\$ 362,200	\$ 2,212,326	\$ 3,050,640

The accompanying notes to financial statements are an integral part of this statement.

<u>Nonmajor Governmental Funds</u>	<u>TOTALS</u>
\$ 107,709	\$ 1,845,878
106,696	307,835
-	234,000
249,922	1,007,267
-	19,226
23,682	176,765
-	34,019
-	62,889
-	231,491
<u>5,000</u>	<u>92,121</u>
<u>493,009</u>	<u>4,011,491</u>
113,772	808,265
125,262	1,510,362
83,700	679,064
3,250	120,322
-	1,430
-	8,862
<u>196,262</u>	<u>420,919</u>
<u>522,246</u>	<u>3,549,224</u>
<u>(29,237)</u>	<u>462,267</u>
15,729	496,905
-	(496,905)
<u>15,729</u>	<u>-</u>
(13,508)	462,267
<u>2,052,050</u>	<u>11,452,550</u>
<u>\$ 2,038,542</u>	<u>\$ 11,914,817</u>

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TOWN OF LOOMIS, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 462,267**

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

Governmental funds report capital outlays as expenditures. However, in the government wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.

Capital outlay expenditures 415,424

Certain notes receivable are reported in the governmental funds as expenditures and then offset by a deferred revenue as they are not available to pay current expenditures. When the note is collected it is reflected in revenue. (77,922)

Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in the governmental funds. (410,234)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Decrease in compensated absences	\$ (9,821)	
Principal payments on long-term debt	<u>8,863</u>	<u>(958)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES **\$ 388,577**

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Tax revenues	\$ 1,602,000	\$ 1,602,000	\$ 1,595,848	\$ (6,152)
License, fees and permits	88,000	88,000	137,534	49,534
Franchise fees	235,500	235,500	234,000	(1,500)
Intergovernmental	478,400	478,400	472,579	(5,821)
Fines, forfeitures and penalties	12,000	12,000	19,226	7,226
Use of money and property	140,000	140,000	82,850	(57,150)
Refunds and reimbursements	-	-	34,019	34,019
Other	90,000	90,000	87,121	(2,879)
TOTAL REVENUES	2,645,900	2,645,900	2,663,177	17,277
EXPENDITURES:				
Current:				
General government	807,552	807,552	686,510	121,042
Public safety	1,390,509	1,390,509	1,385,100	5,409
Public works	368,913	368,913	386,256	(17,343)
Planning	153,733	153,733	117,072	36,661
Debt service:				
Interest costs	-	-	1,430	(1,430)
Principal payments	-	-	8,862	(8,862)
Capital outlay	3,400	3,400	142,839	(139,439)
TOTAL EXPENDITURES	2,724,107	2,724,107	2,728,069	(3,962)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(78,207)	(78,207)	(64,892)	13,315
OTHER FINANCING SOURCES:				
Transfers in	-	-	3,297	3,297
Transfers out	-	-	(493,608)	(493,608)
TOTAL OTHER FINANCING	-	-	(490,311)	(490,311)
NET CHANGE IN FUND BALANCES	(78,207)	(78,207)	(555,203)	(476,996)
FUND BALANCES (DEFICIT), JULY 1	5,038,488	5,038,488	5,038,488	-
FUND BALANCES (DEFICIT), JUNE 30	\$ 4,960,281	\$ 4,960,281	\$ 4,483,285	\$ (476,996)

The accompanying notes to financial statements are an integral part of this statement.

Streets and Roads Special Revenue Fund

Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
391,000	391,000	284,766	(106,234)
-	-	-	-
-	-	3,408	3,408
-	-	-	-
-	-	-	-
<u>391,000</u>	<u>391,000</u>	<u>288,174</u>	<u>(102,826)</u>
-	-	-	-
-	-	-	-
144,250	144,250	197,737	(53,487)
-	-	-	-
-	-	-	-
-	-	-	-
<u>406,000</u>	<u>406,000</u>	<u>51,721</u>	<u>354,279</u>
<u>550,250</u>	<u>550,250</u>	<u>249,458</u>	<u>300,792</u>
<u>(159,250)</u>	<u>(159,250)</u>	<u>38,716</u>	<u>197,966</u>
438,143	-	477,879	477,879
-	-	-	-
<u>438,143</u>	<u>-</u>	<u>477,879</u>	<u>477,879</u>
278,893	(159,250)	516,595	675,845
<u>(748,771)</u>	<u>(748,771)</u>	<u>(748,771)</u>	<u>-</u>
<u><u>\$ (469,878)</u></u>	<u><u>\$ (908,021)</u></u>	<u><u>\$ (232,176)</u></u>	<u><u>\$ 675,845</u></u>

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Low Income Density Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Tax revenues	\$ -	\$ -	\$ -	\$ -
License, fees and permits	1,500	1,500	750	(750)
Investment income	11,070	11,070	4,484	(6,586)
Program income	-	-	62,889	62,889
TOTAL REVENUES	12,570	12,570	68,123	55,553
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	5,450	(5,450)
TOTAL EXPENDITURES	-	-	5,450	(5,450)
EXCESS OF REVENUES OVER EXPENDITURES	12,570	12,570	62,673	50,103
OTHER FINANCING USES:				
Transfers out	-	-	-	-
NET CHANGE IN FUND BALANCES	12,570	12,570	62,673	50,103
FUND BALANCES, JULY 1	299,527	299,527	299,527	-
FUND BALANCES, JUNE 30	\$ 312,097	\$ 312,097	\$ 362,200	\$ 50,103

The accompanying notes to financial statements are an integral part of this statement.

Maintenance Districts Special Revenue Fund

Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final		
\$ 143,085	\$ 143,085	\$ 142,321	\$ (764)
-	-	-	-
56,400	56,400	24,978	(31,422)
-	-	-	-
<u>199,485</u>	<u>199,485</u>	<u>167,299</u>	<u>(32,186)</u>
1,516	1,516	7,983	(6,467)
9,850	9,850	11,371	(1,521)
-	-	-	-
<u>11,366</u>	<u>11,366</u>	<u>19,354</u>	<u>(7,988)</u>
188,119	188,119	147,945	(40,174)
<u>(4,396)</u>	<u>(4,396)</u>	<u>(3,297)</u>	<u>1,099</u>
183,723	183,723	144,648	(39,075)
<u>2,067,678</u>	<u>2,067,678</u>	<u>2,067,678</u>	<u>-</u>
<u><u>\$ 2,251,401</u></u>	<u><u>\$ 2,251,401</u></u>	<u><u>\$ 2,212,326</u></u>	<u><u>\$ (39,075)</u></u>

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS AS OF JUNE 30, 2013

ASSETS

Cash and investments	\$ 9,499
Due from other governments	<u>48,221</u>
TOTAL ASSETS	<u>\$ 57,720</u>

LIABILITIES

Accounts payable	\$ 8,350
Due to other funds	16,088
Due to other agencies	<u>33,282</u>
TOTAL LIABILITIES	<u>\$ 57,720</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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 Town 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.

These financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Town's overall financial position and results of operations. This is required supplementary information.
- Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all the Town's activities.

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 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:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and
- Grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Major individual governmental funds are reported as separate columns in the fund financial statements.

Reporting Entity

The reporting entity for the Town of Loomis includes all funds and operations under the jurisdiction of the Town Council. There are no component or blended component units that are part of the Town's operations.

Fund Accounting

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 collectible 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 60 days of the end of the current fiscal period. 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.

Property taxes, franchise taxes, licenses, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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 THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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.

The Town reports the following major special revenue funds:

- Streets and Roads Fund is used to account for the Transportation Development Act revenues received for various street and road projects.
- 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.

Fiduciary Funds

Agency Fund is used to account for assets held by the Town. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cash and Cash Equivalents

The Town considers all highly-liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

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 block grant receivable balances are offset by deferred revenue. The activity for the fiscal year ended June 30, 2013 is as follows:

	<u>Balance at July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>	<u>Due within one year</u>
General Fund:					
Loan receivable	\$ 31,770	\$ -	\$ (8,357)	\$ 23,413	\$ 8,711
Due from employees	-	7,020	(3,917)	3,103	-
Low Income Density					
Special Revenue Fund	664,061	-	(77,922)	586,139	-
	<u>\$ 695,831</u>	<u>\$ 7,020</u>	<u>\$ (90,196)</u>	<u>\$ 612,655</u>	<u>\$ 8,711</u>

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The activity for the fiscal year ended June 30, 2012 is as follows:

	Balance at July 1, 2011	Additions	Deletions	Balance at June 30, 2012	Due within one year
General Fund					
Loan receivable	\$ 39,572	\$ -	\$ (7,802)	\$ 31,770	\$ 8,262
Low Income Density					
Special Revenue Fund	664,835	-	(774)	664,061	-
	\$ 704,407	\$ -	\$ (8,576)	\$ 695,831	\$ 8,262

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

The Town's current capitalization threshold is \$5,000.

Depreciation of capital assets is computed using the straight-line method. The estimated useful lives for these depreciated assets are as follows:

Improvements	30 years
Equipment and other improvements	5 to 20 years

General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements.

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 collectible

Interfund Transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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).

Compensated Absences

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. The unpaid vacation liability of the Town amounted to \$29,834 and \$25,448 as of June 30, 2013 and 2012, respectively.

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%. The unpaid sick leave liability of the Town amounted to \$81,122 and \$71,301 as of June 30, 2013 and 2012, respectively.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Revenues

Deferred revenue in governmental funds arises when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue also arise when resources are received by the City before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Net Position

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

- *Invested in Capital Assets, Net of Related Debt* – 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.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments 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 accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

- *Non-spendable* – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the City Manager or Department Heads with Town Council approval.
- *Unassigned* includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

The non-spendable fund balance is comprised of the long-term portion of loans receivable.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Town committed the following fund balance types by taking the following action:

Fund Balance Type	Amount	Action
Subsequent year's expenditures:		
Major funds:		
General Fund	\$ 505,071	Council budget resolution
Streets and Roads Special Revenue Fund	125,007	Council budget resolution
Nonmajor special revenue funds	<u>307,899</u>	Council budget resolution
TOTAL COMMITTED BALANCES	<u>\$ 937,977</u>	

The Town considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available

The Town does not have a formal minimum fund balance policy.

The revenue source of each major special revenue fund is listed below:

Major Special Revenue Fund	Revenue source
Streets and Roads Fund	State intergovernmental revenues
Low Income Density Fund	Interest revenue and fees
Maintenance District Fund	Tax assessments

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.

Estimates and Assumptions

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.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax

Secured property taxes attach as an enforceable lien on property as of July 1. Taxes are payable in two installments on November 1 and February 1. Placer County bills and collects the taxes for the Town. Tax revenue is recognized by the Town when notification of collection is received.

Reclassifications

Certain reclassifications have been made to the 2012 financial statements to conform to the current presentation. These reclassifications had no effect on total assets, liabilities, or net position as previously stated.

NOTE 2: CASH AND INVESTMENTS

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

	2013	2012
Cash on hand	\$ 175	\$ 175
Deposits with financial institutions	447,035	454,609
Add: deposit in transit	252	-
Less: outstanding checks	(354,617)	(376,623)
Local agency investment fund	359,093	1,326,324
Total cash and cash equivalents	451,938	1,404,485
Certificates of deposit held with brokerage firm	3,417,422	3,237,149
U.S. Treasury obligations	2,627,079	1,822,001
Municipal obligations	2,032,335	1,268,772
Medium term corporate notes	3,150,680	3,050,899
Money market account	200,000	225,311
Total debt instruments	8,010,094	6,366,983
Total investments	11,427,516	9,604,132
TOTAL CASH AND INVESTMENTS	\$ 11,879,454	\$ 11,008,617
Summary of cash and investments:		
Government-wide statement	\$ 11,869,955	\$ 11,005,046
Fiduciary funds	9,499	3,571
TOTAL	\$ 11,879,454	\$ 11,008,617

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2: CASH AND INVESTMENTS (continued)

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. During the fiscal year ended June 30, 2012, the Town’s permissible investments included the following instruments.

<u>Authorized Investment Type</u>	<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%
Medium term corporate notes	5 years	30%	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 shorter term and longer 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, 2013:

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2: CASH AND INVESTMENTS (continued)

Type of Investment	Total	Remaining Maturity (in months)				
		12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	\$ 359,093	\$ 359,093	\$ -	\$ -	\$ -	\$ -
U.S. Treasury obligations	2,627,079	-	520,345	533,889	251,530	1,321,315
Municipal obligations	2,032,335	175,382	358,761	992,634	110,122	395,436
Medium term corporate notes	3,150,680	150,363	359,709	981,791	433,730	1,225,087
TOTAL	\$ 8,169,187	\$ 684,838	\$ 1,238,815	\$ 2,508,314	\$ 795,382	\$ 2,941,838
Percentage of portfolio	100.00%	8.38%	15.16%	30.70%	9.74%	36.01%

The distribution of the Town's investments by maturity at June 30, 2012:

Type of Investment	Total	Remaining Maturity (in months)				
		12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	\$ 1,326,324	\$ 1,326,324	\$ -	\$ -	\$ -	\$ -
U.S. Treasury obligations	1,822,001	-	-	529,985	287,286	1,004,730
Municipal obligations	1,268,772	-	177,126	405,804	685,842	-
Medium term corporate notes	3,050,899	1,031,257	150,996	483,857	703,464	681,325
TOTAL	\$ 7,467,996	\$ 2,357,581	\$ 328,122	\$ 1,419,646	\$ 1,676,592	\$ 1,686,055
Percentage of portfolio	100.00%	31.57%	4.39%	19.01%	22.45%	22.58%

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 investment policy and actual ratings of the investments as of June 30, 2013:

Credit risk	Type of Investment			
	Local agency investment fund	US Treasury obligations	Municipal obligations	Commercial Paper
AAA	\$ -	\$ -	\$ 208,778	\$ -
AA+	-	2,627,079	-	465,420
AA	-	-	-	114,875
AA-	-	-	565,680	402,625
A+	-	-	213,852	532,616
A	-	-	529,198	374,075
A-	-	-	514,826	1,008,047
BBB+	-	-	-	253,023
No rating	359,093	-	-	-
TOTAL	\$ 359,093	\$ 2,627,079	\$ 2,032,334	\$ 3,150,681
Minimum rating	n/a	n/a	n/a	A

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2: CASH AND INVESTMENTS (continued)

The Town's investment policy and actual ratings of the investments as of June 30, 2012:

Credit risk	Type of Investment			
	Local agency investment fund	US Treasury obligations	Municipal obligations	Commercial Paper
AAA	\$ -	\$ -	\$ 208,874	\$ -
AA+	-	1,822,001	-	249,786
AA	-	-	-	154,379
AA-	-	-	429,525	-
A+	-	-	261,558	787,049
A	-	-	-	776,897
A-	-	-	368,815	830,703
BBB+	-	-	-	252,085
No rating	1,326,324	-	-	-
TOTAL	\$ 1,326,324	\$ 1,822,001	\$ 1,268,772	\$ 3,050,899
Minimum rating	n/a	n/a	n/a	A

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, 2013, 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.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 2: CASH AND INVESTMENTS (continued)

At June 30, 2013, the City's account with Wells Fargo had a total carrying amount of \$92,670 with a bank balance of \$447,035 of which \$250,000 was insured by the FDIC.

At June 30, 2012, the City's account with Wells Fargo had a total carrying amount of \$77,986 with a bank balance of \$454,609.

As of June 30, Town investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the Town to buy the securities:

	2013	2012
Certificates of deposit held with brokerage firm	\$ 3,417,422	\$ 3,237,149
U.S. Treasury obligations	2,627,079	1,822,001
Municipal obligations	2,032,335	1,268,772
Medium term corporate notes	3,150,680	3,050,899
Money market account	200,000	225,311
TOTAL INVESTMENTS	\$ 11,427,516	\$ 9,604,132

Investment in Local Agency Investment Fund (LAIF): LAIF is stated at fair value. The LAIF is a special fund of the State of California Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$58,852,094,221 and \$60,612,199,285 at June 30, 2013 and 2012, respectively. The fund is managed by the State Treasurer and consists of the following:

	As a percent of portfolio	
	2013	2012
Structured notes and medium-term asset backed securities	1.88%	2.75%
Short-term asset-backed commercial paper	0.08%	0.72%
All other investments	98.04%	96.53%
	100.00%	100.00%

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 Town's investment in this pool is reported in the accompanying financial statements at amounts based on the Town'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. The amortized cost of the pooled investments at June 30, 2013 was \$58,812,406,570.

The latest financial statements are available on-line at www.treasurer.ca.gov/pmia-laif/.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3: CAPITAL ASSETS AND DEPRECIATION

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance at July 1, 2012	Additions	Deletions	Balance at June 30, 2013
Capital assets, not being depreciated				
Land	\$ 2,424,686	\$ -	\$ -	\$ 2,424,686
Construction in progress	-	3,641		3,641
	2,424,686	3,641	-	2,428,327
Depreciable capital assets:				
Office equipment	521,447	-	-	521,447
Equipment under capital lease	25,050	-	-	25,050
Tools and equipment	320,050	-	-	320,050
Vehicles	311,589	-	-	311,589
Land improvements	215,452	-	-	215,452
Infrastructure	8,560,470	411,783	-	8,972,253
Buildings and improvements	1,420,848	-	-	1,420,848
Corp yard improvements	716,135	-	-	716,135
	12,091,041	411,783	-	12,502,824
Less accumulated depreciation				
Office equipment	(508,086)	(4,453)	-	(512,539)
Equipment under capital lease	(10,470)	(5,010)	-	(15,480)
Tools and equipment	(271,160)	(6,665)	-	(277,825)
Vehicles	(140,083)	(15,802)	-	(155,885)
Land improvements	(76,319)	(8,075)	-	(84,394)
Infrastructure	(1,724,355)	(298,795)	-	(2,023,150)
Buildings and improvements	(172,837)	(47,407)	-	(220,244)
Corp yard improvements	(242,222)	(24,028)	-	(266,250)
	(3,145,532)	(410,235)	-	(3,555,767)
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 11,370,195	\$ 5,189	\$ -	\$ 11,375,384

The depreciation expense for the year ended June 30, 2013 of \$410,235 is charged to the general government function.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 3: CAPITAL ASSETS AND DEPRECIATION (continued)

Capital asset activity for the year ended June 30, 2012 was as follows:

	Balance at July 1, 2011	Additions	Deletions	Transfers	Balance at June 30, 2012
Capital assets, not being depreciated					
Land	\$ 2,424,686	\$ 292,061	\$(292,061)	\$ -	\$ 2,424,686
Construction in progress	876,922	-	-	(876,922)	-
	<u>3,301,608</u>	<u>292,061</u>	<u>(292,061)</u>	<u>(876,922)</u>	<u>2,424,686</u>
Depreciable capital assets:					
Office equipment	521,447	-	-	-	521,447
Equipment under capital lease	17,450	7,600	-	-	25,050
Tools and equipment	320,050	-	-	-	320,050
Vehicles	311,589	-	-	-	311,589
Land improvements	215,452	-	-	-	215,452
Infrastructure	6,911,050	772,498	-	876,922	8,560,470
Buildings and improvements	1,420,848	-	-	-	1,420,848
Corp yard improvements	716,135	-	-	-	716,135
	<u>10,434,021</u>	<u>780,098</u>	<u>-</u>	<u>876,922</u>	<u>12,091,041</u>
Less accumulated depreciation					
Office equipment	(499,478)	(8,608)	-	-	(508,086)
Equipment under capital lease	(6,980)	(3,490)	-	-	(10,470)
Tools and equipment	(263,191)	(7,969)	-	-	(271,160)
Vehicles	(118,372)	(21,711)	-	-	(140,083)
Land improvements	(68,243)	(8,076)	-	-	(76,319)
Infrastructure	(1,449,168)	(275,187)	-	-	(1,724,355)
Buildings and improvements	(125,430)	(47,407)	-	-	(172,837)
Corp yard improvements	(218,195)	(24,027)	-	-	(242,222)
	<u>(2,749,057)</u>	<u>(396,475)</u>	<u>-</u>	<u>-</u>	<u>(3,145,532)</u>
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	<u>\$ 10,986,572</u>	<u>\$ 675,684</u>	<u>\$(292,061)</u>	<u>\$ -</u>	<u>\$ 11,370,195</u>

The depreciation expense for the year ended June 30, 2012 of \$396,475 is charged to the general government function.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 4: JOINT VENTURE

The Town is a member of the Small Cities Organized Risk Effort (SCORE) for worker's compensation and liability insurances purposes. SCORE is organized under a joint powers agreement pursuant to the California Government Code. The purpose of SCORE is to arrange and administer programs of insurance of risk pooling of self-insured losses and to purchase excess liability coverage. An annual audit of SCORE is performed and filed with the State Controller's office. There have not been any significant reductions in insurance coverage. The amount of settlements have not exceeded the insurance coverage for each of the past three fiscal years.

NOTE 5: LONG-TERM LIABILITIES

The changes in long-term liabilities for the fiscal year ended June 30, 2013 were as follows:

	Balance at July 1, 2012	Incurred	Retired	Balance at June 30, 2013	Due within one year
GOVERNMENTAL ACTIVITIES:					
Compensated absences	\$ 71,301	\$ 9,821	\$ -	\$ 81,122	\$ -
Obligations under capital lease	17,339	-	(5,768)	11,571	6,490
Assessment bonds payable	3,094	-	(3,094)	-	-
TOTAL	\$ 91,734	\$ 9,821	\$ (8,862)	\$ 92,693	\$ 6,490

Obligations under capital lease:

Copier lease dated December 9, 2009, due in monthly payments of \$365 including interest at 9.38% per annum through December, 2014.	\$ 6,114
Copier lease dated June 26, 2012, due in monthly payments of \$237 including interest at 7.70% per annum through July 2015.	5,457
Total Obligations Under Capital Lease	\$11,571

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 5: LONG-TERM LIABILITIES (continued)

The annual requirements are as follows:

<u>Year Ended June 30,</u>	<u>Obligations under cap- ital lease</u>
2014	\$ 7,230
2015	5,038
2016	<u>237</u>
Total	12,505
Less: interest	<u>(934)</u>
TOTAL	<u>\$ 11,571</u>

Assets under capital lease were as follows:

	<u>Fiscal year ended June 30,</u>	
	<u>2013</u>	<u>2012</u>
Assets under capital lease:		
Office equipment	\$ 25,050	\$ 25,050
Less: accumulated amortization	<u>(15,480)</u>	<u>(10,470)</u>
TOTAL, NET	<u>\$ 9,570</u>	<u>\$ 14,580</u>

The changes in long-term liabilities for the fiscal year ended June 30, 2012 were as follows:

	<u>Balance at July 1, 2011</u>	<u>Incurred</u>	<u>Retired</u>	<u>Balance at June 30, 2012</u>	<u>Due within one year</u>
GOVERNMENTAL ACTIVITIES:					
Compensated absences	\$ 66,501	\$ 4,800	\$ -	\$ 71,301	\$ -
Obligations under capital lease	18,365	7,600	(8,626)	17,339	9,584
Assessment bonds payable	<u>6,907</u>	<u>-</u>	<u>(3,813)</u>	<u>3,094</u>	<u>3,094</u>
TOTAL	<u>\$ 91,773</u>	<u>\$ 12,400</u>	<u>\$(12,439)</u>	<u>\$ 91,734</u>	<u>\$ 12,678</u>

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 6: EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had excess expenditures over appropriations for the year ended June 30, 2013:

Fund	Expenditures and transfers	Budget	Deficit
Major funds:			
General fund	\$ 3,221,677	\$ 2,724,107	\$(497,570)
Maintenance District Special Revenue Fund	22,651	15,762	(6,889)
Non-major funds:			
Traffic Congestion Relief Special Revenue Fund*	26,134	-	(26,134)
Community Facilities Capital Projects Fund	300	-	(300)

* Fund was not budgeted

NOTE 7: INTERFUND TRANSACTIONS

Interfund balances for operations as of June 30, 2013 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 884,048	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Maintenance Districts Fund	-	4,645
Non-major funds	-	69,165
Capital Projects Fund:		
Road Circulation Fund	75,388	449,676
Agency Funds:		
Non-major funds	-	16,088
Total	\$ 959,436	\$ 959,436

Interfund transfers for operations as of June 30, 2013 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 3,297	\$ 493,608
Special Revenue Funds:		
Streets and Roads Fund	477,879	-
Maintenance Districts Fund	-	3,297
Total	\$ 481,176	\$ 496,905

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 7: INTERFUND TRANSACTIONS (continued)

Interfund balances for operations as of June 30, 2012 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,165,314	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	709,872
Maintenance Districts Fund	-	7,740
Non-major funds	-	57,140
Capital Projects Fund:		
Road Circulation Fund	75,388	449,676
Agency Funds:		
Non-major funds	-	16,274
Total	\$ 1,240,702	\$ 1,240,702

Interfund transfers for operations as of June 30, 2012 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ 4,396	\$ -
Special Revenue Funds:		
Maintenance Districts Fund	-	4,396
Total	\$ 4,396	\$ 4,396

NOTE 8: FUND DEFICITS

The following funds had deficit fund balances as of June 30, 2013:

Fund	Deficit
Special Revenue Funds:	
Streets and Roads Fund	\$(232,176)
Non-major funds:	
Master Plan Fund	(32,263)

The following funds had deficit fund balances as of June 30, 2012:

Fund	Deficit
Special Revenue Funds:	
Streets and Roads Fund	\$(748,771)
Non-major funds:	
Transit Fund	(15,729)
Master Plan Fund	(32,351)

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description

The Town of Loomis, California's defined benefit pension plan, California Public Employees' Retirement System (CalPERS) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Town of Loomis, California is part of the Public Agency portion of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Town of Loomis, California selects optional benefits through state statute and Town resolutions. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Employees and Employer Contribution Obligations

Participants are required to pay 7% of covered payroll. The Town of Loomis, California is required to contribute at the actuarially determined rate necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year ended June 30, 2013 was 7.00% for a contribution of \$44,779. The contribution requirement of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For the fiscal year ended June 30, 2013, the Town's annual pension costs of \$44,778 for PERS were equal to the Town's required and actual contributions. The Town as employer makes the contributions required of Town employees on their behalf for their account, which amounted to \$58,327 for the fiscal year ended June 30, 2013. The actuarial value of CalPERS' assets was determined using techniques that smooths the effect of short-term volatility in the market value of investments over a 3 year period (smoothed market value) depending on the size of investment gains and/or losses. CalPERS' excess assets are being amortized as a level percentage of projected payrolls on a closed basis. The principal assumptions and methods used to determine the annual required contributions are as follows:

1. Valuation date: June 30, 2011 (most recent available data)
2. Actuarial cost method: Entry age actuarial cost method
3. Amortization method: Level percent of payroll on a closed basis
4. Average remaining period as of the valuation date: 20 years as of the valuation date
5. Asset valuation method: 15 year smoothed market
6. Actuarial assumptions:
 - 7.75% investment rate of return (net of administrative expenses),
 - Projected annual salary increases that vary by age, service, and type of employment: 3.30% to 14.20%
 - 2.75% inflation

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)

- 3.00% payroll growth
- Individual salary growth based on a merit scale varying by duration of employment coupled with an assumed annual inflation component of 2.75% and an annual production growth of 0.25%

Trend Information

Within the Town's financial statement, three years of historical trend information are required. The trend information is summarized as follows:

<u>Fiscal Year June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Con- tributed</u>	<u>Net Pension Obligation</u>
2011	\$ 53,515	100.0%	none
2012	\$ 42,427	100.0%	none
2013	\$ 44,778	100.0%	none

Required Supplementary Information Funded Status of Plan for PERS as a whole (individual entity amounts are not available) (the most recent data available) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits:

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Market Value of Assets</u>	<u>Unfunded Liability/ (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL As a % of payroll</u>
<u>PERS Miscellaneous Pool (as a whole):</u>						
June 30, 2009	\$ 3,104,798,222	\$ 2,758,511,101	\$ 346,287,121	88.847%	\$ 742,981,488	46.608%
June 30, 2010	3,309,064,934	2,946,408,106	362,656,828	89.041%	748,401,352	48.458%
June 30, 2011	3,619,835,876	2,867,303,802	752,532,074	79.211%	n/a	n/a
<u>Town of Loomis (available data):</u>						
June 30, 2011	3,302,479	2,748,563	553,916	83.227%	617,812	89.658%

NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Town's employees are eligible for post-retirement health benefits if they meet certain service year requirements and retire upon separation from the Town. The Town has computed the post-employment benefits using the alternative measurement method permitted under GASB No. 45. The liability has not been funded nor has a trustee been appointed. The benefit provisions are to be established and may be amended by the Town Council. The plan currently does not issue standalone financial statements.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

Basis of Accounting

Employees are not required to contribute to the plan. Employer contributions are recognized when due and when a formal commitment is made to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Funding Policy

Future contribution requirements of plan members, if any, and the Town will be established and amended as needed by the Town Council. The required contribution will be based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Council. For 2013 and 2012, the Town paid monthly premiums totaling \$7,812 and \$9,765, respectively. The projected liability were \$125,235 and \$154,202 for the year ended June 30, 2013 and 2012, respectively.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), the amount was determined using the Alternative Measurement Method permitted for employers with less than 100 employees in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an anticipated period of twenty years. The following table shows the amount contributed to the plan, and changes in the Town's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer* (ARC), the amount was determined using the Alternative Measurement Method permitted for employers with less than 100 employees in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over an anticipated period of twenty years. The following table shows the amount contributed to the plan, and changes in the Town's net OPEB obligation:

	2013	2012
Annual required contribution	\$ 12,667	\$ 14,091
Payments made	(7,812)	(9,765)
Increase in net OPEB obligation	4,855	4,326
Adjustment of actuarial assumptions	-	-
Change in net OPEB obligation	4,855	4,326
Net OPEB obligation, July 1	154,202	140,497
Adjustment to OPEB obligation	(33,822)	9,379
Net OPEB obligation, June 30	\$ 125,235	\$ 154,202

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

The ARC was determined as part of the June 30, 2012 alternative measurement method computation. The ARC rate was 1.81% and 1.91% of annual covered payroll for the fiscal years ended June 30, 2013 and 2012, respectively. For the fiscal years ended June 30, 2013 and 2012, the Town paid monthly premiums totaling \$7,812 and \$9,765, respectively.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed and the net OPEB obligation were as follows:

<u>Year ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2011	\$ 11,044	0.00%	\$ 11,044
2012	14,091	30.70%	4,326
2013	12,667	38.33%	4,855

Funded Status and Funding Process

The funded status of the liability was as follows:

	<u>2013</u>	<u>2012</u>
Accrued liability (AL)	\$ 125,235	\$ 154,202
Value of plan assets contributed	-	-
Unfunded accrued liability (UAL)	<u>\$ 125,235</u>	<u>\$ 154,202</u>
Funded ratio (value of plan assets/AL)	<u>0.00%</u>	<u>0.00%</u>
Covered payroll (active plan members)	<u>\$ 701,716</u>	<u>\$ 738,269</u>
UAL as a percentage of covered payroll	<u>17.85%</u>	<u>20.89%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

TOWN OF LOOMIS, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (continued)

In the June 30, 2013, the alternative measurement method was used. The assumptions included a 4.00% investment rate of return (net of administrative expenses), discount rate of 4.50% and average salary increases of 3.30%. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level percent of payroll over the participants' working lifetime. There are no plan assets as of June 30, 2013 and 2012. The unfunded actuarial accrued liability will be amortized using the flat dollar amount method over 20 years.

NOTE 12: SUBSEQUENT EVENTS

MARKET VOLATILITY

The Town's investments with its brokerage firm reflected unrealized gains of \$81,048 and \$230,435 as of June 30, 2013 and 2012, respectively.

STATE OF CALIFORNIA

The state-wide economic slowdown has resulted in the State of California looking to municipalities as a mechanism for balancing its budget. As a result, certain revenue sources may be suspended or delayed. It is not determinable at this time the effects, if any, of such suspensions or delays on the operations of the Town.

COMBINING FUND FINANCIAL STATEMENTS



TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS NONMAJOR GOVERNMENTAL FUNDS AS OF JUNE 30, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>TOTALS</u>
<u>ASSETS</u>			
ASSETS:			
Cash and cash equivalents	\$ 901,897	\$ 1,157,200	\$ 2,059,097
Receivables:			
Accounts receivable	3,609	-	3,609
Due from other governments	<u>51,742</u>	<u>-</u>	<u>51,742</u>
TOTAL ASSETS	<u>\$ 957,248</u>	<u>\$ 1,157,200</u>	<u>\$ 2,114,448</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ 750	\$ 5,991	\$ 6,741
Due to other funds	<u>69,165</u>	<u>-</u>	<u>69,165</u>
TOTAL LIABILITIES	<u>69,915</u>	<u>5,991</u>	<u>75,906</u>
FUND BALANCES:			
Restricted for capital projects	-	1,151,209	1,151,209
Committed to subsequent year's expenditure	307,899	-	307,899
Unassigned	<u>579,434</u>	<u>-</u>	<u>579,434</u>
TOTAL FUND BALANCES	<u>887,333</u>	<u>1,151,209</u>	<u>2,038,542</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 957,248</u>	<u>\$ 1,157,200</u>	<u>\$ 2,114,448</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>TOTALS</u>
REVENUES:			
Tax revenues	\$ 107,709	\$ -	\$ 107,709
License, fees and permits	28,647	78,049	106,696
Intergovernmental revenues	249,922	-	249,922
Investment income	10,107	13,575	23,682
Other	5,000	-	5,000
	<u>401,385</u>	<u>91,624</u>	<u>493,009</u>
TOTAL REVENUES			
EXPENDITURES:			
Current:			
General government	113,772	-	113,772
Public safety	125,262	-	125,262
Public works	83,245	455	83,700
Planning	3,250	-	3,250
Capital outlay	872	195,390	196,262
	<u>326,401</u>	<u>195,845</u>	<u>522,246</u>
TOTAL EXPENDITURES			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	74,984	(104,221)	(29,237)
OTHER FINANCING SOURCES:			
Transfers in	15,729	-	15,729
NET CHANGE IN FUND BALANCES	90,713	(104,221)	(13,508)
FUND BALANCES, JULY 1	<u>796,620</u>	<u>1,255,430</u>	<u>2,052,050</u>
FUND BALANCES, JUNE 30	<u>\$ 887,333</u>	<u>\$ 1,151,209</u>	<u>\$ 2,038,542</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS AS OF JUNE 30, 2013

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	RSTP Stimulus Fund
ASSETS					
Cash and investments	\$ 248,822	\$ 320,032	\$ 217,714	\$ 17,241	\$ 538
Receivables:					
Accounts receivable	-	-	3,609	-	-
Due from other governments	9,932	-	5,000	-	-
TOTAL ASSETS	\$ 258,754	\$ 320,032	\$ 226,323	\$ 17,241	\$ 538
 LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 750	\$ -	\$ -	\$ -
Due to other funds	-	-	-	16,824	-
TOTAL LIABILITIES	-	750	-	16,824	-
FUND BALANCES (DEFICIT):					
Committed to subsequent year's expenditure	245,077	-	37,714	-	-
Unassigned	13,677	319,282	188,609	417	538
TOTAL FUND BALANCES	258,754	319,282	226,323	417	538
TOTAL LIABILITIES AND FUND BALANCES	\$ 258,754	\$ 320,032	\$ 226,323	\$ 17,241	\$ 538

<u>Supplemental Law Enforcement Fund</u>	<u>Bike Lane Fund</u>	<u>Master Plan Fund</u>	<u>Westside Specific Plan Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>State Disability Access Fund</u>	<u>TOTALS</u>
\$ 1,069	\$ 32,901	\$ 8,053	\$ 1,137	\$ 53,833	\$ 557	\$ 901,897
-	-	-	-	-	-	3,609
<u>31,715</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,095</u>	<u>-</u>	<u>51,742</u>
<u>\$ 32,784</u>	<u>\$ 32,901</u>	<u>\$ 8,053</u>	<u>\$ 1,137</u>	<u>\$ 58,928</u>	<u>\$ 557</u>	<u>\$ 957,248</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 750
<u>12,025</u>	<u>-</u>	<u>40,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,165</u>
<u>12,025</u>	<u>-</u>	<u>40,316</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,915</u>
-	-	-	-	25,108	-	307,899
<u>20,759</u>	<u>32,901</u>	<u>(32,263)</u>	<u>1,137</u>	<u>33,820</u>	<u>557</u>	<u>579,434</u>
<u>20,759</u>	<u>32,901</u>	<u>(32,263)</u>	<u>1,137</u>	<u>58,928</u>	<u>557</u>	<u>887,333</u>
<u>\$ 32,784</u>	<u>\$ 32,901</u>	<u>\$ 8,053</u>	<u>\$ 1,137</u>	<u>\$ 58,928</u>	<u>\$ 557</u>	<u>\$ 957,248</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Gas Tax Funds</u>	<u>Tree Removal Fund</u>	<u>AB 939 Fund</u>	<u>Transit Fund</u>	<u>RSTP Stimulus Fund</u>
REVENUES:					
Tax revenues	\$ 107,709	\$ -	\$ -	\$ -	\$ -
License, fees and permits	-	28,100	-	-	-
Intergovernmental	-	-	13,702	83,245	-
Investment income	3,185	3,358	2,357	417	6
Other	-	-	5,000	-	-
TOTAL REVENUES	<u>110,894</u>	<u>31,458</u>	<u>21,059</u>	<u>83,662</u>	<u>6</u>
EXPENDITURES:					
Current:					
General government	90,945	-	22,827	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	83,245	-
Planning	-	3,250	-	-	-
Interest costs	-	-	-	-	-
TOTAL EXPENDITURES	<u>90,945</u>	<u>3,250</u>	<u>22,827</u>	<u>83,245</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19,949	28,208	(1,768)	417	6
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	15,729	-
NET CHANGE IN FUND BALANCES	19,949	28,208	(1,768)	16,146	6
FUND BALANCES (DEFICITS), JULY 1	<u>238,805</u>	<u>291,074</u>	<u>228,091</u>	<u>(15,729)</u>	<u>532</u>
FUND BALANCES (DEFICITS), JUNE 30	<u>\$ 258,754</u>	<u>\$ 319,282</u>	<u>\$ 226,323</u>	<u>\$ 417</u>	<u>\$ 538</u>

<u>Supplemental Law Enforcement Fund</u>	<u>Bike Lane Fund</u>	<u>Master Plan Fund</u>	<u>Westside Specific Plan Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>State Disability Access Fund</u>	<u>TOTALS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,709
-	-	-	-	-	547	28,647
100,000	-	-	-	52,975	-	249,922
323	363	88	-	-	10	10,107
-	-	-	-	-	-	5,000
<u>100,323</u>	<u>363</u>	<u>88</u>	<u>-</u>	<u>52,975</u>	<u>557</u>	<u>401,385</u>
-	-	-	-	-	-	113,772
100,000	-	-	-	25,262	-	125,262
-	-	-	-	-	-	83,245
-	-	-	-	-	-	3,250
-	-	-	-	872	-	872
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,134</u>	<u>-</u>	<u>326,401</u>
323	363	88	-	26,841	557	74,984
-	-	-	-	-	-	15,729
323	363	88	-	26,841	557	90,713
<u>20,436</u>	<u>32,538</u>	<u>(32,351)</u>	<u>1,137</u>	<u>32,087</u>	<u>-</u>	<u>796,620</u>
<u>\$ 20,759</u>	<u>\$ 32,901</u>	<u>\$ (32,263)</u>	<u>\$ 1,137</u>	<u>\$ 58,928</u>	<u>\$ 557</u>	<u>\$ 887,333</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS AS OF JUNE 30, 2013

	Hunters Crossing Fund	Loomis Maintenance District I District II Fund Fund		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
<u>ASSETS</u>							
Cash and investments	\$ 236,969	\$ 7,048	\$ 21,623	\$ 284,223	\$ 206,498	\$ 292,477	\$ 143,908
Receivables:							
Assessments receivable	99	25	52	146	312	127	250
TOTAL ASSETS	\$ 237,068	\$ 7,073	\$ 21,675	\$ 284,369	\$ 206,810	\$ 292,604	\$ 144,158
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	4,645	-	-	-	-	-
TOTAL LIABILITIES	-	4,645	-	-	-	-	-
FUND BALANCES:							
Restricted for maintenance districts	237,068	2,428	21,675	284,369	206,810	292,604	144,158
TOTAL LIABILITIES AND FUND BALANCES	\$ 237,068	\$ 7,073	\$ 21,675	\$ 284,369	\$ 206,810	\$ 292,604	\$ 144,158

<u>Hunters Crossing II Fund</u>	<u>King Road Village Fund</u>	<u>Saunders Avenue Fund</u>	<u>Rachel Estates Fund</u>	<u>No Name Lane Fund</u>	<u>Sherwood Estates Fund</u>	<u>Heritage Park Estates Fund</u>	<u>Hunter Oaks Fund</u>	<u>Sierra De Mon- serat Fund</u>	<u>TOTALS</u>
\$ 80,960	\$ 134,917	\$ 19,938	\$ 207,214	\$ 3,104	\$ 86,050	\$ 182,731	\$ 161,305	\$ 142,791	\$ 2,211,756
<u>154</u>	<u>390</u>	<u>269</u>	<u>507</u>	<u>-</u>	<u>311</u>	<u>804</u>	<u>1,029</u>	<u>1,839</u>	<u>6,314</u>
<u>\$ 81,114</u>	<u>\$ 135,307</u>	<u>\$ 20,207</u>	<u>\$ 207,721</u>	<u>\$ 3,104</u>	<u>\$ 86,361</u>	<u>\$ 183,535</u>	<u>\$ 162,334</u>	<u>\$ 144,630</u>	<u>\$ 2,218,070</u>
\$ -	\$ -	\$ 1,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,099
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,645</u>
<u>-</u>	<u>-</u>	<u>1,099</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,744</u>
<u>81,114</u>	<u>135,307</u>	<u>19,108</u>	<u>207,721</u>	<u>3,104</u>	<u>86,361</u>	<u>183,535</u>	<u>162,334</u>	<u>144,630</u>	<u>2,212,326</u>
<u>\$ 81,114</u>	<u>\$ 135,307</u>	<u>\$ 20,207</u>	<u>\$ 207,721</u>	<u>\$ 3,104</u>	<u>\$ 86,361</u>	<u>\$ 183,535</u>	<u>\$ 162,334</u>	<u>\$ 144,630</u>	<u>\$ 2,218,070</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Hunters Crossing Fund	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
	Fund	District I Fund	District II Fund	Fund	Fund	Fund	Fund
REVENUES:							
Tax revenues	\$ 6,990	\$ 500	\$ 1,030	\$ 8,255	\$ 6,591	\$ 9,031	\$ 4,997
Investment income	2,634	80	242	3,162	2,299	3,241	1,608
TOTAL REVENUES	<u>9,624</u>	<u>580</u>	<u>1,272</u>	<u>11,417</u>	<u>8,890</u>	<u>12,272</u>	<u>6,605</u>
EXPENDITURES:							
Current:							
General government	753	6	10	83	63	3,130	50
Public works	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>753</u>	<u>6</u>	<u>10</u>	<u>83</u>	<u>63</u>	<u>3,130</u>	<u>50</u>
INCOME BEFORE TRANSFERS	8,871	574	1,262	11,334	8,827	9,142	6,555
OTHER FINANCING USES:							
Transfers out	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	8,871	574	1,262	11,334	8,827	9,142	6,555
FUND BALANCES, JULY 1	228,197	1,854	20,413	273,035	197,983	283,462	137,603
FUND BALANCES, JUNE 30	<u>\$ 237,068</u>	<u>\$ 2,428</u>	<u>\$ 21,675</u>	<u>\$ 284,369</u>	<u>\$ 206,810</u>	<u>\$ 292,604</u>	<u>\$ 144,158</u>

Hunters Crossing II Fund	King Road Village Fund	Saunders Avenue Fund	Rachel Estates Fund	No Name Lane Fund	Sherwood Estates Fund	Heritage Park Estates Fund	Hunter Oaks Fund	Sierra De Mon-serat Fund	TOTALS
\$ 3,084 904	\$ 7,802 1,504	\$ 4,257 397	\$ 10,146 2,318	\$ - 34	\$ 6,216 975	\$ 16,072 2,082	\$ 20,572 1,786	\$ 36,778 1,712	\$ 142,321 24,978
<u>3,988</u>	<u>9,306</u>	<u>4,654</u>	<u>12,464</u>	<u>34</u>	<u>7,191</u>	<u>18,154</u>	<u>22,358</u>	<u>38,490</u>	<u>167,299</u>
251 -	- 3,231	54 -	2,787 -	- -	62 -	161 -	205 6,677	368 1,463	7,983 11,371
<u>251</u>	<u>3,231</u>	<u>54</u>	<u>2,787</u>	<u>-</u>	<u>62</u>	<u>161</u>	<u>6,882</u>	<u>1,831</u>	<u>19,354</u>
3,737	6,075	4,600	9,677	34	7,129	17,993	15,476	36,659	147,945
-	-	(3,297)	-	-	-	-	-	-	(3,297)
3,737	6,075	1,303	9,677	34	7,129	17,993	15,476	36,659	144,648
<u>77,377</u>	<u>129,232</u>	<u>17,805</u>	<u>198,044</u>	<u>3,070</u>	<u>79,232</u>	<u>165,542</u>	<u>146,858</u>	<u>107,971</u>	<u>2,067,678</u>
<u>\$ 81,114</u>	<u>\$ 135,307</u>	<u>\$ 19,108</u>	<u>\$ 207,721</u>	<u>\$ 3,104</u>	<u>\$ 86,361</u>	<u>\$ 183,535</u>	<u>\$ 162,334</u>	<u>\$ 144,630</u>	<u>\$ 2,212,326</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS AS OF JUNE 30, 2013

	Drainage Fund	Community Facilities Capital Projects Fund	Wetland Mitigation	Park Fee Fund	TOTALS
ASSETS					
Cash and investments	\$ 191,348	\$ 732,863	\$ 84	\$ 232,905	\$ 1,157,200
TOTAL ASSETS	\$ 191,348	\$ 732,863	\$ 84	\$ 232,905	\$ 1,157,200
FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 5,991	\$ 5,991
FUND BALANCES:					
Committed for subsequent year's expenditure	-	-	-	-	-
Restricted for capital projects	\$ 191,348	\$ 732,863	\$ 84	\$ 226,914	\$ 1,151,209
TOTAL FUND BALANCES	\$ 191,348	\$ 732,863	\$ 84	\$ 226,914	\$ 1,151,209

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Drainage Fund</u>	<u>Community Facilities Capital Projects Fund</u>	<u>Wetland Mitigation</u>	<u>Park Fee Fund</u>	<u>TOTALS</u>
REVENUES:					
License, fees and permits	\$ 4,577	\$ 19,904	\$ -	\$ 53,568	\$ 78,049
Investment income	2,139	7,807	-	3,629	13,575
TOTAL REVENUES	<u>6,716</u>	<u>27,711</u>	<u>-</u>	<u>57,197</u>	<u>91,624</u>
EXPENDITURES:					
Current:					
Public works	-	300	-	155	455
Capital outlay	-	-	-	195,390	195,390
TOTAL EXPENDITURES	<u>-</u>	<u>300</u>	<u>-</u>	<u>195,545</u>	<u>195,845</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>6,716</u>	<u>27,411</u>	<u>-</u>	<u>(138,348)</u>	<u>(104,221)</u>
NET CHANGE IN FUND BALANCES	6,716	27,411	-	(138,348)	(104,221)
FUND BALANCES, JULY 1	<u>184,632</u>	<u>705,452</u>	<u>84</u>	<u>365,262</u>	<u>1,255,430</u>
FUND BALANCES, JUNE 30	<u>\$ 191,348</u>	<u>\$ 732,863</u>	<u>\$ 84</u>	<u>\$ 226,914</u>	<u>\$ 1,151,209</u>

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - AGENCY FUNDS AS OF JUNE 30, 2013

	Revolving Funds	County Facilities Fees	Dry Creek Watershed Fees	TOTALS
ASSETS				
Cash and investments	\$ -	\$ 9,011	\$ 488	\$ 9,499
Due from other governments or agencies	47,776	-	445	48,221
TOTAL ASSETS	\$ 47,776	\$ 9,011	\$ 933	\$ 57,720
LIABILITIES				
Accounts payable and accrued liabilities	\$ 186	\$ 7,231	\$ 933	\$ 8,350
Due to other funds	16,088	-	-	16,088
Due to other agencies	31,502	1,780	-	33,282
TOTAL LIABILITIES	\$ 47,776	\$ 9,011	\$ 933	\$ 57,720

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<u>REVOLVING FUNDS:</u>				
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 8,816	\$ (8,816)	\$ -
Due from other governments or agencies	47,776	7,618	(7,618)	47,776
TOTAL ASSETS	\$ 47,776	\$ 16,434	\$ (16,434)	\$ 47,776
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 190	\$ 8,760	\$ (8,764)	\$ 186
Due to other funds	16,141	-	(53)	16,088
Due to other agencies	31,445	697	(640)	31,502
TOTAL LIABILITIES	\$ 47,776	\$ 9,457	\$ (9,457)	\$ 47,776
<u>COUNTY FACILITIES FEE:</u>				
<u>ASSETS</u>				
Cash and investments	\$ 3,571	\$ 19,972	\$ (14,532)	\$ 9,011
TOTAL ASSETS	\$ 3,571	\$ 19,972	\$ (14,532)	\$ 9,011
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 2,365	\$ 19,238	\$ (14,372)	\$ 7,231
Due to other agencies	1,206	19,973	(19,399)	1,780
TOTAL LIABILITIES	\$ 3,571	\$ 39,211	\$ (33,771)	\$ 9,011
<u>DRY CREEK WATERSHED FEES:</u>				
<u>ASSETS</u>				
Cash and investments	\$ -	\$ 8,588	\$ (8,100)	\$ 488
Due from other governments or agencies	445	2,488	(2,488)	445
TOTAL ASSETS	\$ 445	\$ 11,076	\$ (10,588)	\$ 933
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 311	\$ 8,588	\$ (7,966)	\$ 933
Due to other funds	134	-	(134)	-
TOTAL LIABILITIES	\$ 445	\$ 8,588	\$ (8,100)	\$ 933

(Continued)

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
<i>TOTAL ALL AGENCY FUNDS:</i>				
<u>ASSETS</u>				
Cash and investments	\$ 3,571	\$ 37,376	\$ (31,448)	\$ 9,499
Due from other governments or agencies	48,221	10,106	(10,106)	48,221
TOTAL ASSETS	\$ 51,792	\$ 47,482	\$ (41,554)	\$ 57,720
<u>LIABILITIES</u>				
Accounts payable and accrued liabilities	\$ 2,866	\$ 36,586	\$ (31,102)	\$ 8,350
Due to other funds	16,275	-	(187)	16,088
Due to other agencies	32,651	20,670	(20,039)	33,282
TOTAL LIABILITIES	\$ 51,792	\$ 57,256	\$ (51,328)	\$ 57,720

OTHER REPORTS



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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

To the Town Council
Town of Loomis
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 as of and for the year ended June 30, 2013, which collectively comprise the Town of Loomis, California's basic financial statements and have issued our report thereon dated September 16, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Loomis, California'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 of Loomis, California's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Loomis, California'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Loomis, California'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 Standards*.

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.



September 16, 2013