



## **Staff Report**

### **January 14, 2020**

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**TO:** Honorable Mayor and Members of the Town Council  
**FROM:** Roger Carroll, Finance Director  
**DATE:** January 7, 2020  
**RE:** Receipt of 2018/19 Fiscal Audit from Fechter & Company, Certified Public Accountants

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#### **Recommendation**

Receive and file the Audited Financial Statements for the Year Ended June 30, 2019.

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

A draft of the audited financial statement is included with this staff report.

The Town contracts with an outside audit firm, Fechter & Company, Certified Public Accountants, which performed the 2018-2019 audit and gave an "Unmodified Opinion". An Unmodified Opinion means that the financial statements fairly represent the Town's financial position without attaching adverse qualifications or conditions. The audit does not reflect any material areas of concern. Craig Fechter will be at the council meeting to present the audit and answer questions.

For an overview of the audited financial statements, please read the Management's Discussion and Analysis in the audit report, pages 3 through 13. You will be interested to note that General fund revenues exceeded expenditures by \$932,907.

#### **CEQA Requirements**

CEQA does not apply to financial reporting.

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

None.

#### **Attachments**

- A. Draft of Audited Financial Statements



**TOWN OF LOOMIS, CALIFORNIA**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2019**

Draft 12-17-19



# TOWN OF LOOMIS, CALIFORNIA

Audited Financial Statements  
For the Fiscal Year Ended June 30, 2019

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# TOWN OF LOOMIS, CALIFORNIA

Audited Financial Statements  
For the Fiscal Year Ended June 30, 2019

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# TOWN OF LOOMIS, CALIFORNIA

Audited Financial Statements  
For the Fiscal Year Ended June 30, 2019

## TOWN OFFICIALS

### TOWN COUNCIL

- |                                |                |
|--------------------------------|----------------|
| • <i>Tim Onderko</i> .....     | Mayor          |
| • <i>Jan Clark-Crets</i> ..... | Mayor Pro-Tem  |
| • <i>Brian Baker</i> .....     | Council Member |
| • <i>Jeff Duncan</i> .....     | Council Member |
| • <i>Rhonda Morillas</i> ..... | Council Member |

### OTHER TOWN OFFICIALS

- |                                      |  |
|--------------------------------------|--|
| • <i>Sean Rabe</i> .....             | Town Manager                               |
| • <i>Jeff Mitchell</i> .....         | Town Attorney                              |
| • <i>Roger Carroll</i> .....         | Town Treasurer/<br>Finance Officer         |
| • <i>Britton Snipes</i> .....        | Director of Public Works/<br>Town Engineer |
| • <i>Mary Beth Van Voorhis</i> ..... | Planner                                    |
| • <i>Josh Pino</i> .....             | Building Inspector                         |
| • <i>Crickett Strock</i> .....       | Town Clerk/Administrative<br>Assistant     |

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**FINANCIAL SECTION**

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## **INDEPENDENT AUDITOR'S REPORT**

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

### ***Report of the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, 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, 2019, 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Net Pension Liability and Schedule of Contributions, and the Schedule of Changes in the Town's Net OPEB Liability, as listed in the table of contents, 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 basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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 December 20, 2019, 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Loomis, California's internal control over financial reporting and compliance.

Fechter & Company  
Certified Public Accountants

Sacramento, California  
December 20, 2019



# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019. 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 \$1,435,901, or 5.02%.
- The total governmental activities revenues from all sources were \$6,501,684.
- The total cost of all Town programs in the Town's governmental activities were \$5,728,158.
- The General Fund reported an excess of revenues over expenditures and other financing sources of \$932,907.
- Actual resources received in the General Fund were over final budget by \$501,438 while actual expenditures were under the final budget by \$364,082.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$5,008,294.
- The net pension liability decreased \$634,948 over the prior year, in most part due to a pay down of the unfunded liability by \$574,504.

### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements. The 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 15. 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 accounting 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 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, 2019

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, in order to properly assess the overall health of the Town.

For many cities, the Statement of Net Position and the Statement of Activities are divided between 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 on 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 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 Town. Governmental fund information helps to determine what financial resources are available to be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and 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.



# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

- The Streets and Roads Special Revenue Fund accounts for funding received for transportation purposes, including: public transportation, road construction, and road maintenance. The 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 is for the creation of new roads, or improvements to existing arterials that create new capacity.
- The Nonmajor Governmental Funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves 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 project amounts held on behalf of developers and other governmental agencies. These fiduciary activities are reported in separate statements on page 26. These activities are excluded from the Town's other financial statements, because the Town cannot use these assets to finance its operation. The Town is responsible for ensuring that the assets reported in these funds are used for 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 position. In the case of the Town of Loomis, assets exceeded liabilities by \$30.0 million as of June 30, 2019 compared to \$28.6 million as of June 30, 2018.

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 47.3% and 49.5% for the fiscal years ended June 30, 2019 and 2018, 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, 2019

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

	2019	2018
<b>ASSETS</b>		
Current assets	\$ 15,975,184	\$ 14,929,044
Capital assets, net	14,353,687	14,632,239
Total Assets	30,328,871	29,561,283
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	1,304,186	841,763
<b>LIABILITIES</b>		
Current liabilities	334,437	1,296,983
Other liabilities	901,561	303,110
Total Liabilities	1,235,998	1,600,093
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	353,763	195,558
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	14,348,737	14,630,025
Restricted	10,459,202	8,786,413
Unrestricted	5,235,357	5,190,957
Total Net Position	\$ 30,043,296	\$ 28,607,395

As of June 30, 2019, \$10.5 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 the net position, \$5.2 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, 2018, \$8.8 million of the Town's net position represented resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$5.2 million was available for use to meet the Town's ongoing obligations to citizens and creditors.

During the year ended June 30, 2019, the government's net position increased \$1.44 million for the most part due to restricted fees collected for future park and road development. During the fiscal year ended June 30, 2018, the net position increase by \$3.07 million due to a capital grant and increased tax revenues.

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, 2019

### Governmental Activities

The Town's changes in the net position of the government-wide activities are as follows:

	2019	2018
<b>REVENUES:</b>		
Charges for services	\$ 355,524	\$ 746,913
Operating grants and contributions	323,949	232,495
Capital grants and contributions	492,365	2,169,726
<b>GENERAL REVENUES:</b>		
Property taxes	2,108,416	1,841,729
Other taxes	178,007	182,477
Sales and use taxes	1,257,034	1,207,126
Property taxes in-lieu of vehicle license fees	704,004	662,941
Franchise fees	269,325	277,003
Investment income	783,826	64,394
Refunds and reimbursements	11,174	10,013
Other income	18,060	2,327
Total revenues	<u>6,501,684</u>	<u>7,397,144</u>
<b>EXPENSES:</b>		
General government	2,273,082	1,626,982
Public safety	1,638,940	1,636,709
Public works	1,511,104	829,016
Planning	303,217	230,948
Interest expense	1,815	940
Total expenses	<u>5,728,158</u>	<u>4,324,595</u>
<b>CHANGE IN NET POSITION</b>	773,526	3,072,549
<b>NET POSITION, JULY 1</b>	<u>29,269,770</u>	<u>25,534,846</u>
<b>NET POSITION, JUNE 30</b>	<u><u>\$ 30,043,296</u></u>	<u><u>\$ 28,607,395</u></u>

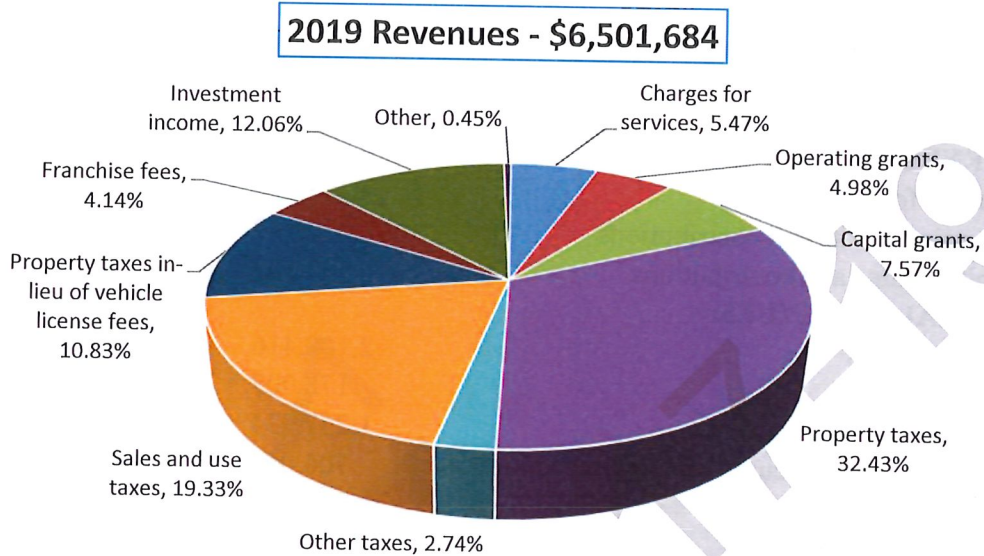
Highlights of the change in net position for the fiscal year ended June 30, 2019 were as follows:

- Charges for service decreased by \$391,389.
- Capital grants decreased by \$1,677,361.
- Property and Sales tax revenues increased by \$316,595.
- Investment income increased by \$719,432.
- Overall, the total governmental activities revenues decreased by \$895,460.

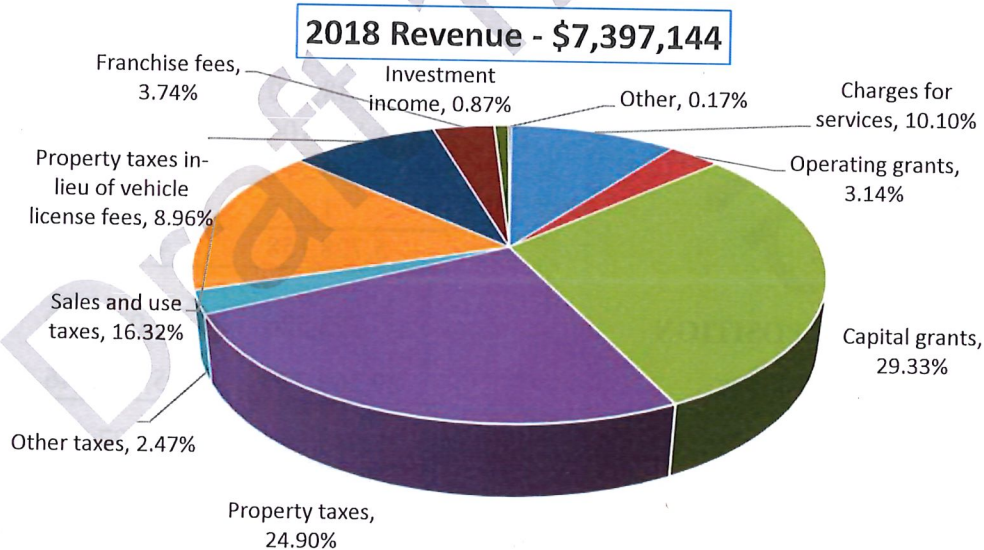
# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The fiscal year ended June 30, 2019 revenues are reflected graphically as follows:



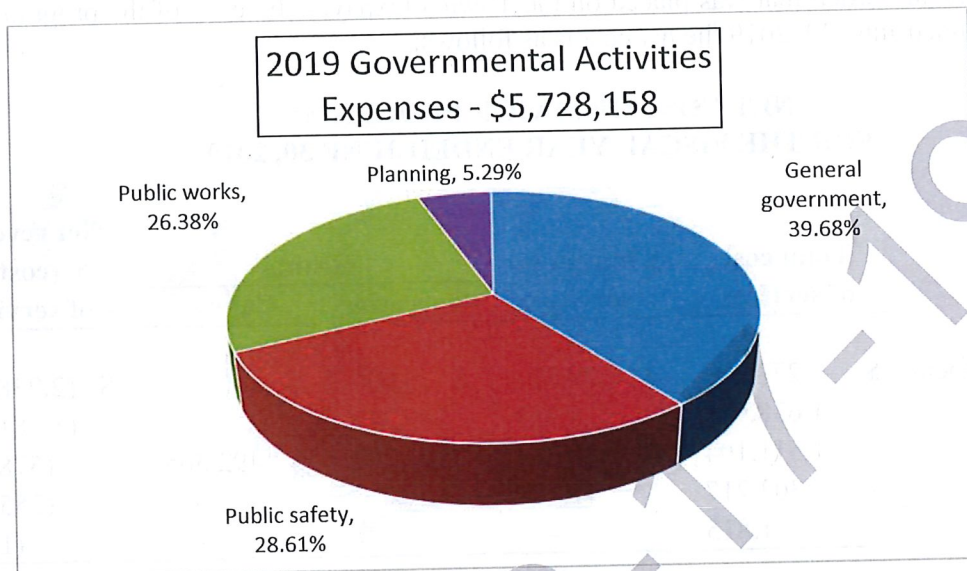
The fiscal year ended June 30, 2018 revenues are reflected graphically as follows:



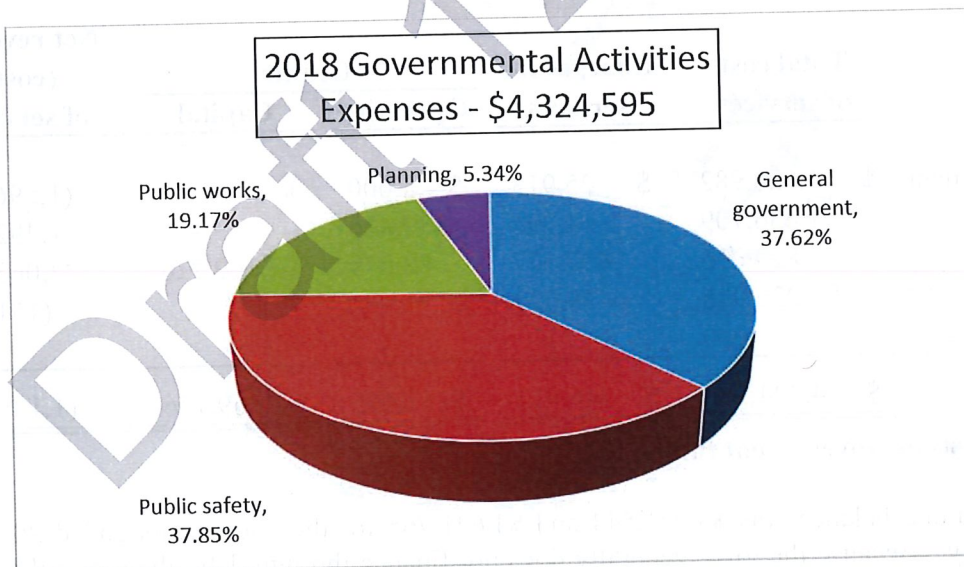
# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

The fiscal year ended June 30, 2019 expenses are reflected graphically as follows:



The fiscal year ended June 30, 2018 expenses are reflected graphically as follows:





# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019 the net cost is as follows:

### NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Grants</u>		<u>Net revenue (cost) of services</u>
			<u>Operating</u>	<u>Capital</u>	
General government	\$ 2,273,082	\$ 29,313	\$ 5,000	\$ -	\$ (2,238,769)
Public safety	1,638,940	8,339	148,747	-	(1,481,854)
Public works	1,511,104	270,084	170,202	492,365	(578,453)
Planning	303,217	47,788	-	-	(255,429)
Interest expense	1,815	-	-	-	(1,815)
	<u>\$ 5,728,158</u>	<u>\$ 355,524</u>	<u>\$323,949</u>	<u>\$ 492,365</u>	<u>\$ (4,556,320)</u>

For the fiscal year ended June 30, 2018 the net cost is as follows:

	<u>Total cost of services</u>	<u>Charges for services</u>	<u>Grants</u>		<u>Net revenue (cost) of services</u>
			<u>Operating</u>	<u>Capital</u>	
General government	\$ 1,626,982	\$ 25,913	\$ 5,000	\$ -	\$ (1,596,069)
Public safety	1,636,709	4,796	139,416	-	(1,492,497)
Public works	829,016	637,177	88,079	2,169,726	2,065,966
Planning	230,948	79,027	-	-	(151,921)
Interest expense	940	-	-	-	(940)
	<u>\$ 4,324,595</u>	<u>\$ 746,913</u>	<u>\$232,495</u>	<u>\$2,169,726</u>	<u>\$ (1,175,461)</u>

### Financial Analysis of Government funds

**General Fund:** Fund balance was \$5,021,544 and \$4,621,765 for the fiscal years ended 2019 and 2018, respectively. Because the town generally does not finance through debt, the General Fund is strong. Total fund balance is 97.16% and 97.05% of total assets for 2019 and 2018, respectively. For each dollar of liabilities, there is \$32.60 of cash and receivables, which shows the General Fund can easily pay its obligations as they come due. For 2019, General Fund revenues exceeded expenditures by \$937,840. Expenditures and transfers out were 80.79% of total General Fund revenues for 2019. For 2018, General Fund revenues exceeded expenditures by \$73,967. Expenditures and transfers out were 98.24% of total General Fund revenues.

# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Streets and Roads Special Revenue Fund:** Fund deficit is \$(446,488) and \$(447,751) for 2019 and 2018, 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 disbursements. Expenditures exceeded revenues by \$(24,636) and \$(12,459) for the years ended June 30, 2019 and 2018, 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 \$154,924 for the year ended June 30, 2019 and \$139,081 for the year ended June 30, 2018.

**Road Circulation Capital Projects Fund:** This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by \$289,239 and \$308,914 for the years ended June 30, 2019 and 2018, respectively.

**Nonmajor Governmental Funds:** The combined fund balances of all nonmajor governmental funds totaled \$2,714,541 and \$2,476,258 for 2019 and 2018, respectively.

Overall, the year had a net increase in combined fund balances of the nonmajor governmental funds of \$238,283 for 2019 and \$134,702 for 2018. The nonmajor governmental funds' fund balances are 98.77% and 98.73% of total nonmajor governmental funds' assets for 2019 and 2018, 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, 2019, revenues were over budget by 11.90% and expenditures were under budget by 8.79%. In total, for the fiscal year ended June 30, 2018, revenues were over budget by 8.26% and expenditures were under budget by 13.61%.

### **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 \$14.4 million and \$14.6 million at June 30, 2019 and June 30, 2018, 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, 2019

	2019	2018
Capital assets, not being depreciated:		
Land	\$ 2,424,686	\$ 2,424,686
Construction in progress	125,905	-
Depreciable capital assets:		
Office equipment	-	1,147
Equipment under capital lease	22,242	-
Tools and equipment	44,000	50,634
Vehicles	129,901	76,691
Land improvements	128,588	124,278
Infrastructure	10,144,470	10,639,429
Buildings and improvements	1,026,612	984,376
Corp yard improvements	307,283	330,998
Total	<u>\$ 14,353,687</u>	<u>\$ 14,632,239</u>

Major capital asset improvements and additions during the fiscal year ended June 30, 2019 included the following:

- Design of Phase 2 of the Downtown Master Plan. This phase includes road reconstruction, sidewalks, street lights, and repaving on Taylor Road between Horseshoe Bar Road and King Road.
- Two new copy machines.
- Two new pickup trucks for the Public Works department.
- A new bus shelter
- Intersection design for Sierra College Blvd and Taylor Road.
- Security upgrades at all Town facilities.

#### Debt administration

The Town's liabilities include compensated absences due after one year which had a balance of \$100,271 as of June 30, 2019, an increase of \$9,272 over the prior year. The Town has obligations under capital lease for copier leases with a balance at year-end of \$23,684.

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

The average resale price of homes in Loomis continues to increase at rates above the national average – people want to live in Loomis. With the South Placer Municipal Utility Districts completion of their sewer line extension project, and the related increase in available sewer connections, home building may begin to increase again.



# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

COSTCO has proposed locating one of its stores within the Loomis Town limits. At year-end, the company was in the process of preparing a Draft Environmental Impact Report. Once that is completed, the Town Council will address issues raised by the report and by comments to it and either approve or deny the project. Such a store, if constructed, could generate \$1 million or more in sales tax revenue for the Town each year.

### **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, 3665 Taylor Road, Loomis, California 95650.



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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF LOOMIS**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 15,143,332
Receivables:	
Accounts receivable	52,912
Due from other governments	67,270
Interest receivable	101,072
Assessments receivable	71,690
Due from employees	12
Loans receivable	525,639
Prepaid costs and deposits	13,250
TOTAL CURRENT ASSETS	<u>15,975,184</u>
NONCURRENT ASSETS	
Nondepreciable capital assets	2,550,592
Depreciable capital assets, net	11,803,090
TOTAL NONCURRENT ASSETS	<u>14,353,682</u>
TOTAL ASSETS	<u>30,328,872</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	1,304,180
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and other accrued expenses	283,312
Accrued payroll liabilities	4,862
Obligations under capital lease, due within one year	4,950
Compensated absences liability, current	41,302
TOTAL CURRENT LIABILITIES	<u>334,432</u>
NONCURRENT LIABILITIES	
Obligations under capital lease, noncurrent	18,732
Net pension liability	571,060
Net OPEB liability	216,039
Compensated absences liability	95,722
TOTAL NONCURRENT LIABILITIES	<u>901,562</u>
TOTAL LIABILITIES	1,235,998
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	353,762
NET POSITION	
Net investment in capital assets	14,348,732
Restricted	10,459,202
Unrestricted	5,235,352
TOTAL NET POSITION	<u>\$ 30,043,292</u>

**TOWN OF LOOMIS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 2,273,082	\$ 29,313	\$ 5,000	\$ -	\$ (2,238,769)
Public safety	1,638,940	8,339	148,747	-	(1,481,854)
Public works	1,511,104	270,084	170,202	492,365	(578,453)
Planning	303,217	47,788	-	-	(255,429)
Interest expense	1,815	-	-	-	(1,815)
Total governmental activities	<u>\$ 5,728,158</u>	<u>\$ 355,524</u>	<u>\$ 323,949</u>	<u>\$ 492,365</u>	<u>(4,556,320)</u>
General revenues:					
Property taxes					2,108,416
Other taxes					178,007
Sales and use taxes					1,257,034
Property taxes in-lieu of vehicle license fees					704,004
Franchise fees					269,324
Investment income					783,826
Refunds and reimbursements					11,174
Other income					18,060
Total general revenues, special items, and transfers					<u>5,329,841</u>
Change in net position					773,521
Net position - beginning, as previously reported					28,607,394
Prior year adjustments					662,374
Net position - beginning, as restated					<u>29,269,768</u>
Net position - ending					<u>\$ 30,043,289</u>

**TOWN OF LOOMIS**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General Fund	Special Revenue Funds		
		Street and Roads Fund	Low Income Density Fund	Maint Dis Fi
<b>ASSETS</b>				
Cash and investments	\$ 4,557,232	\$ 391	\$ 427,637	\$ 3,
Receivables:				
Accounts receivable	49,209	-	-	
Due from other governments	5,782	16,147	-	
Interest receivable	101,072	-	-	
Assessments receivable	65,508	-	-	
Due from employees	12	-	-	
Loans receivable	-	-	525,639	
Prepaid costs and deposits	13,250	-	-	
Due from other funds	376,090	-	-	
<b>TOTAL ASSETS</b>	<u>\$ 5,168,155</u>	<u>\$ 16,538</u>	<u>\$ 953,276</u>	<u>\$ 3,</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	141,744	43,164	-	
Accrued payroll liabilities	4,867	-	-	
Due to other funds	-	419,862	-	
<b>Total liabilities</b>	<u>146,611</u>	<u>463,026</u>	<u>-</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Repayment of community development loans	-	-	525,639	
<b>FUND BALANCES</b>				
Nonspendable	13,250	-	-	
Restricted for:				
Maintenance districts	-	-	-	2,
Capital projects	-	-	-	
Low income density	-	-	385,637	
Tree removal	-	-	-	
AB 939	-	-	-	
Law enforcement	-	-	-	
Other	-	-	-	
Committed to subsequent year's expenditures				
Special revenue funds	-	-	42,000	
Capital projects funds	-	-	-	
Unassigned	5,008,294	(446,488)	-	
<b>Total fund balances</b>	<u>5,021,544</u>	<u>(446,488)</u>	<u>427,637</u>	<u>2,</u>

Capital Projects Fund			
Road Circulation Fund	Nonmajor Governmental Funds		Total
\$ 4,394,972	\$ 2,699,194	\$	15,143,332
-	3,704		52,913
-	45,341		67,270
-	-		101,072
-	-		71,696
-	-		12
-	-		525,639
-	-		13,250
75,388	-		451,478
\$ 4,470,360	\$ 2,748,239	\$	16,426,662

-	2,082	283,317
-	-	4,867
-	31,616	451,478
<u>-</u>	<u>33,698</u>	<u>739,662</u>

-	-	525,639
-	-	13,250
-	-	2,973,767
4,353,860	1,921,836	6,275,696
-	-	385,637
-	372,589	372,589
-	261,788	261,788
-	168,234	168,234
-	21,491	21,491
-	-	42,000
116,500	-	116,500
-	(31,397)	4,530,409
<u>4,470,360</u>	<u>2,714,541</u>	<u>15,161,361</u>

Draft 12-17-19

**TOWN OF LOOMIS**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

**Fund balances - total governmental funds** \$ 15,161,361

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

Capital assets used in governmental activities are not financial resources and  
therefore are not reported in the funds: 14,353,687

Certain notes receivable and accounts receivable are not available to pay for  
current period expenditures and, therefore are offset by deferred revenue in the  
governmental funds. 525,639

Deferred outflows of resources related to pension  
and OPEB are not reported in the governmental funds. 1,304,186

Deferred inflows of resources related to pension  
and OPEB are not reported in the governmental funds. (353,763)

Long-term liabilities, including capital leases,  
are not due and payable in the current period and  
therefore are not reported in the funds:

Obligations under capital lease	(23,684)	
Compensated absences	(137,025)	
Net pension liability	(571,066)	
Net OPEB liability	(216,039)	
	(947,814)	(947,814)

**Net position of governmental activities** \$ 30,043,296

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



**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

		Special Revenue Funds		
	General Fund	Street and Roads Fund	Low Income Density Fund	Maintenance District Fund
REVENUES:				
Tax revenues	\$ 3,234,003	\$ -	\$ -	\$ 1
Licenses, fees, and permits	232,705	-	1,500	
Franchise fees	269,325	-	-	
Intergovernmental	704,004	492,365	-	
Fines, forfeitures, and penalties	10,952	-	-	
Use of money and property	245,668	-	23,277	1
Refunds and reimbursements	11,174	-	-	
Other revenues	5,866	-	-	
Total revenues	4,713,697	492,365	24,777	2
EXPENDITURES:				
Current:				
General government	1,384,639	-	-	
Public safety	1,538,940	-	-	
Public works	480,943	391,987	-	
Planning	246,868	-	-	
Debt service:				
Principal retirement	3,611	-	-	
Interest and fiscal charges	1,815	-	-	
Capital outlay	119,041	303,455	49,413	1
Total expenditures	3,775,857	695,442	49,413	1
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	937,840	(203,077)	(24,636)	1
Other Financing Sources (Uses):				
Inception of capital lease	27,295	-	-	
Transfers in	-	204,340	-	
Transfers out	(32,228)	-	-	
Total other financing sources (uses)	(4,933)	204,340	-	
NET CHANGE IN FUND BALANCES	932,907	1,263	(24,636)	1
Fund balances - beginning, as previously reported	4,621,765	(447,751)	452,273	2,8
Prior year adjustments	(533,128)	-	-	
Fund balances - beginning, as restated	4,088,637	(447,751)	452,273	2,8
Fund balances - ending	\$ 5,021,544	\$ (446,488)	\$ 427,637	\$ 2,9

Capital Projects Fund		
Road Circulation Fund	Nonmajor Governmental Funds	Total
\$ -	\$ 154,316	\$ 3,543,457
68,694	41,673	344,572
-	-	269,325
-	323,949	1,520,318
-	-	10,952
220,545	142,793	783,826
-	-	11,174
-	9,980	15,846
289,239	672,711	6,499,470
-	106,137	1,493,500
-	100,000	1,638,940
-	56,179	942,533
-	-	246,868
-	-	3,611
-	-	1,815
-	-	607,518
-	262,316	4,934,785
289,239	410,395	1,564,685
-	-	27,295
-	-	204,340
-	(172,112)	(204,340)
-	(172,112)	27,295
289,239	238,283	1,591,980
4,181,121	2,476,258	14,102,509
-	-	(533,128)
4,181,121	2,476,258	13,569,381
\$ 4,470,360	\$ 2,714,541	\$ 15,161,361

**TOWN OF LOOMIS**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Net change in fund balances - total governmental funds \$ 1,591,980

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

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

Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	\$ 358,292	
Less: current year depreciation	<u>(636,844)</u>	
		(278,552)

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

Change in deferred inflows of resources related to pensions	(219,422)
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Expenditures in the statement of activities that do not require the use of  
current financial resources are not reported as expenditures in the funds:

Change in the liability for compensated absences	(4,650)
Change in net pension liability	634,918
Change in OPEB liability	(32,205)
Change in deferred outflows of resources related to pensions	(897,073)

Inception of capital leases	(27,295)
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Repayment of capital leases is an expenditure in the governmental  
funds, but the repayment reduces long-term liabilities in the statement of  
net position.

	<u>5,825</u>
Change in net position of governmental activities	<u><u>\$ 773,526</u></u>

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

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary	Variance with Final Budget
	Original	Final	Basis	
<b>REVENUES:</b>				
Tax revenues	\$ 2,938,500	\$ 2,938,500	\$ 3,234,003	\$ 295,503
Licenses, fees, and permits	171,000	171,000	232,705	61,705
Franchise fees	279,500	279,500	269,325	(10,175)
Intergovernmental	682,800	682,800	704,004	21,204
Fines, forfeitures, and penalties	3,000	3,000	10,952	7,952
Use of money and property	128,000	128,000	245,668	117,668
Refunds and reimbursements	-	-	11,174	11,174
Other revenues	9,459	9,459	5,866	(3,593)
Total revenues	4,212,259	4,212,259	4,713,697	501,438
<b>EXPENDITURES:</b>				
Current:				
General government	1,494,509	1,500,209	1,384,639	115,570
Public safety	1,479,672	1,479,672	1,538,940	(59,268)
Public works	513,608	513,608	480,943	32,665
Planning	527,300	540,800	246,868	293,932
Debt service:				
Principal retirement	-	-	3,611	(3,611)
Interest and fiscal charges	-	-	1,815	(1,815)
Capital outlay	105,650	105,650	119,041	(13,391)
Total expenditures	4,120,739	4,139,939	3,775,857	364,082
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	91,520	72,320	937,840	865,520
Other Financing Sources (Uses):				
Inception of capital lease	-	-	27,295	27,295
Transfers out	-	-	(32,228)	(32,228)
Total other financing sources (uses)	-	-	(4,933)	(4,933)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	91,520	72,320	932,907	860,587
Fund balances - beginning, as previously report	4,621,765	4,621,765	4,621,765	-
Prior year adjustments	(533,128)	(533,128)	(533,128)	-
Fund balances - beginning, as restated	4,088,637	4,088,637	4,088,637	-
Fund balances - ending	\$ 4,180,157	\$ 4,160,957	\$ 5,021,544	\$ 860,587

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - STREETS AND ROADS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Bu
	Original	Final		
REVENUES:				
Intergovernmental	\$ 433,404	\$ 433,404	\$ 492,365	\$ 58
Total revenues	433,404	433,404	492,365	58
EXPENDITURES:				
Current:				
Public works	450,305	450,305	391,987	58
Capital outlay	1,585,444	1,585,444	303,455	1,281
Total expenditures	2,035,749	2,035,749	695,442	1,340
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,602,345)	(1,602,345)	(203,077)	1,399
Other Financing Sources (Uses):				
Transfers in	-	-	204,340	204
Total other financing sources (uses)	-	-	204,340	204
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(1,602,345)	(1,602,345)	1,263	1,603
Fund balances - beginning	(447,751)	(447,751)	(447,751)	
Fund balances - ending	\$ (2,050,096)	\$ (2,050,096)	\$ (446,488)	\$ 1,603

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - LOW INCOME DENSITY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Bu
	Original	Final		
REVENUES:				
Licenses, fees, and permits	\$ 3,000	\$ 3,000	\$ 1,500	\$ (1,
Use of money and property	6,560	6,560	23,277	16,
Total revenues	9,560	9,560	24,777	15,
EXPENDITURES:				
Current:				
General government	1,500	1,500	-	1,
Capital outlay	50,000	50,000	49,413	
Total expenditures	51,500	51,500	49,413	2,
NET CHANGE IN FUND BALANCES	(41,940)	(41,940)	(24,636)	17,
Fund balances - beginning	452,273	452,273	452,273	
Fund balances - ending	\$ 410,333	\$ 410,333	\$ 427,637	\$ 17,

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL - MAINTENANCE DISTRICTS FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance Final Bu
	Original	Final		
REVENUES:				
Tax revenues	\$ 155,110	\$ 155,110	\$ 155,138	\$
Use of money and property	62,450	62,450	151,543	89.
Total revenues	217,560	217,560	306,681	89.
EXPENDITURES:				
Current:				
General government	1,553	1,553	2,724	(1.
Public works	12,500	12,500	13,424	(
Capital outlay	49,367	214,195	135,609	78.
Total expenditures	63,420	228,248	151,757	76.
NET CHANGE IN FUND BALANCES	154,140	(10,688)	154,924	165.
Fund balances - beginning	2,818,843	2,818,843	2,818,843	
Fund balances - ending	\$ 2,972,983	\$ 2,808,155	\$ 2,973,767	\$ 165.

**TOWN OF LOOMIS**  
**STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS**  
**JUNE 30, 2019**

ASSETS

Cash and investments	<u>\$ 215,701</u>
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Total assets	<u><u>\$ 215,701</u></u>
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LIABILITIES

Accounts payable	\$ 48,542
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Due to other agencies	<u>167,159</u>
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Total liabilities	<u><u>\$ 215,701</u></u>
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The accompanying notes are an integral part of these financial statements.



## **TOWN OF LOOMIS, CALIFORNIA**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### **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.

## **TOWN OF LOOMIS, CALIFORNIA**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### **Basis of Accounting – Government-Wide Financial Statements (continued)**

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.

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 cashflows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized a revenue as soon as all eligibility requirements are met.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### **Fund Accounting (continued)**

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.

**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.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### *Governmental Funds (continued)*

**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 result of operations.

#### **Cash and Cash Equivalents**

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

#### **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, 2019 is as follows:

	Balance at July 1, 2018	Additions	Deletions	Balance at June 30, 2019	Due Within One Year
General Fund:					
Due from employees	\$ 1,544	\$ 1,199	\$ (2,731)	\$ 12	\$ 12
Low Income Density:					
Special Revenue Fund	525,639	-	-	525,639	-
	<u>\$ 527,183</u>	<u>\$ 1,199</u>	<u>\$ (2,731)</u>	<u>\$ 525,651</u>	<u>\$ 12</u>

## **TOWN OF LOOMIS, CALIFORNIA**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### **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 asset 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 \$36,754 and \$41,376 as of June 30, 2019 and 2018, 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 \$100,271 and \$90,999 as of June 30, 2019 and 2018, respectively.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### 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 Town 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 is 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 government and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the Town not restricted for any project or other purpose.

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

#### Fund Equity

In accordance with Government Accounting Standards Board (GASB) No. 54, *Fund Balance Re-orting 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.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### Fund Equity (continued)

- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action, i.e. council resolution, 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 may be assigned by the Town 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 Town committed the following fund balance types by taking the following action:

Fund Balance Type	Amount	Action
Subsequent year's expenditures:		
Major funds:		
Low Income Density Special Revenue Fund	\$ 42,000	Council budget resolution
Road Circulation Capital Projects Fund	<u>116,500</u>	Council budget resolution
Total Committed Balances	<u>\$158,500</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 Road Fund	State Intergovernmental revenues
Low Income Density Fund	Interest revenue and fees
Maintenance District Fund	Tax assessments

## **TOWN OF LOOMIS, CALIFORNIA**

### **Notes to Financial Statements For the Fiscal Year Ended June 30, 2019**

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

##### **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.

##### **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.

##### **New Accounting Pronouncement**

During the year ended June 30, 2019, the Town implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. See note disclosure at Note 9.



## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### NOTE 2: CASH AND INVESTMENTS

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

Cash on hand	\$ 175
Deposits with Financial Institutions	425,562
Add: deposits in transit	185
Less: outstanding checks	(401,218)
Local agency investment fund	<u>1,643,181</u>
Total Cash and Cash Equivalents	<u>1,667,885</u>
Certificates of deposit held with brokerage firm	<u>4,615,807</u>
Government agencies	4,115,105
Medium term corporate notes	4,189,039
Educational institutions	<u>771,197</u>
Total Debt Instruments	<u>9,075,341</u>
Total Investments	<u>13,691,148</u>
Total Cash and Investments	<u>15,359,033</u>
Summary of Cash and Investments:	
Government-wide statement	15,143,332
Fiduciary funds	<u>215,701</u>
Total	<u>\$15,359,033</u>

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

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2019

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

During the fiscal year ended June 30, 2019, the town's permissible investments included the following instruments:

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

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

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways the Town manages its exposure to interest rate risk is by purchasing a combination of 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, 2019:

Type of Investment	Total	Remaining Maturity (in Months)				
		12 Months or Less	13 to 23 Months	24 to 36 Months	36 to 48 Months	48 to 60 Months
Local agency investment fund	\$ 1,643,181	\$ 1,643,181	\$ -	\$ -	\$ -	\$ -
Government agencies	4,115,105	1,590,134	1,051,868	505,134	708,069	259,900
Medium term corporate notes	4,189,039	-	1,348,865	696,454	929,162	1,214,558
Educational institutions	771,197	-	522,007	249,190	-	-
Total	<u>\$ 10,718,522</u>	<u>\$ 3,233,315</u>	<u>\$ 2,922,740</u>	<u>\$ 1,450,778</u>	<u>\$ 1,637,231</u>	<u>\$ 1,474,458</u>
Percentage of portfolio	100.00%	30.17%	27.27%	13.54%	15.27%	13.76%

# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

## NOTE 2: CASH AND INVESTMENTS (CONTINUED)

**Credit risk:** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the Town's actual ratings of its investments as of June 30, 2019:

Credit Risk	Type of Investment				Total
	Local Agency Investment Fund	Government Agencies	Medium Term Corporate Notes	Educational Institutions	
AA+	\$ -	\$ 249,308	\$ -	\$ -	249,308
AA	-	1,362,899	-	252,525	1,615,424
AA-	-	275,743	101,046	249,190	625,979
A+	-	554,197	707,641	-	1,261,838
A	-	858,827	1,945,461	269,482	3,073,770
A-	-	199,304	1,434,891	-	1,634,195
No Rating	1,643,181	614,827	-	-	2,258,008
Total	<u>\$ 1,643,181</u>	<u>\$ 4,115,105</u>	<u>\$ 4,189,039</u>	<u>\$ 771,197</u>	<u>\$ 10,718,522</u>

**Concentration of credit risk:** The investment policy of the Town limits the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2019, the Town did not have any investment in any one issuer exceeding its existing investment policy.

**Custodial credit risk:** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2019, the Town's account with Wells Fargo Bank had a total carrying amount of \$24,529 with a bank balance of \$425,562, of which \$250,000 is insured by the FDIC.

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2019

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

As of June.30, 2019, the Town investments in the following investment types were held by the same custodial account that was used by the Town to buy the securities:

Certificates of deposit held with brokerage firm	\$ 4,615,807
Government agencies	4,115,105
Medium term corporate notes	4,189,039
Educational institutions	771,197
	<hr/>
Total Investments	<u>\$ 13,691,148</u>

**Investments by Fair Value Level:** In accordance with GASB Statement No. 72, the Town's investments in its brokerage account are categorized into the following fair value categories:

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town can access at the year end.
- Level 2 inputs – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs – Unobservable inputs for an asset or liability.

Fair value can be determined using the market approach, cost approach, and income approach. The Town's brokerage investments are valued with the market approach by using the available quoted market prices at year-end.

	Balance as of June 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Securities:				
Local agency investment fund	\$ 1,643,181	\$ 1,643,181	\$ -	\$ -
Government agencies	4,115,105	4,115,105	-	-
Medium term corporate notes	4,189,039	4,189,039	-	-
Educational institutions	771,197	771,197	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Investments by Fair Value Level	<u>\$10,718,522</u>	<u>\$ 10,718,522</u>	<u>\$ -</u>	<u>\$ -</u>

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

**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 \$105,814,483,092 at June 30, 2019. The fund is managed by the State Treasurer and consists of the following:

	As a Percent of Portfolio
Structured notes and medium-term asset-backed securities	1.49%
Short-term asset-backed commercial paper	0.28%
All other investments	98.23%
	<u>100.00%</u>

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of live 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, 2019 was \$105,633,660,465.

The latest financial statements are available on-line at [www.treasurer.ca.gov/pmia-laif/](http://www.treasurer.ca.gov/pmia-laif/).

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2019

### 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. There were no impaired assets at the year end. Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance at July 1, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
Capital assets, not being depreciated:					
Land	\$ 2,424,686	\$ -	\$ -	\$ -	\$ 2,424,686
Constructions in progress	-	125,905	-	-	125,905
	<u>2,424,686</u>	<u>125,905</u>	<u>-</u>	<u>-</u>	<u>2,550,591</u>
Depreciable capital assets:					
Office equipment	35,056	-	-	-	35,056
Equipment under capital lease	29,734	27,803	(29,734)	-	27,803
Tools and equipment	163,363	-	-	-	163,363
Vehicles	311,589	86,265	-	-	397,854
Land improvements	255,715	16,146	-	-	271,861
Infrastructure	14,605,679	-	-	-	14,605,679
Buildings and improvements	1,443,967	102,173	-	-	1,546,140
Corp yard improvements	716,135	-	-	-	716,135
	<u>17,561,238</u>	<u>232,387</u>	<u>(29,734)</u>	<u>-</u>	<u>17,763,891</u>
Less accumulated depreciation:					
Office equipment	(33,909)	(1,147)	-	-	(35,056)
Equipment under capital lease	(29,734)	(5,561)	29,734	-	(5,561)
Tools and equipment	(112,729)	(6,634)	-	-	(119,363)
Vehicles	(234,898)	(33,055)	-	-	(267,953)
Land improvements	(131,437)	(11,836)	-	-	(143,273)
Infrastructure	(3,966,250)	(494,959)	-	-	(4,461,209)
Buildings and improvements	(459,591)	(59,937)	-	-	(519,528)
Corp yard improvements	(385,137)	(23,715)	-	-	(408,852)
	<u>(5,353,685)</u>	<u>(636,844)</u>	<u>29,734</u>	<u>-</u>	<u>(5,960,795)</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,632,239</u>	<u>\$ (278,552)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,353,687</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$113,621
Public works	<u>523,223</u>
	<u>\$636,844</u>



# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

## 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 has 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, 2019 were as follows:

	Balance at July 1, 2018	Incurred	Retired	Balance at June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 132,375	\$112,399	\$(107,749)	\$ 137,025	\$ 41,303
Obligations under capital lease *	2,214	27,295	(5,825)	23,684	4,950
Total	<u>\$ 134,589</u>	<u>\$139,694</u>	<u>\$(113,574)</u>	<u>\$ 160,709</u>	<u>\$ 46,253</u>

\* Copier lease dated September 11, 2018, due in monthly payments of \$564 including interest at 8.46% per annum through August, 2023.

As of June 30, 2019, capital lease annual requirements are as follows:

Year Ending June 30,	Obligations Under Capital Lease
2020	\$ 6,764
2021	6,764
2022	6,764
2023	6,764
2024	1,126
Total future minimum lease payments	<u>28,182</u>
Less: Interest	<u>(4,498)</u>
Total	<u>\$ 23,684</u>

# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

## NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Assets under capital lease were as follows:

	Fiscal Year Ended June 30, 2019
Capital Assets Under Capital Lease:	
Office equipment	\$ 27,803
Less: accumulated depreciation	<u>(5,561)</u>
Capital Assets Under Capital Lease, Net	<u>\$ 22,242</u>

## NOTE 6: INTERFUND TRANSACTIONS

### Due To/From Other Funds

Interfund balances for operations as of June 30, 2019 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 376,090	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Non-major funds	-	31,616
Capital Projects Fund:		
Road Circulation Fund	<u>75,388</u>	<u>-</u>
Total	<u>\$ 451,478</u>	<u>\$ 451,478</u>

### Transfers

During the year ended June 30, 2019, the following interfund transfers were made to allocate capital expenditures by fund:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 32,228
Special Revenue Funds:		
Streets and Roads Fund	204,340	-
Non-major funds	<u>-</u>	<u>172,112</u>
Total	<u>\$ 204,340</u>	<u>\$ 204,340</u>

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### NOTE 7: FUND DEFICITS

The following funds had deficit fund balances as of June 30, 2019:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Streets and Roads Fund	\$ (446,488)
Non-Major Funds:	
Master Plan Fund	(31,397)

### NOTE 8: DEFINED BENEFIT PENSION PLAN

#### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

##### Plan Description

The Town's Miscellaneous and Safety plans became part of CalPERS Miscellaneous and Safety Risk Pools for employers with less than 100 active plan members. When these risk pools were established, CalPERS assigned each entity in the pool a share of the net pension liability. The Miscellaneous employees are part of a three-tier cost-sharing multiple-employer defined benefit plan administered by CalPERS. The second-tier retirement program provides a lower level of retirement benefits than the first-tier. Employees hired on or after January 1, 1982, who meet eligibility requirements, are enrolled in the second-tier program.

The third-tier program was implemented in January 2013 following the passage of AB340 (PEPRA) by the California Legislature. Employees hired on or after January 1, 2013, who were not previously enrolled in the PERS system elsewhere or who have had a break in service of at least 6 months are required to be enrolled in this retirement program which provides a benefit level that is lower than the first two tiers.

##### Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The basic death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. Benefit provisions and all other requirements are established by State statute and may be amended by Town contracts with employee bargaining groups.

# TOWN OF LOOMIS, CALIFORNIA

## Notes to Financial Statements For the Fiscal Year Ended June 30, 2019

### NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans (continued)

The Miscellaneous Rate Plan provisions and benefits in effect at June 30, 2018, are summarized as follows:

Hire Date:	Prior to January 1, 1982 Classic Tier 1	On or After January 1, 1982 Classic Tier 2 *	On or After January 1, 2013 PEPRA Tier 3
Formula	2% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	55	55
Monthly benefits, as a % of annual salary	2%	2%	2%
Required employee contribution rates	6.886%	6.886%	6.250%
Required employer contribution rates	8.88% + \$60,835	8.377% + \$80,664	6.55% + \$10

\* The Town has no employees that fall under the Classic Tier 2 Plan.

#### Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Miscellaneous plan participants (tier 1) are required to contribute 7.00% of their annual covered salary. Miscellaneous tier 3 plan participants are required to contribute 6.25% of their annual covered salary. In addition, the Town is required to make an employer contribution at an actuarial determined rate of 8.892% (tier 1) and 6.842% (tier 3) of annual covered payroll for the year ended June 30, 2018. For the year ended June 30, 2019, contributions to the Plan were \$141,492; \$78,417 employer contributions and \$58,493 employee contributions. The Town also contributed \$41,323 to its unfunded liability.

#### Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the Town reported liability of \$571,066 for its proportionate share of the Plan's net pension liability.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans (continued)

The Town's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2018, and the total pension liability for used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018. The Town's proportion of the net pension liability based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions or all participating employers, actuarially determined. As of June 30, 2019, the Town's proportion was 0.01515 percent of the Miscellaneous risk pool; which was a decrease of 0.01544 percent from their proportions measured as of June 30, 2018 of 0.03059 percent.

For the year ended June 30, 2019, the Town recognized pension expense of \$120,118. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Changes in assumptions	\$ 65,103	\$ 15,956
Differences between expected and actual experience	21,911	7,456
Difference between projected and actual earnings on pension plan investments	2,823	-
Differences between employer's contributions and proportionate share of contributions	364,840	32,963
Change in employer's proportion	729,391	297,388
Pension contributions made subsequent to measurement date	120,118	-
Total	<u>\$ 1,304,186</u>	<u>\$ 353,763</u>

# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

## NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans (continued)

The \$1,304,186 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2020	\$ 52,514
2021	126,413
2022	75,893
2023	(29,076)
Total	<u>\$ 225,744</u>

### Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuation were determined using the following actuarial assumptions:

Valuation date	June 30, 2017
Measurement date	June 30, 2018
Measurement period	July 1, 2017 to June 30, 2018
Actuarial cost method	Entry Age Normal
Asset valuation method	Actuarial value of assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation rate	2.50%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Mortality rate table	Based on the 2010 CalPERS Experience Study

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increases, mortality, and retirement rates. The Experience Study Report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).



## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates or return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years > 10 (b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(a) An expected inflation of 2.00% used for this period

(b) An expected inflation of 2.92% used for this period

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans (continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets.

Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

##### Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability for the Miscellaneous plan, calculated using the discount rate of 7.15 percent, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Town's net pension liability (asset)	<u>\$ 1,326,221</u>	<u>\$ 571,066</u>	<u>\$ (52,302)</u>

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

## **TOWN OF LOOMIS, CALIFORNIA**

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

### **NOTE 9: 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 benefit using the alternative measurement method permitted under GASB No. 75. The Town has use information from the Town's payroll records to develop all significant assumptions and methods. 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 stand-alone financial statements. For this report, the following timeframes are used:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019

#### **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 2019 and 2018, the Town paid monthly premiums totaling \$7,975 and \$7,812, respectively. The projected liabilities were \$216,039 and \$184,320 for the year ended June 30, 2019 and 2018, respectively.

## TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

#### Significant Assumptions

Significant assumptions are as follows:

Discount rate	2.31%
Expected return on plan assets	N/A
Projected salary increases	4.00%

Mortality

Mortality rates were based on the RP2000 mortality tables for males and females projected 18 years; this assumption does not include a margin for future improvements in longevity.

Health care cost trend rate

The cost trend numbers were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection.

Participants eligible for OPEB were as follows:

Active employees electing coverage	12
Retirees electing coverage	<u>7</u>
Total	<u><u>19</u></u>

# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

### Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2019 for the Town.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2018, restated	\$ 183,834	\$ -	\$ 183,834
Changes recognized for the measurement period:			
Service cost	17,028	-	17,028
Interest	5,730	-	5,730
Economic/Demographic Gains or Losses	4,380	-	4,380
Change of assumptions	13,041	-	13,041
Employer contributions	-	7,975	(7,975)
Benefit payments	(7,975)	(7,975)	-
Net changes	32,204	-	32,204
Balance at June 30, 2019	<u>\$ 216,038</u>	<u>\$ -</u>	<u>\$ 216,038</u>

### Sensitivity of the Town's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease 1.31%	Discount Rate 2.31%	1% Increase 3.31%
Net OPEB liability	\$ 240,958	\$ 216,038	\$ 194,986

### Sensitivity of the Town's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 217,078	\$ 216,038	\$ 215,013

# TOWN OF LOOMIS, CALIFORNIA

Notes to Financial Statements  
For the Fiscal Year Ended June 30, 2019

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

### Net OPEB Expense

For the year ended June 30, 2018, the Town's OPEB expense was \$40,179. Detail of the expense is shown below:

Service cost	\$ 17,028
Interest cost	5,730
Economic/Demographic Gains or Losses	4,380
Changes of assumptions	<u>13,041</u>
Net OPEB Expense	<u><u>\$ 40,179</u></u>

## NOTE 10: PRIOR PERIOD ADJUSTMENT

In fiscal year 2018-19, the following prior period adjustments were made:

	Governmental Activities	General Fund
Net position/fund balance, as previously reported	<u>\$28,607,395</u>	<u>\$ 4,621,765</u>
Adjustment to prepaid expense for the recording of a payment to CalPERS for the unfunded liability	(574,504)	(574,504)
Adjustment to compensated absences liability	-	41,376
Adjustment to OPEB liability	(29,791)	-
Adjustment to deferred outflows and deferred inflows related to pensions	<u>1,266,670</u>	<u>-</u>
Total adjustments	<u>662,375</u>	<u>(533,128)</u>
Net position/fund balance, restated	<u><u>\$ 29,269,770</u></u>	<u><u>\$ 4,088,637</u></u>

## NOTE 11: EVALUATION OF SUBSEQUENT EVENTS – MANAGEMENT REVIEW

Management has evaluated subsequent events through December 20, 2019, the date which the financial statements were available to be issued. There were no such events requiring accrual or disclosure in the accompanying financial statements.



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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF LOOMIS**  
**Required Supplementary Information**  
**Pensions - Miscellaneous Plan**  
**June 30, 2019**

**Schedule of the Town's proportionate share of the  
Net Pension Liability:**

Last 10 Fiscal years\*

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016
Proportion of the net pension liability	0.01515%	0.03059%	0.02918%
Proportionate share of the net pension liability	\$571,066	\$1,205,984	\$1,013,576
Covered payroll	\$797,721	\$681,332	\$666,518
Proportionate share of the net pension liability as a percentage of its covered payroll	71.59%	177.00%	152.07%
Plan Fiduciary net position as a percentage of the total pension liability	78.17%	23.24%	21.95%

**CALPERS - Schedule of Town's contributions:**

Last 10 Fiscal Years\*

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially determined contribution	\$ 120,118	\$ 45,298	\$ 54,460
Contributions in relation to the actuarially determined contribution	120,118	(69,745)	(52,323)
Contribution deficiency (excess)	<u>\$ 240,236</u>	<u>\$ (24,447)</u>	<u>\$ 2,137</u>
Town's covered payroll	\$ 797,721	\$ 681,332	\$ 666,518
Contributions as a percentage of covered payroll	15.06%	10.24%	7.85%

\* Fiscal year ended June 30, 2015 was the first year of  
Additional years will be presented as they become available.

**TOWN OF LOOMIS**  
**Required Supplementary Information**  
**Schedule of Changes in the Town's Net OPEB Liability**  
**June 30, 2019**

Last 10 Fiscal years\*

	2019	2018
Net OPEB liability		
Service cost	\$ 17,028	\$ 17,028
Interest	5,730	5,730
Economic/Demographic Gains or (Losses)	4,380	4,380
Change in assumptions	13,041	13,041
Benefit payments	(7,975)	(7,975)
Net change in Net OPEB liability	32,204	32,204
Net OPEB liability - beginning, restated	183,834	183,834
Net OPEB liability - ending	\$ 216,038	\$ 183,834
Covered payroll	\$ 852,485	\$ 852,485
Net OPEB liability (asset) as a percentage of covered payroll	25.3%	21.5%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%

\* Fiscal year ended June 30, 2019 was the first year of implementation.  
Fiscal year ended June 30, 2018 has been restated.  
Additional years will be presented as they become available.

## **TOWN OF LOOMIS, CALIFORNIA**

### **Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2019**

#### **PENSIONS – MISCELLANEOUS PLAN**

##### **NOTE 1: CHANGE IN BENEFIT TERMS**

The amounts above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014, as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two-Year Additional Service Credit (a.k.a., Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amount to be separately financed employer-specific liabilities.

##### **NOTE 2: CHANGE IN ASSUMPTIONS**

The discount rate was lowered from 7.65% to 7.15% using a three-year phase-in beginning with the June 30, 2016 measurement date.

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**COMBINING FUND FINANCIAL STATEMENTS**

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Draft 12-17-19

**TOWN OF LOOMIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	—
<b>ASSETS</b>			
Cash and investments	\$ 777,358	\$ 1,921,836	\$
Receivables:			
Accounts receivable	3,704	-	
Due from other governments	45,341	-	—
 TOTAL ASSETS	 \$ 826,403	 \$ 1,921,836	 \$
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 2,082	\$ -	
Due to other funds	31,616	-	
Total liabilities	33,698	-	—
 <b>Fund balances</b>			
Restricted for:			
Capital projects	-	1,921,836	
Tree removal	372,589	-	
AB 939	261,788	-	
Law enforcement	168,234	-	
Other	21,491	-	
Unassigned	(31,397)	-	
Total fund balances	792,705	1,921,836	—
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 826,403	 \$ 1,921,836	 \$



**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	
REVENUES:			
Tax revenues	\$ 154,316	\$ -	\$
Licenses, fees, and permits	2,573	39,100	
Intergovernmental	323,949	-	
Use of money and property	46,506	96,287	
Other revenues	9,980	-	
	<u>537,324</u>	<u>135,387</u>	
Total revenues			
EXPENDITURES:			
Current:			
General government	106,137	-	
Public safety	100,000	-	
Public works	56,179	-	
	<u>262,316</u>	<u>-</u>	
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	275,008	135,387	
Other Financing Sources (Uses):			
Transfers out	(172,112)	-	
	<u>(172,112)</u>	<u>-</u>	
Total other financing sources (uses)			
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	102,896	135,387	
Fund balances - beginning	689,809	1,786,449	
Fund balances - ending	<u>\$ 792,705</u>	<u>\$ 1,921,836</u>	<u>\$</u>

**TOWN OF LOOMIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,000	\$ 374,658	\$ 258,084	\$ (33,822)
Receivables:				
Accounts receivable	-	-	3,704	-
Due from other governments	-	-	-	45,341
<b>TOTAL ASSETS</b>	<u><u>\$ 1,000</u></u>	<u><u>\$ 374,658</u></u>	<u><u>\$ 261,788</u></u>	<u><u>\$ 11,519</u></u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 2,069	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>2,069</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Restricted	1,000	372,589	261,788	11,519
Unassigned	-	-	-	-
Total fund balances	<u>1,000</u>	<u>372,589</u>	<u>261,788</u>	<u>11,519</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,000</u></u>	<u><u>\$ 374,658</u></u>	<u><u>\$ 261,788</u></u>	<u><u>\$ 11,519</u></u>

Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Total
\$ 219	\$ 1,137	\$ 6,577	\$ 1,271	\$ 777,358
-	-	-	-	3,704
-	-	-	-	45,341
<u>\$ 219</u>	<u>\$ 1,137</u>	<u>\$ 6,577</u>	<u>\$ 1,271</u>	<u>\$ 826,403</u>
\$ -	\$ -	\$ 13	\$ -	\$ 2,082
31,616	-	-	-	31,616
<u>31,616</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>33,698</u>
-	1,137	6,564	1,271	824,102
(31,397)	-	-	-	(31,397)
<u>(31,397)</u>	<u>1,137</u>	<u>6,564</u>	<u>1,271</u>	<u>792,705</u>
<u>\$ 219</u>	<u>\$ 1,137</u>	<u>\$ 6,577</u>	<u>\$ 1,271</u>	<u>\$ 826,403</u>

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Trans Fun
<b>REVENUES:</b>				
Tax revenues	\$ 139,254	\$ -	\$ 15,062	\$
Licenses, fees, and permits	-	-	-	
Intergovernmental	7,695	-	5,000	4
Use of money and property	4,081	18,921	12,551	
Other revenues	-	9,980	-	
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	151,030	28,901	32,613	4
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>				
Current:				
General government	98,065	-	8,072	
Public safety	-	-	-	
Public works	-	5,010	243	5
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	98,065	5,010	8,315	5
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	52,965	23,891	24,298	(
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other Financing Sources (Uses):</b>				
Transfers out	(53,694)	-	-	
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(53,694)	-	-	
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses</b>	(729)	23,891	24,298	(
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - beginning	1,729	348,698	237,490	1
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 1,000	\$ 372,589	\$ 261,788	\$ 1
	<hr/>	<hr/>	<hr/>	<hr/>

Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 154,316
-	-	2,573	-	2,573
-	-	-	117,166	323,949
11	-	261	2,854	46,506
-	-	-	-	9,980
11	-	2,834	120,020	537,324
-	-	-	-	106,137
-	-	-	-	100,000
-	-	261	-	56,179
-	-	261	-	262,316
11	-	2,573	120,020	275,008
-	-	-	(118,418)	(172,112)
-	-	-	(118,418)	(172,112)
11	-	2,573	1,602	102,896
(31,408)	1,137	3,991	(331)	689,809
<u>\$ (31,397)</u>	<u>\$ 1,137</u>	<u>\$ 6,564</u>	<u>\$ 1,271</u>	<u>\$ 792,705</u>

**TOWN OF LOOMIS**  
**COMBINING BALANCE SHEET**  
**MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	Hunters Crossing Fund Funds	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund
		District I Fund	District II Fund		
<b>ASSETS</b>					
Cash and investments	\$ 314,204	\$ 6,262	\$ 31,354	\$ 380,641	\$ 278,857
Receivables:					
Assessment receivable	-	25	52	166	-
<b>TOTAL ASSETS</b>	<u>\$ 314,204</u>	<u>\$ 6,287</u>	<u>\$ 31,406</u>	<u>\$ 380,807</u>	<u>\$ 278,857</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 71	\$ -	\$ -	\$ 17,159	\$ 16,206
Total liabilities	<u>71</u>	<u>-</u>	<u>-</u>	<u>17,159</u>	<u>16,206</u>
<b>Fund balances</b>					
Restricted	314,133	6,287	31,406	363,648	262,651
Total fund balances	<u>314,133</u>	<u>6,287</u>	<u>31,406</u>	<u>363,648</u>	<u>262,651</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 314,204</u>	<u>\$ 6,287</u>	<u>\$ 31,406</u>	<u>\$ 380,807</u>	<u>\$ 278,857</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	
\$ 110,122	\$ 184,671	\$ 25,296	\$ 299,784	\$ 3,000	139,041	\$ 317,279	\$ 259,399	
154	390	48	576	-	353	915	1,169	
<u>\$ 110,276</u>	<u>\$ 185,061</u>	<u>\$ 25,344</u>	<u>\$ 300,360</u>	<u>\$ 3,000</u>	<u>\$ 139,394</u>	<u>\$ 318,194</u>	<u>\$ 260,568</u>	<u>=</u>
\$ 5,748	\$ 7,804	\$ 100	\$ -	\$ -	\$ 9,533	\$ 11,439	\$ 19,571	
<u>5,748</u>	<u>7,804</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>9,533</u>	<u>11,439</u>	<u>19,571</u>	<u>-</u>
104,528	177,257	25,244	300,360	3,000	129,861	306,755	240,997	
<u>104,528</u>	<u>177,257</u>	<u>25,244</u>	<u>300,360</u>	<u>3,000</u>	<u>129,861</u>	<u>306,755</u>	<u>240,997</u>	<u>-</u>
<u>\$ 110,276</u>	<u>\$ 185,061</u>	<u>\$ 25,344</u>	<u>\$ 300,360</u>	<u>\$ 3,000</u>	<u>\$ 139,394</u>	<u>\$ 318,194</u>	<u>\$ 260,568</u>	<u>=</u>



**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Hunters Crossing Fund Funds	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund
		District I Fund	District II Fund		
REVENUES:					
Tax revenues	\$ 7,943	\$ 500	\$ 1,030	\$ 9,380	\$ 7,130
Use of money and property	15,689	301	1,555	19,022	13,930
Total revenues	23,632	801	2,585	28,402	21,060
EXPENDITURES:					
Current:					
General government	930	5	10	94	7
Public works	-	-	-	-	-
Capital outlay	-	-	-	17,814	16,820
Total expenditures	930	5	10	17,908	16,827
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,702	796	2,575	10,494	4,133
Fund balances - beginning	291,431	5,491	28,831	353,154	258,470
Fund balances - ending	\$ 314,133	\$ 6,287	\$ 31,406	\$ 363,648	\$262,603

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
\$ 3,084	\$ 7,802	\$ 960	\$ 11,529	\$ -	\$ 7,064	\$ 18,295	\$ 23,376
5,466	9,194	1,250	14,827	-	6,827	15,482	12,655
8,550	16,996	2,210	26,356	-	13,891	33,777	36,031
430	-	10	115	-	71	183	234
-	2,941	-	518	-	-	-	8,324
5,938	7,917	-	-	-	9,897	11,876	20,315
6,368	10,858	10	633	-	9,968	12,059	28,873
2,182	6,138	2,200	25,723	-	3,923	21,718	7,158
102,346	171,119	23,044	274,637	3,000	125,938	285,037	233,839
<u>\$ 104,528</u>	<u>\$ 177,257</u>	<u>\$ 25,244</u>	<u>\$300,360</u>	<u>\$ 3,000</u>	<u>\$ 129,861</u>	<u>\$ 306,755</u>	<u>\$ 240,997</u>

**TOWN OF LOOMIS  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fu
ASSETS			
Cash and investments	\$ 282,922	\$ 818,279	\$
TOTAL ASSETS	<u>\$ 282,922</u>	<u>\$ 818,279</u>	<u>\$</u>
FUND BALANCES			
Restricted	\$ 282,922	\$ 818,279	\$
TOTAL FUND BALANCES	<u>\$ 282,922</u>	<u>\$ 818,279</u>	<u>\$</u>

**TOWN OF LOOMIS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund
REVENUES:			
Licenses, fees, and permits	\$ 7,730	\$ 9,336	\$ 22,0
Use of money and property	14,090	41,228	40,9
	<u>21,820</u>	<u>50,564</u>	<u>63,0</u>
Total revenues	21,820	50,564	63,0
Net change in fund balances	21,820	50,564	63,0
Fund balances - beginning	<u>261,102</u>	<u>767,715</u>	<u>757,6</u>
Fund balances - ending	<u><u>\$ 282,922</u></u>	<u><u>\$ 818,279</u></u>	<u><u>\$ 820,6</u></u>

**TOWN OF LOOMIS  
COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 2019**

	<u>Revolving Funds</u>	<u>County Facilities Fees</u>	<u>Dry Creek Watershed Fees</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and investments	\$ 193,860	\$ 19,185	\$ 2,656	\$ 215,701
Total assets	<u>\$ 193,860</u>	<u>\$ 19,185</u>	<u>\$ 2,656</u>	<u>\$ 215,701</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 41,768	\$ 4,725	\$ 2,049	\$ 48,542
Due to other agencies	\$ 152,092	\$ 14,460	\$ 607	\$ 167,159
TOTAL LIABILITIES	<u>\$ 193,860</u>	<u>\$ 19,185</u>	<u>\$ 2,656</u>	<u>\$ 215,701</u>

**TOWN OF LOOMIS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>REVOLVING FUNDS:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 685,839	\$ 158,292	\$ (650,271)	\$ 193,860
Total assets	<u>\$ 685,839</u>	<u>\$ 158,292</u>	<u>\$ (650,271)</u>	<u>\$ 193,860</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 52,893	\$ 394,385	\$ (405,510)	\$ 41,768
Due to other agencies	<u>632,946</u>	<u>47,464</u>	<u>(528,318)</u>	<u>152,092</u>
Total liabilities	<u>\$ 685,839</u>	<u>\$ 441,849</u>	<u>\$ (933,828)</u>	<u>\$ 193,860</u>
<b>COUNTY FACILITIES FEE:</b>				
<b>ASSETS</b>				
Cash and investments	\$ 23,642	\$ 8,119	\$ (12,576)	\$ 19,185
Total assets	<u>\$ 23,642</u>	<u>\$ 8,119</u>	<u>\$ (12,576)</u>	<u>\$ 19,185</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 10,395	\$ 6,804	\$ (12,474)	\$ 4,725
Due to other agencies	<u>13,247</u>	<u>8,119</u>	<u>(6,906)</u>	<u>14,460</u>
Total liabilities	<u>\$ 23,642</u>	<u>\$ 14,923</u>	<u>\$ (19,380)</u>	<u>\$ 19,185</u>

**TOWN OF LOOMIS**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS (CONTINUED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
<b>DRY CREEK WATERSHED FEES</b>				
<b>ASSETS</b>				
Cash and investments	\$ 2,089	\$ 14,064	\$ (13,497)	\$ 2,656
Total assets	<u>\$ 2,089</u>	<u>\$ 14,064</u>	<u>\$ (13,497)</u>	<u>\$ 2,656</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,482	\$ 14,064	\$ (13,497)	\$ 2,049
Due to other agencies	<u>607</u>	<u>3,787</u>	<u>(3,787)</u>	<u>607</u>
Total liabilities	<u>\$ 2,089</u>	<u>\$ 17,851</u>	<u>\$ (17,284)</u>	<u>\$ 2,656</u>
<b>TOTAL ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 711,570	\$ 180,475	\$ (676,344)	\$ 215,701
Total assets	<u>\$ 711,570</u>	<u>\$ 180,475</u>	<u>\$ (676,344)</u>	<u>\$ 215,701</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 64,770	\$ 415,253	\$ (431,481)	\$ 48,542
Due to other agencies	<u>646,800</u>	<u>59,370</u>	<u>(539,011)</u>	<u>167,159</u>
Total liabilities	<u>\$ 711,570</u>	<u>\$ 474,623</u>	<u>\$ (970,492)</u>	<u>\$ 215,701</u>

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**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, 2019, and the related notes to the financial statements, which collectively comprise the Town of Loomis, California's basic financial statements, and have issued our report thereon dated December 20, 2019.

***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.

To the Town Council  
Town of Loomis  
Loomis, California

***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 Standard*.

***Purpose of this Report***

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

Fechter & Company  
Certified Public Accountants

Sacramento, California  
December 20, 2019