



Staff Report

March 9, 2021

TO: Honorable Mayor and Members of the Town Council
FROM: Roger Carroll, Finance Director
DATE: February 23, 2021
RE: Receipt of 2019/20 Fiscal Audit from Fechter & Company Certified Public Accountants

Recommendation

Receive and file the Audited Financial Statements for the Year Ended June 30, 2020; the Report on Agreed-Upon Procedures on the Appropriations Limit; and the Communication with Those Charged with Governance.

Issue Statement and Discussion

There are three reports included with your council packet:

1. The Audited Financial Statements for the Year Ended June 30, 2020.
2. Report on Agreed-Upon Procedures on the Appropriations Limit.
3. Communication with Those Charged with Governance.

The Town contracts with an outside audit firm, Fechter & Company Certified Public Accountants, which prepared the 2019-2020 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. If the Council desires, a representative from Fechter & Company Certified Public Accountants would be glad to make a presentation to the Council at a future meeting.

The first report is the Annual Financial Report with Independent Auditor's Report Thereon (Audit Report). For an overview, 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 \$56,478. This will be further addressed, below.

The second report, the Report on Agreed-Upon Procedures on the Appropriations Limit addresses the tax revenue limits imposed upon the Town by Proposition 13. The auditor performed four procedures (found on pages 1 and 2) and noted no exceptions.

The third report is the Communication with Those Charged with Governance. This is a report directly to the Town Council that reports errors, weaknesses or failures in the Town's accounting system and procedures. There were no issues to report.

At the end of each fiscal year, General Fund expenditures are subtracted from General Fund revenues and the difference is added to, or subtracted from, the fund balance. Generally, revenues have exceeded expenses, and the result has been a "Positive Net Position." "Positive Net Position" is the currently preferred term for what in the past has been known as equity, fund balance or reserves. For the sake of discussion, I will be using the term "reserves."

The Town of Loomis, over the years, has built a considerable amount of reserves. Going into this fiscal year, we had just over \$5 million in General Fund reserves – more than a full year's operating costs. This year's addition to reserves is \$56,478. \$686,083 was used from the Capital improvements designation for the Downtown Master Plan implementation project on Taylor Road.

The Town's financial policies dictate that when revenues exceed expenses in the General Fund, those excess revenues are to be designated, or "earmarked" for capital improvement expenditures. The Town Council, though, has the right to re-designate those funds as they see fit. Based on the current policy and prior Town Council actions, the General Fund Reserve balances stand as follows:

Drainage projects	55,000
Wildland fire	45,863
Community facilities	200,000
Operating reserves	1,111,543
Litigation	50,000
Reserve for Capital improvements	2,408,091
Reserve for Parks	50,000
Business assistance	50,000
Supplemental Law enforcement	71,244
Other Post Employment Benefits liability	101,430
Library reserves	248,768
	4,391,939

CEQA Requirements

There are no CEQA issues.

Financial and/or Policy Implications

None.

Attachments

- A. Audited Financial Statements
- B. Report on Agreed-upon Procedures on the Appropriations Limit
- C. Communication with Those Charged with Governance

TOWN OF LOOMIS, CALIFORNIA

**ANNUAL FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S
REPORT THEREON**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2020**

TOWN OF LOOMIS, CALIFORNIA

Annual Financial Statement Report For the Fiscal Year Ended June 30, 2020

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TOWN OF LOOMIS, CALIFORNIA

Annual Financial Statement Report For the Fiscal Year Ended June 30, 2020

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TOWN OF LOOMIS, CALIFORNIA

TOWN OFFICIALS

TOWN COUNCIL

- | | |
|--------------------------------|----------------|
| • <i>Jan Clark-Crets</i> | Mayor |
| • <i>Jeff Duncan</i> | Mayor Pro-Tem |
| • <i>Brian Baker</i> | Council Member |
| • <i>Tim Onderko</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/
Finance Officer |
| • <i>Britton Snipes</i> | Director of Public Works/
Town Engineer |
| • <i>Mary Beth Van Voorhis</i> | Planner |
| • <i>Sean Burke</i> | Building Inspector |
| • <i>Crickett Strock</i> | Town Clerk/Administrative
Assistant |

FINANCIAL SECTION



**FECHTER
& COMPANY**
Certified Public Accountants

Craig R. Fechter, CPA, MST

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, 2020, 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, and the aggregate remaining fund information of the Town of Loomis, California, as of June 30, 2020, 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.

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

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.

Supplementary 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 January 20, 2021, 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

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
January 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020. 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 \$198,789, or 0.66%.
- The total governmental activities revenues from all sources were \$6,553,431.
- The total cost of all Town programs in the Town's governmental activities were \$6,354,642.
- The General Fund reported net changes in fund balance of -\$629,605.
- Actual resources received in the General Fund were over final budget by \$3,049 while actual expenditures were under the final budget by \$362,532.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$4,382,106.
- The net pension liability increased \$135,925 over the prior year.

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, 2020

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

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

Our analysis of the Town's major funds begins on page 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, 2020

- 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 \$30.2 million as of June 30, 2020 compared to \$30.0 million as of June 30, 2019.

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 46.4% and 47.3% for the fiscal years ended June 30, 2020 and 2019, 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, 2020

The Town's combined net position for the years ending June 30, 2020 and 2019 are summarized as follows:

	2020	2019	Increase (Decrease)	Percent Change
ASSETS				
Current assets	\$ 16,750,535	\$ 15,975,184	\$ 775,351	4.85%
Capital assets, net	14,521,098	14,353,687	167,411	1.17%
Total Assets	<u>31,271,633</u>	<u>30,328,871</u>	<u>942,762</u>	3.11%
DEFERRED OUTFLOWS OF RESOURCES				
Pension	<u>792,655</u>	<u>1,304,186</u>	<u>(511,531)</u>	-39.22%
LIABILITIES				
Current liabilities	459,168	334,437	124,731	37.30%
Other liabilities	1,060,534	901,561	158,973	17.63%
Total Liabilities	<u>1,519,702</u>	<u>1,235,998</u>	<u>283,704</u>	22.95%
DEFERRED OUTFLOWS OF RESOURCES				
Pension	<u>302,501</u>	<u>353,763</u>	<u>(51,262)</u>	-14.49%
NET POSITION				
Invested in capital assets, net of related debt	14,515,713	14,348,737	166,976	1.16%
Restricted	11,324,554	10,459,202	865,352	8.27%
Unrestricted	4,401,818	5,235,357	(833,539)	-15.92%
Total Net Position	<u>\$ 30,242,085</u>	<u>\$ 30,043,296</u>	<u>\$ 198,789</u>	0.66%

As of June 30, 2020, \$11.3 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, \$4.4 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, 2019, \$10.5 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, 2020, the government's net position increased \$0.20 million for the most part due to restricted fees collected for future park and road development. During the fiscal year ended June 30, 2019, the net position increase by \$1.44 million due primarily to restricted fees collected for future park and road development.

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, 2020

Governmental Activities

The Town's changes in the net position for the years ended June 30, 2020 and 2019 of the government-wide activities are as follows:

	2020	2019	Increase (Decrease)	Percent Change
REVENUES:				
Charges for services	\$ 405,578	\$ 355,524	\$ 50,054	14.08%
Operating grants and contributions	333,809	323,949	9,860	3.04%
Capital grants and contributions	610,595	492,365	118,230	24.01%
GENERAL REVENUES:				
Property taxes	2,044,468	2,108,416	(63,948)	-3.03%
Other taxes	185,992	178,007	7,985	4.49%
Sales and use taxes	1,193,477	1,257,034	(63,557)	-5.06%
Prop tax in-lieu of vehicle license fees	749,764	704,004	45,760	6.50%
Franchise fees	278,168	269,325	8,843	3.28%
Investment income	707,963	783,826	(75,863)	-9.68%
Refunds and reimbursements	21,097	11,174	9,923	88.80%
Other income	22,520	18,060	4,460	24.70%
Total revenues	<u>6,553,431</u>	<u>6,501,684</u>	<u>51,747</u>	0.80%
EXPENSES:				
General government	2,280,553	2,273,082	7,471	0.33%
Public safety	1,727,275	1,638,940	88,335	5.39%
Public works	2,186,076	1,511,104	674,972	44.67%
Planning	157,112	303,217	(146,105)	-48.18%
Interest expense	3,626	1,815	1,811	99.78%
Total expenses	<u>6,354,642</u>	<u>5,728,158</u>	<u>626,484</u>	10.94%
CHANGE IN NET POSITION	198,789	773,526	(574,737)	-74.30%
NET POSITION, JULY 1	<u>30,043,296</u>	<u>29,269,770</u>	<u>773,526</u>	2.64%
NET POSITION, JUNE 30	<u>\$ 30,242,085</u>	<u>\$ 30,043,296</u>	<u>\$ 198,789</u>	0.66%

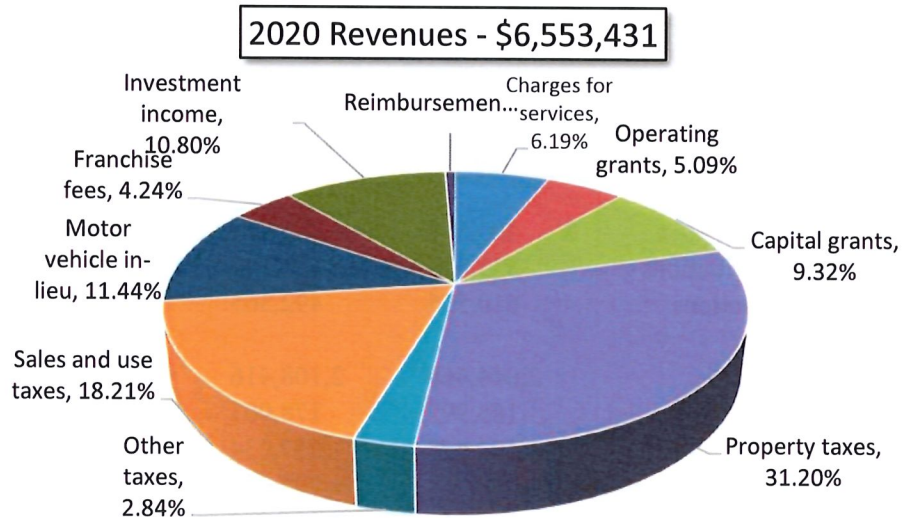
Highlights of the changes in net position for the fiscal year ended June 30, 2020 were as follows:

- Charges for service increased by \$50,054.
- Capital grants increased by \$118,230.
- Property and Sales tax revenues decreased by \$127,505.
- Investment income decreased by \$75,863.
- Overall, the total governmental activities revenues increased by \$51,747.

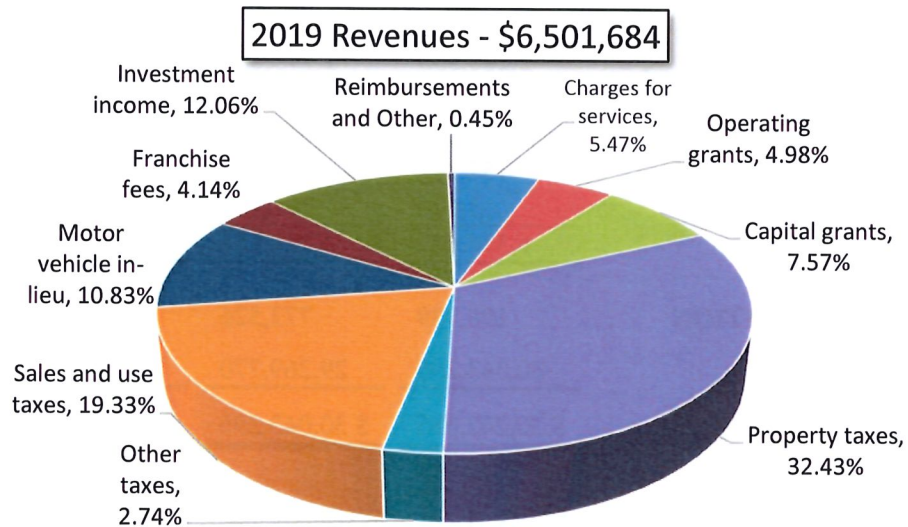
TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The fiscal year ended June 30, 2020 revenues are reflected graphically as follows:



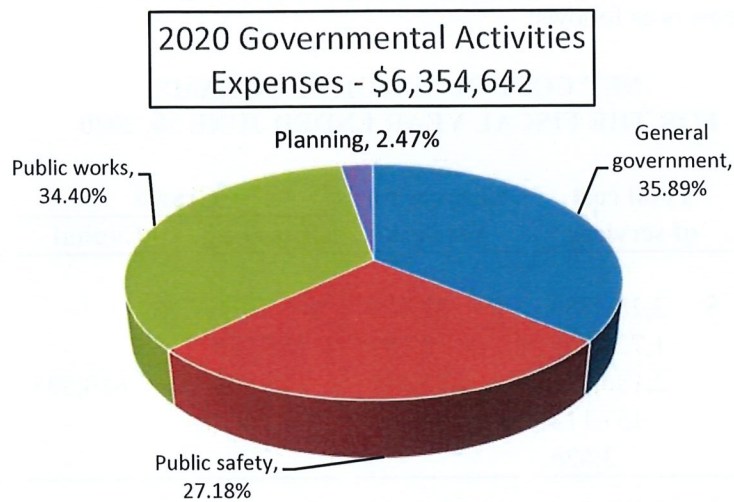
The fiscal year ended June 30, 2019 revenues are reflected graphically as follows:



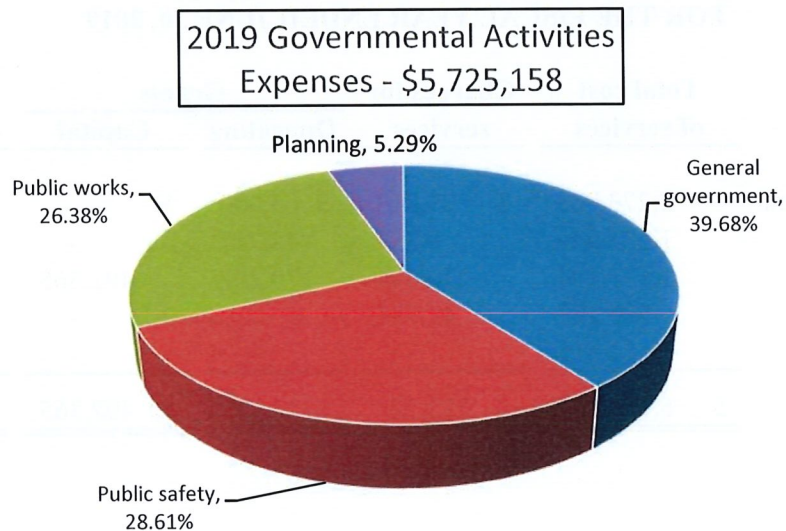
TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The fiscal year ended June 30, 2020 expenses are reflected graphically as follows:



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



TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

The table below shows the net cost of each of the Town's major 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, 2020 the net cost is as follows:

NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total cost of services	Charges for services	Grants		Net cost of services
			Operating	Capital	
General government	\$ 2,280,553	\$ 32,673	\$ -	\$ -	\$ (2,247,880)
Public safety	1,727,275	5,189	155,948	-	(1,566,138)
Public works	2,186,076	294,404	177,861	610,595	(1,103,216)
Planning	157,112	73,312	-	-	(83,800)
Interest expense	3,626	-	-	-	(3,626)
	<u>\$ 6,354,642</u>	<u>\$ 405,578</u>	<u>\$333,809</u>	<u>\$ 610,595</u>	<u>\$ (5,004,660)</u>

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

	Total cost of services	Charges for services	Grants		Net cost of services
			Operating	Capital	
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>

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Financial Analysis of Government funds

General Fund: Fund balance was \$4,391,939 and \$5,021,544 for the fiscal years ended 2020 and 2019, respectively. Because the town generally does not finance through debt, the General Fund is strong. Total fund balance is 97.33% and 97.16% of total assets for 2020 and 2019, respectively. For each dollar of liabilities, there is \$33.93 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 \$56,478. Transfers out were \$686,083. Expenditures and transfers out were 113.52% of total General Fund revenues for 2020. For 2019, General Fund revenues exceeded expenditures by \$937,840. Expenditures and transfers out were 80.79% of total General Fund revenues.

Streets and Roads Special Revenue Fund: Fund balance is \$142,963 and \$(446,488) for 2020 and 2019, 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. Revenues exceeded expenditures by \$444 for the year ended June 30, 2020. However, expenditures exceeded revenues by \$24,636 for the year ended June 30, 2019.

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 \$274,000 for the year ended June 30, 2020 and \$154,924 for the year ended June 30, 2019.

Road Circulation Capital Projects Fund: This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by \$236,472 and \$289,239 for the years ended June 30, 2020 and 2019, respectively.

Nonmajor Governmental Funds: The combined fund balances of all nonmajor governmental funds totaled \$2,910,487 and \$2,714,541 for 2020 and 2019, respectively.

Overall, the year had a net increase in combined fund balances of the nonmajor governmental funds of \$195,946 for 2020 and \$238,283 for 2019. The nonmajor governmental funds' fund balances are 97.86% and 98.77% of total nonmajor governmental funds' assets for 2020 and 2019, 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, 2020, revenues were over budget by less than one percent and expenditures were under budget by 7.30%. 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%.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS 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 \$14.5 million and \$14.4 million at June 30, 2020 and June 30, 2019, respectively. Depreciation on capital assets is recognized in the Government-Wide Statement of Activities. The Town's capital assets, net of depreciation, as of June 30, 2020 and 2019, are summarized below:

	2020	2019
Capital assets, not being depreciated:		
Land	\$ 2,424,686	\$ 2,424,686
Construction in progress	493,156	125,905
Depreciable capital assets:		
Equipment under capital lease	16,682	22,242
Tools and equipment	70,812	44,000
Vehicles	110,036	129,901
Land improvements	128,024	128,588
Infrastructure	10,021,398	10,144,470
Buildings and improvements	972,736	1,026,612
Corp yard improvements	283,568	307,283
Total	<u>\$ 14,521,098</u>	<u>\$ 14,353,687</u>

Major capital asset improvements and additions during the fiscal year ended June 30, 2020 included the following:

- Began construction 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.
- A new tractor mower.
- Intersection design for Sierra College Blvd and Taylor Road.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Debt administration

The Town's liabilities include compensated absences due after one year which had a balance of \$115,925 as of June 30, 2020, an increase of \$20,203 over the prior year. The Town has obligations under capital lease for copier leases with a balance at year-end of \$18,734.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Town lost one of its largest sales tax providers at year-end. Many businesses have suffered because of COVID-19, but others have flourished. The Town's share of the County Pool (sales tax revenues from internet sales) has been growing and will be greatly relied upon.

Home sales continue to be strong in spite of the virus, which leads to a greater increase in property tax revenues. Many businesses in the Bay Area have shifted employees to permanent "work at home" status and those employees find it nicer, and less expensive, to move to our area.

COSTCO has proposed locating one of its stores within the Loomis Town limits. The COSTCO project was approved by the Town Council, but will need to work out some issues with neighbors before it proceeds. The Town is cautiously optimistic, and the revenue will be needed to survive the loss of other sales tax sources.

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 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.



BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF LOOMIS
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 15,695,549
Receivables:	
Accounts receivable	65,593
Due from other governments	239,315
Due from other agencies	37,431
Interest receivable	103,769
Assessments receivable	71,362
Due from employees	2,044
Loans receivable	525,639
Prepaid costs and deposits	9,833
TOTAL CURRENT ASSETS	<u>16,750,535</u>
NONCURRENT ASSETS	
Nondepreciable capital assets	2,917,843
Depreciable capital assets, net	11,603,255
TOTAL NONCURRENT ASSETS	<u>14,521,098</u>
TOTAL ASSETS	<u>31,271,633</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	792,655
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and other accrued expenses	383,424
Accrued payroll liabilities	13,403
Obligations under capital lease, due within one year	5,385
Compensated absences liability, current	56,956
TOTAL CURRENT LIABILITIES	<u>459,168</u>
NONCURRENT LIABILITIES	
Obligations under capital lease, noncurrent	13,349
Net pension liability	706,991
Net OPEB liability	224,269
Compensated absences liability	115,925
TOTAL NONCURRENT LIABILITIES	<u>1,060,534</u>
TOTAL LIABILITIES	1,519,702
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	302,501
NET POSITION	
Net investment in capital assets	14,515,713
Restricted	11,324,554
Unrestricted	4,401,818
TOTAL NET POSITION	<u>\$ 30,242,085</u>

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

TOWN OF LOOMIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 2,280,553	\$ 32,673	\$ -	\$ -	\$ (2,247,880)
Public safety	1,727,275	5,189	155,948	-	(1,566,138)
Public works	2,186,076	294,404	177,861	610,595	(1,103,216)
Planning	157,112	73,312	-	-	(83,800)
Interest expense	3,626	-	-	-	(3,626)
Total governmental activities	<u>\$ 6,354,642</u>	<u>\$ 405,578</u>	<u>\$ 333,809</u>	<u>\$ 610,595</u>	<u>(5,004,660)</u>
General revenues:					
Property taxes					2,044,468
Other taxes					185,992
Sales and use taxes					1,193,477
Property taxes in-lieu of vehicle license fees					749,764
Franchise fees					278,168
Investment income					707,963
Refunds and reimbursements					21,097
Other income					22,520
Total general revenues					<u>5,203,449</u>
Change in net position					198,789
Net position - beginning					<u>30,043,296</u>
Net position - ending					<u>\$ 30,242,085</u>

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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TOWN OF LOOMIS
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

		Special Revenue Funds		
	General Fund	Street and Roads Fund	Low Income Density Fund	Maintenance Districts Fund
ASSETS				
Cash and investments	\$ 3,851,795	\$ 571,871	\$ 428,081	\$ 3,242,042
Receivables:				
Accounts receivable	61,770	-	-	-
Due from other governments	4,720	234,595	-	-
Interest receivable	103,769	-	-	-
Assessments receivable	64,999	-	-	6,363
Due from employees	2,044	-	-	-
Loans receivable	-	-	525,639	-
Prepaid costs and deposits	9,833	-	-	-
Due from other funds	413,521	-	-	-
TOTAL ASSETS	\$ 4,512,451	\$ 806,466	\$ 953,720	\$ 3,248,405
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	107,109	243,641	-	638
Accrued payroll liabilities	13,403	-	-	-
Due to other funds	-	419,862	-	-
Total liabilities	120,512	663,503	-	638
DEFERRED INFLOWS OF RESOURCES				
Repayment of community development loans	-	-	525,639	-
FUND BALANCES				
Nonspendable	9,833	-	-	-
Restricted for:				
Streets and roads	-	142,963	-	-
Maintenance districts	-	-	-	3,247,767
Capital projects	-	-	-	-
Low income density	-	-	428,081	-
Tree removal	-	-	-	-
AB 939	-	-	-	-
Law enforcement	-	-	-	-
Other	-	-	-	-
Unassigned	4,382,106	-	-	-
Total fund balances	4,391,939	142,963	428,081	3,247,767
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 4,512,451	\$ 806,466	\$ 953,720	\$ 3,248,405

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

Capital Projects Fund		
Road Circulation Fund	Nonmajor Governmental Funds	Total
\$ 4,631,444	\$ 2,970,316	\$ 15,695,549
-	3,823	65,593
-	-	239,315
-	-	103,769
-	-	71,362
-	-	2,044
-	-	525,639
-	-	9,833
75,388	-	488,909
<u>\$ 4,706,832</u>	<u>\$ 2,974,139</u>	<u>\$ 17,202,013</u>
-	32,036	383,424
-	-	13,403
-	31,616	451,478
<u>-</u>	<u>63,652</u>	<u>848,305</u>
-	-	525,639
-	-	9,833
-	-	142,963
-	-	3,247,767
4,706,832	2,022,423	6,729,255
-	-	428,081
-	375,483	375,483
-	284,599	284,599
-	235,031	235,031
-	24,338	24,338
-	(31,387)	4,350,719
<u>4,706,832</u>	<u>2,910,487</u>	<u>15,828,069</u>
<u>\$ 4,706,832</u>	<u>\$ 2,974,139</u>	<u>\$ 17,202,013</u>

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

TOWN OF LOOMIS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2020

Fund balances - total governmental funds	\$ 15,828,069
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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:	14,521,098
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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
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Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	792,655
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Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(302,501)
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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	(18,734)	
Compensated absences	(172,881)	
Net pension liability	(706,991)	
Net OPEB liability	(224,269)	
		(1,122,875)

Net position of governmental activities	\$ 30,242,085
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The accompanying notes are an integral part of these financial statements.

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TOWN OF LOOMIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		Special Revenue Funds		
	General Fund	Street and Roads Fund	Low Income Density Fund	Maintenance Districts Fund
REVENUES:				
Tax revenues	\$ 3,095,149	\$ -	\$ -	\$ 160,956
Licenses, fees, and permits	270,416	-	2,250	-
Franchise fees	278,168	-	-	-
Intergovernmental	749,764	610,595	-	-
Fines, forfeitures, and penalties	10,854	-	-	-
Use of money and property	209,881	-	18,516	143,465
Refunds and reimbursements	21,097	-	-	-
Other revenues	22,520	-	-	-
Total revenues	4,657,849	610,595	20,766	304,421
EXPENDITURES:				
Current:				
General government	1,583,097	-	-	4,272
Public safety	1,627,275	-	-	-
Public works	983,587	319,263	-	15,246
Planning	327,190	-	-	-
Debt service:				
Principal retirement	4,950	-	-	-
Interest and fiscal charges	1,813	-	-	-
Capital outlay	73,459	584,273	20,322	10,903
Total expenditures	4,601,371	903,536	20,322	30,421
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	56,478	(292,941)	444	274,000
Other Financing Sources (Uses):				
Inception of capital lease	-	-	-	-
Transfers in	-	882,392	-	-
Transfers out	(686,083)	-	-	-
Total other financing sources (uses)	(686,083)	882,392	-	-
NET CHANGE IN FUND BALANCES	(629,605)	589,451	444	274,000
Fund balances - beginning	5,021,544	(446,488)	427,637	2,973,767
Fund balances - ending	\$ 4,391,939	\$ 142,963	\$ 428,081	\$ 3,247,767

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

Capital Projects Fund		
Road	Nonmajor	
Circulation	Governmental	
Fund	Funds	Total
\$ -	\$ 167,832	\$ 3,423,937
65,885	56,173	394,724
-	-	278,168
-	333,809	1,694,168
-	-	10,854
201,333	134,768	707,963
-	-	21,097
-	-	22,520
267,218	692,582	6,553,431
-	97,843	1,685,212
-	100,000	1,727,275
30,746	102,484	1,451,326
-	-	327,190
-	-	4,950
-	-	1,813
-	-	688,957
30,746	300,327	5,886,723
236,472	392,255	666,708
-	-	-
-	-	882,392
-	(196,309)	(882,392)
-	(196,309)	-
236,472	195,946	666,708
4,470,360	2,714,541	15,161,361
\$ 4,706,832	\$ 2,910,487	\$ 15,828,069

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

TOWN OF LOOMIS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds	\$ 666,708
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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	\$ 821,589	
Less: current year depreciation	<u>(654,180)</u>	
		167,409

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	51,262
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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	(35,854)
Change in net pension liability	(135,925)
Change in OPEB liability	(8,230)
Change in deferred outflows of resources related to pensions	(511,531)

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>4,950</u>
Change in net position of governmental activities	<u><u>\$ 198,789</u></u>

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

TOWN OF LOOMIS
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
JUNE 30, 2020

ASSETS

Cash and investments	\$ 18,106
Due to other agencies	<u>121,499</u>
Total assets	<u><u>\$ 139,605</u></u>

LIABILITIES

Accounts payable	\$ 102,174
Due to other funds	<u>37,431</u>
Total liabilities	<u><u>\$ 139,605</u></u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 Funds are 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 Low Income Density receivable balance is offset by deferred inflows of resources. The activity for the fiscal year ended June 30, 2020 is as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year
General Fund:					
Due from employees	\$ 12	\$ 4,281	\$ (2,249)	\$ 2,044	\$ 2,044
Low Income Density:					
Special Revenue Fund	525,639	-	-	525,639	-
	<u>\$ 525,651</u>	<u>\$ 4,281</u>	<u>\$ (2,249)</u>	<u>\$ 527,683</u>	<u>\$ 2,044</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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 collectable.

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 \$56,956 and \$36,754 as of June 30, 2020 and 2019, 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 \$115,925 and \$100,271 as of June 30, 2020 and 2019, respectively.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 arises 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 Reporting and Governmental Fund Type Definitions*, the Town classifies governmental fund balances as follows:

- *Non-spendable* – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 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. As of June 30, 2020, the Town had no committed fund balances.

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:

<u>Major Special Revenue Fund</u>	<u>Revenue Source</u>
Streets and Road Fund	State Intergovernmental revenues
Low Income Density Fund	Interest revenue and fees
Maintenance District Fund	Tax assessments

Budgetary Policy and Data

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS

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

Cash and Cash Equivalents:

Cash on hand	\$ 175
Deposits with Financial Institutions	453,005
Add: deposits in transit	81
Less: outstanding checks	(431,142)
Local agency investment fund	<u>1,427,390</u>
Total Cash and Cash Equivalents	<u>1,449,509</u>

Investments:

Certificates of deposit held with brokerage firm	<u>4,758,434</u>
Government agencies	4,940,022
Medium term corporate notes	3,534,835
Educational institutions	<u>1,030,855</u>
Total Debt Instruments	<u>9,505,712</u>
Total Investments	<u>14,264,146</u>
Total Cash and Investments	<u><u>\$ 15,713,655</u></u>

Summary of Cash and Investments:

Government-wide statement	\$ 15,695,549
Fiduciary funds	<u>18,106</u>
Total	<u><u>\$ 15,713,655</u></u>

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

During the fiscal year ended June 30, 2020, 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, 2020:

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	\$ 1,427,390	\$ 1,427,390	\$ -	\$ -	\$ -	\$ -
Government agencies	4,940,022	1,054,155	510,262	933,071	771,239	1,671,295
Medium term corporate notes	3,534,835	1,058,176	511,446	964,024	821,572	179,617
Educational institutions	1,030,855	521,280	252,138	-	257,437	-
Total	\$ 10,933,102	\$ 4,061,001	\$ 1,273,846	\$ 1,897,095	\$ 1,850,248	\$ 1,850,912
Percentage of portfolio	100.00%	37.15%	11.65%	17.35%	16.92%	16.93%

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020:

Credit Risk	Type of Investment				Total
	Local Agency Investment Fund	Government Agencies	Medium Term Corporate Notes	Educational Institutions	
AA+	\$ -	\$ 119,222	\$ -	\$ -	119,222
AA	-	2,523,941	-	250,000	2,773,941
AA-	-	377,856	-	509,575	887,431
A+	-	759,348	556,722	-	1,316,070
A	-	616,019	1,549,380	271,280	2,436,679
A-	-	-	1,046,305	-	1,046,305
BBB+	-	-	382,428	-	382,428
No Rating	1,427,390	543,636	-	-	1,971,026
Total	<u>\$ 1,427,390</u>	<u>\$ 4,940,022</u>	<u>\$ 3,534,835</u>	<u>\$ 1,030,855</u>	<u>\$ 10,933,102</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, 2020, 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, 2020, the Town's account with a financial institution had a total carrying amount of \$21,944 with a bank balance of \$453,005, of which \$250,000 is insured by the FDIC.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June.30, 2020, 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	\$ 4,758,434
Government agencies	4,940,022
Medium term corporate notes	3,534,835
Educational institutions	<u>1,030,855</u>
 Total Investments	 <u><u>\$ 14,264,146</u></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, 2020	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	\$ 1,427,390	\$ 1,427,390	\$ -	\$ -
Government agencies	4,940,022	4,940,022	-	-
Medium term corporate notes	3,534,835	3,534,835	-	-
Educational institutions	<u>1,030,855</u>	<u>1,030,855</u>	<u>-</u>	<u>-</u>
 Total Investments by Fair Value Level	 <u><u>\$10,933,102</u></u>	 <u><u>\$ 10,933,102</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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 \$101,607,078,218 at June 30, 2020. 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	2.21%
Short-term asset-backed commercial paper	1.16%
All other investments	96.63%
	<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, 2020 was \$101,110,343,833.

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020 was as follows:

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land	\$ 2,424,686	\$ -	\$ -	\$ 2,424,686
Constructions in progress	125,905	367,251	-	493,156
	<u>2,550,591</u>	<u>367,251</u>	<u>-</u>	<u>2,917,842</u>
Depreciable capital assets:				
Office equipment	35,056	-	-	35,056
Equipment under capital lease	27,803			27,803
Tools and equipment	163,363	35,835	(1,737)	197,461
Vehicles	397,854	14,656	(50,783)	361,727
Land improvements	271,861	12,524	-	284,385
Infrastructure	14,605,679	384,589	-	14,990,268
Buildings and improvements	1,546,140	6,734	-	1,552,874
Corp yard improvements	716,135	-	-	716,135
	<u>17,763,891</u>	<u>454,338</u>	<u>(52,520)</u>	<u>18,165,709</u>
Less accumulated depreciation:				
Office equipment	(35,056)	-	-	(35,056)
Equipment under capital lease	(5,561)	(5,560)	-	(11,121)
Tools and equipment	(119,363)	(9,023)	1,737	(126,649)
Vehicles	(267,953)	(34,521)	50,783	(251,691)
Land improvements	(143,273)	(13,088)	-	(156,361)
Infrastructure	(4,461,209)	(507,661)	-	(4,968,870)
Buildings and improvements	(519,528)	(60,610)	-	(580,138)
Corp yard improvements	(408,852)	(23,715)	-	(432,567)
	<u>(5,960,795)</u>	<u>(654,178)</u>	<u>52,520</u>	<u>(6,562,453)</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,353,687</u>	<u>\$ 167,411</u>	<u>\$ -</u>	<u>\$ 14,521,098</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$124,035
Public works	530,143
	<u>\$654,178</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020 were as follows:

	Balance at July 1, 2019	Incurred	Retired	Balance at June 30, 2020	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 137,025	\$101,424	\$ (65,568)	\$ 172,881	\$ 56,956
Obligations under capital lease *	23,684	-	(4,950)	18,734	5,385
Total	<u>\$ 160,709</u>	<u>\$101,424</u>	<u>\$ (70,518)</u>	<u>\$ 191,615</u>	<u>\$ 62,341</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, 2020, capital lease annual requirements are as follows:

Year Ending June 30,	Obligations Under Capital Lease
2021	\$ 6,764
2022	6,764
2023	6,764
2024	1,126
Total future minimum lease payments	<u>21,418</u>
Less: Interest	<u>(2,684)</u>
Total	<u>\$ 18,734</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Assets under capital lease were as follows:

	Fiscal Year Ended June 30, 2020
Capital Assets Under Capital Lease:	
Office equipment	\$ 27,803
Less: accumulated depreciation	<u>(11,121)</u>
Capital Assets Under Capital Lease, Net	<u><u>\$ 16,682</u></u>

NOTE 6: INTERFUND TRANSACTIONS

Due To/From Other Funds

Interfund balances for operations as of June 30, 2020 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 413,521	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Non-major funds	-	31,616
Capital Projects Fund:		
Road Circulation Fund	75,388	-
Agency Funds:		
Revolving Funds		<u>37,431</u>
Total	<u><u>\$ 488,909</u></u>	<u><u>\$ 488,909</u></u>

Transfers

During the year ended June 30, 2020, the following interfund transfers were made to allocate capital expenditures by fund:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 686,083
Special Revenue Funds:		
Streets and Roads Fund	882,392	-
Non-major funds	<u>-</u>	<u>196,309</u>
Total	<u><u>\$ 882,392</u></u>	<u><u>\$ 882,392</u></u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements For the Fiscal Year Ended June 30, 2020

NOTE 7: FUND DEFICITS

The following funds had deficit fund balances as of June 30, 2020:

<u>Fund</u>	<u>Deficit</u>
Special Revenue Funds:	
Non-Major Funds:	
Master Plan Fund	\$ (31,387)

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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2020, are summarized as follows:

Hire Date:	Prior to January 1, 1982 Classic Tier 1	On or After January 1, 2013 PEPRA Tier 3
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of annual salary	2%	2%
Required employee contribution rates	6.886%	6.250%
Required employer contribution rates	9.680%	6.985%

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 9.680% (tier 1) and 6.985% (tier 3) of annual covered payroll for the year ended June 30, 2020. For the year ended June 30, 2020, contributions to the Plan were \$167,354; \$94,610 employer contributions and \$72,744 employee contributions. The Town also contributed \$50,779 to its unfunded liability.

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

As of June 30, 2020, the Town reported liability of \$706,991 for its proportionate share of the Plan's net pension liability.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019. 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, 2020, the Town's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020, was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.01515%
Proportion - June 30, 2020	<u>0.01765%</u>
Change	<u><u>0.00250%</u></u>

For the year ended June 30, 2020, the Town recognized pension expense of \$146,323. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes in assumptions	\$ 33,713	\$ 11,951
Differences between expected and actual experience	49,103	3,805
Difference between projected and actual earnings on pension plan investments	-	12,360
Differences between employer's contributions and proportionate share of contributions	234,540	83,207
Change in employer's proportion	328,976	191,178
Pension contributions made subsequent to measurement date	<u>146,323</u>	<u>-</u>
Total	<u><u>\$ 792,655</u></u>	<u><u>\$ 302,501</u></u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The \$146,323 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, 2020. 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
2021	\$ 327,827
2022	10,296
2023	3,210
2024	2,498
Total	<u>\$ 343,831</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Measurement period	July 1, 2018 to June 30, 2019
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	2.75%
Investment rate of return	7.15% 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, 2019 valuation were based on results of an actuarial experience study for the period from 1997 to 2015, 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.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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 Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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)	\$ 1,508,140	\$ 706,991	\$ 45,699

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 Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2019
Measurement Date	June 30, 2020

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 2020 and 2019, the Town paid monthly premiums totaling \$7,812 and \$7,975, respectively. The projected liabilities were \$224,269 and \$216,039 for the year ended June 30, 2020 and 2019, respectively.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

Significant Assumptions

Significant assumptions are as follows:

Discount rate	2.66%
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.
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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.
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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 Basic Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020 for the Town.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2019	\$ 216,039	\$ -	\$ 216,039
Changes recognized for the measurement period:			
Service cost	17,028	-	17,028
Interest	6,669	-	6,669
Economic/Demographic Gains or Losses	(13,288)	-	(13,288)
Change of assumptions	5,633	-	5,633
Employer contributions	-	7,812	(7,812)
Benefit payments	(7,812)	(7,812)	-
Net changes	8,230	-	8,230
Balance at June 30, 2020	<u>\$ 224,269</u>	<u>\$ -</u>	<u>\$ 224,269</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	\$ 249,373	\$ 224,269	\$ 203,061

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	\$ 223,195	\$ 224,269	\$ 225,339

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2020

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

Net OPEB Expense

For the year ended June 30, 2020, the Town's OPEB expense was \$16,042. Detail of the expense is shown below:

Service cost	\$ 17,028
Interest cost	6,669
Economic/Demographic Gains or Losses	(13,288)
Changes of assumptions	<u>5,633</u>
Net OPEB Expense	<u>\$ 16,042</u>

NOTE 10: COVID-19 CONSIDERATIONS

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19 has proven to be extremely virulent with transmission rates as yet unknown. The economic impact in the State of California and the County of Placer as yet has not been determined and therefore any potential impact on the Town is not yet known.

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS – MANAGEMENT REVIEW

Management has evaluated subsequent events through January 20, 2021, the date which the financial statements were available to be issued. Based upon this evaluation, except for the following, it was determined that no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LOOMIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary	Variance with
	Original	Final	Basis	Final Budget
REVENUES:				
Tax revenues	\$ 3,385,500	\$ 3,285,500	\$ 3,095,149	\$ (190,351)
Licenses, fees, and permits	171,000	240,000	270,416	30,416
Franchise fees	275,500	275,500	278,168	2,668
Intergovernmental	737,800	737,800	749,764	11,964
Fines, forfeitures, and penalties	3,000	3,000	10,854	7,854
Use of money and property	108,000	108,000	209,881	101,881
Refunds and reimbursements	-	-	21,097	21,097
Other revenues	5,000	5,000	22,520	17,520
Total revenues	4,685,800	4,654,800	4,657,849	3,049
EXPENDITURES:				
Current:				
General government	1,457,820	1,782,147	1,583,097	199,050
Public safety	1,612,301	1,612,301	1,627,275	(14,974)
Public works	645,750	696,750	983,587	(286,837)
Planning	633,905	633,905	327,190	306,715
Debt service:				
Principal retirement	-	-	4,950	(4,950)
Interest and fiscal charges	-	-	1,813	(1,813)
Capital outlay	238,800	238,800	73,459	165,341
Total expenditures	4,588,576	4,963,903	4,601,371	362,532
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	97,224	(309,103)	56,478	365,581
Other Financing Sources (Uses):				
Transfers out	(686,083)	-	(686,083)	(686,083)
Total other financing sources (uses)	(686,083)	-	(686,083)	(686,083)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(588,859)	(309,103)	(629,605)	(320,502)
Fund balances - beginning	5,021,544	5,021,544	5,021,544	-
Fund balances - ending	\$ 4,432,685	\$ 4,712,441	\$ 4,391,939	\$ (320,502)

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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 599,781	\$ 599,781	\$ 610,595	\$ 10,814
Total revenues	599,781	599,781	610,595	10,814
EXPENDITURES:				
Current:				
Public works	395,351	395,351	319,263	76,088
Capital outlay	1,847,858	1,847,858	584,273	1,263,585
Total expenditures	2,243,209	2,243,209	903,536	1,339,673
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,643,428)	(1,643,428)	(292,941)	1,350,487
Other Financing Sources (Uses):				
Transfers in	686,083	-	882,392	882,392
Total other financing sources (uses)	686,083	-	882,392	882,392
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(957,345)	(1,643,428)	589,451	2,232,879
Fund balances - beginning	(446,488)	(446,488)	(446,488)	-
Fund balances - ending	\$ (1,403,833)	\$ (2,089,916)	\$ 142,963	\$ 2,232,879

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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses, fees, and permits	\$ 3,000	\$ 3,000	\$ 2,250	\$ (750)
Use of money and property	6,500	6,500	18,516	12,016
Total revenues	9,500	9,500	20,766	11,266
EXPENDITURES:				
Current:				
General government	1,500	-	-	-
Capital outlay	-	-	20,322	(20,322)
Total expenditures	1,500	-	20,322	(20,322)
NET CHANGE IN FUND BALANCES	8,000	9,500	444	(9,056)
Fund balances - beginning	427,637	427,637	427,637	-
Fund balances - ending	\$ 435,637	\$ 437,137	\$ 428,081	\$ (9,056)

TOWN OF LOOMIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAINTENANCE DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	Budgetary Basis	Final Budget
REVENUES:				
Tax revenues	\$ 160,580	\$ 160,580	\$ 160,956	\$ 376
Use of money and property	62,450	62,450	143,465	81,015
Total revenues	223,030	223,030	304,421	81,391
EXPENDITURES:				
Current:				
General government	1,608	1,608	4,272	(2,664)
Public works	61,867	61,867	15,246	46,621
Capital outlay	-	-	10,903	(10,903)
Total expenditures	63,475	63,475	30,421	33,054
NET CHANGE IN FUND BALANCES	159,555	159,555	274,000	114,445
Fund balances - beginning	2,973,767	2,973,767	2,973,767	-
Fund balances - ending	\$ 3,133,322	\$ 3,133,322	\$ 3,247,767	\$ 114,445

TOWN OF LOOMIS
Required Supplementary Information
Pensions - Miscellaneous Plan
June 30, 2020

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

Last 10 Fiscal years*

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.01765%	0.01515%	0.03059%	0.02918%	0.02691%	0.02819%
Proportionate share of the net pension liability	\$706,991	\$571,066	\$1,205,984	\$1,013,576	\$738,347	\$696,698
Covered payroll	\$939,760	\$797,721	\$681,332	\$666,518	\$677,599	\$660,429
Proportionate share of the net pension liability as a percentage of its covered payroll	75.23%	71.59%	177.00%	152.07%	108.97%	105.49%
Plan Fiduciary net position as a percentage of the total pension liability	88.13%	78.17%	23.24%	21.95%	16.51%	15.89%

Schedule of Town's contributions:

Last 10 Fiscal Years*

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	\$ 146,323	\$ 120,118	\$ 45,298	\$ 54,460	\$ 56,073	\$ 54,082
Contributions in relation to the actuarially determined contribution	146,323	120,118	(69,745)	(52,323)	(51,130)	(62,109)
Contribution deficiency (excess)	<u>\$ 292,646</u>	<u>\$ 240,236</u>	<u>\$ (24,447)</u>	<u>\$ 2,137</u>	<u>\$ 4,943</u>	<u>\$ (8,027)</u>
Town's covered payroll	\$ 939,760	\$ 797,721	\$ 681,332	\$ 666,518	\$ 677,599	\$ 660,429
Contributions as a percentage of covered payroll	15.57%	15.06%	10.24%	7.85%	7.55%	9.40%

* Fiscal year ended June 30, 2015 was the first year of implementation.
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, 2020

Last 10 Fiscal years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net OPEB liability			
Service cost	\$ 17,028	\$ 17,028	\$ 17,028
Interest	6,669	5,730	8,860
Economic/Demographic Gains or (Losses)	(13,288)	4,380	(44,065)
Change in assumptions	5,633	13,042	26,173
Benefit payments	(7,812)	(7,975)	(7,975)
Net change in Net OPEB liability	<u>8,230</u>	<u>32,205</u>	<u>21</u>
Net OPEB liability - beginning, restated	<u>216,039</u>	<u>183,834</u>	<u>183,813</u>
Net OPEB liability - ending	<u><u>\$ 224,269</u></u>	<u><u>\$ 216,039</u></u>	<u><u>\$ 183,834</u></u>
Covered payroll	\$ 1,052,275	\$ 852,485	\$ 797,721
Net OPEB liability (asset) as a percentage of	21.3%	25.3%	23.0%
Plan fiduciary net position as a percentage of the	0.00%	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, 2020

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.

SUPPLEMENTARY INFORMATION

COMBINING FUND FINANCIAL STATEMENTS

TOWN OF LOOMIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
ASSETS			
Cash and investments	\$ 944,702	\$ 2,025,614	\$ 2,970,316
Receivables:			
Accounts receivable	3,823	-	3,823
TOTAL ASSETS	<u>\$ 948,525</u>	<u>\$ 2,025,614</u>	<u>\$ 2,974,139</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 28,845	\$ 3,191	32,036
Due to other funds	31,616	-	31,616
Total liabilities	<u>60,461</u>	<u>3,191</u>	<u>63,652</u>
Fund balances			
Restricted for:			
Capital projects	-	2,022,423	2,022,423
Tree removal	375,483	-	375,483
AB 939	284,599	-	284,599
Law enforcement	235,031	-	235,031
Other	24,338	-	24,338
Unassigned	(31,387)	-	(31,387)
Total fund balances	<u>888,064</u>	<u>2,022,423</u>	<u>2,910,487</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 948,525</u>	<u>\$ 2,025,614</u>	<u>\$ 2,974,139</u>

TOWN OF LOOMIS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
REVENUES:			
Tax revenues	\$ 167,832	\$ -	\$ 167,832
Licenses, fees, and permits	2,652	53,521	56,173
Intergovernmental	333,809	-	333,809
Use of money and property	47,021	87,747	134,768
	<u>551,314</u>	<u>141,268</u>	<u>692,582</u>
EXPENDITURES:			
Current:			
General government	97,843	-	97,843
Public safety	100,000	-	100,000
Public works	61,803	40,681	102,484
	<u>259,646</u>	<u>40,681</u>	<u>300,327</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	291,668	100,587	392,255
Other Financing Sources (Uses):			
Transfers out	(196,309)	-	(196,309)
	<u>(196,309)</u>	<u>-</u>	<u>(196,309)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	95,359	100,587	195,946
Fund balances - beginning	792,705	1,921,836	2,714,541
Fund balances - ending	<u>\$ 888,064</u>	<u>\$ 2,022,423</u>	<u>\$ 2,910,487</u>

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TOWN OF LOOMIS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund
ASSETS					
Cash and investments	\$ 2,227	\$ 381,972	\$ 280,776	\$ 33,963	\$ 235,031
Receivables:					
Accounts receivable	-	-	3,823	-	-
TOTAL ASSETS	\$ 2,227	\$ 381,972	\$ 284,599	\$ 33,963	\$ 235,031
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ 6,489	\$ -	\$ 22,340	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	6,489	-	22,340	-
Fund balances					
Restricted	2,227	375,483	284,599	11,623	235,031
Unassigned	-	-	-	-	-
Total fund balances	2,227	375,483	284,599	11,623	235,031
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,227	\$ 381,972	\$ 284,599	\$ 33,963	\$ 235,031

Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Total
\$ 229	\$ 1,137	\$ 9,367	\$ -	\$ 944,702
-	-	-	-	3,823
<u>\$ 229</u>	<u>\$ 1,137</u>	<u>\$ 9,367</u>	<u>\$ -</u>	<u>\$ 948,525</u>

\$ -	\$ -	\$ 16	\$ -	\$ 28,845
31,616	-	-	-	31,616
<u>31,616</u>	<u>-</u>	<u>16</u>	<u>-</u>	<u>60,461</u>

-	1,137	9,351	-	919,451
(31,387)	-	-	-	(31,387)
<u>(31,387)</u>	<u>1,137</u>	<u>9,351</u>	<u>-</u>	<u>888,064</u>
<u>\$ 229</u>	<u>\$ 1,137</u>	<u>\$ 9,367</u>	<u>\$ -</u>	<u>\$ 948,525</u>

TOWN OF LOOMIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund
REVENUES:					
Tax revenues	\$ 156,364	\$ -	\$ 11,468	\$ -	\$ -
Licenses, fees, and permits	-	-	-	-	-
Intergovernmental	7,743	-	-	46,717	155,948
Use of money and property	1,937	16,612	12,143	1,208	10,849
Total revenues	166,044	16,612	23,611	47,925	166,797
EXPENDITURES:					
Current:					
General government	97,043	-	800	-	-
Public safety	-	-	-	-	100,000
Public works	-	13,718	-	47,821	-
Total expenditures	97,043	13,718	800	47,821	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	69,001	2,894	22,811	104	66,797
Other Financing Sources (Uses):					
Transfers out	(67,774)	-	-	-	-
Total other financing sources (uses)	(67,774)	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	1,227	2,894	22,811	104	66,797
Fund balances - beginning	1,000	372,589	261,788	11,519	168,234
Fund balances - ending	\$ 2,227	\$ 375,483	\$ 284,599	\$ 11,623	\$ 235,031

Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 167,832
-	-	2,652	-	2,652
-	-	-	123,401	333,809
10	-	399	3,863	47,021
10	-	3,051	127,264	551,314
-	-	-	-	97,843
-	-	-	-	100,000
-	-	264	-	61,803
-	-	264	-	259,646
10	-	2,787	127,264	291,668
-	-	-	(128,535)	(196,309)
-	-	-	(128,535)	(196,309)
10	-	2,787	(1,271)	95,359
(31,397)	1,137	6,564	1,271	792,705
<u>\$ (31,387)</u>	<u>\$ 1,137</u>	<u>\$ 9,351</u>	<u>\$ -</u>	<u>\$ 888,064</u>

TOWN OF LOOMIS
COMBINING BALANCE SHEET
MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
JUNE 30, 2020

	Hunters Crossing Fund Funds	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
		District I Fund	District II Fund				
ASSETS							
Cash and investments	\$ 336,360	\$ 7,059	\$ 33,832	\$ 388,917	\$ 281,028	\$ 130,847	\$ 200,923
Receivables:							
Assessment receivable	-	25	52	-	-	137	250
TOTAL ASSETS	<u>\$ 336,360</u>	<u>\$ 7,084</u>	<u>\$ 33,884</u>	<u>\$ 388,917</u>	<u>\$ 281,028</u>	<u>\$ 130,984</u>	<u>\$ 201,173</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>73</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Restricted	336,287	7,084	33,884	388,917	281,028	130,984	201,173
Total fund balances	<u>336,287</u>	<u>7,084</u>	<u>33,884</u>	<u>388,917</u>	<u>281,028</u>	<u>130,984</u>	<u>201,173</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 336,360</u>	<u>\$ 7,084</u>	<u>\$ 33,884</u>	<u>\$ 388,917</u>	<u>\$ 281,028</u>	<u>\$ 130,984</u>	<u>\$ 201,173</u>

Hunters Crossing II Fund	King Road Village Fund	Saunders Avenue Fund	Rachel Estates Fund	No Name Lane Fund	Sherwood Estates Fund	Heritage Park Estates Fund	Hunter Oaks Fund	Sierra De Monserat Fund	Total
\$ 111,565	\$ 188,998	\$ 27,429	\$ 325,068	\$ 3,000	\$ 142,228	\$ 338,391	\$ 263,831	\$ 462,566	\$ 3,242,042
154	390	48	600	-	367	951	1,216	2,173	6,363
<u>\$ 111,719</u>	<u>\$ 189,388</u>	<u>\$ 27,477</u>	<u>\$ 325,668</u>	<u>\$ 3,000</u>	<u>\$ 142,595</u>	<u>\$ 339,342</u>	<u>\$ 265,047</u>	<u>\$ 464,739</u>	<u>\$ 3,248,405</u>
\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303	\$ 233	\$ 638
29	-	-	-	-	-	-	303	233	638
111,690	189,388	27,477	325,668	3,000	142,595	339,342	264,744	464,506	3,247,767
111,690	189,388	27,477	325,668	3,000	142,595	339,342	264,744	464,506	3,247,767
<u>\$ 111,719</u>	<u>\$ 189,388</u>	<u>\$ 27,477</u>	<u>\$ 325,668</u>	<u>\$ 3,000</u>	<u>\$ 142,595</u>	<u>\$ 339,342</u>	<u>\$ 265,047</u>	<u>\$ 464,739</u>	<u>\$ 3,248,405</u>

TOWN OF LOOMIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Hunters Crossing Fund Funds	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
		District I Fund	District II Fund				
REVENUES:							
Tax revenues	\$ 8,580	\$ 500	\$ 1,030	\$ 9,755	\$ 7,436	\$ 10,674	\$ 4,997
Use of money and property	14,524	302	1,458	17,512	12,810	5,599	9,039
Total revenues	23,104	802	2,488	27,267	20,246	16,273	14,036
EXPENDITURES:							
Current:							
General government	950	5	10	97	74	1,667	50
Public works	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,901	1,795	-	950
Total expenditures	950	5	10	1,998	1,869	1,667	1,000
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,154	797	2,478	25,269	18,377	14,606	13,036
Fund balances - beginning	314,133	6,287	31,406	363,648	262,651	116,378	188,137
Fund balances - ending	\$ 336,287	\$ 7,084	\$ 33,884	\$ 388,917	\$ 281,028	\$ 130,984	\$ 201,173

Hunters Crossing II Fund	King Road Village Fund	Saunders Avenue Fund	Rachel Estates Fund	No Name Lane Fund	Sherwood Estates Fund	Heritage Park Estates Fund	Hunter Oaks Fund	Sierra De Monserat Fund	Total
\$ 3,084	\$ 7,802	\$ 960	\$ 11,990	\$ -	\$ 7,346	\$ 19,027	\$ 24,311	\$ 43,464	\$ 160,956
5,060	8,484	1,283	14,009	-	6,517	15,017	12,106	19,745	143,465
8,144	16,286	2,243	25,999	-	13,863	34,044	36,417	63,209	304,421
348	-	10	120	-	73	190	243	435	4,272
-	3,310	-	571	-	-	-	9,972	1,393	15,246
634	845	-	-	-	1,056	1,267	2,455	-	10,903
982	4,155	10	691	-	1,129	1,457	12,670	1,828	30,421
7,162	12,131	2,233	25,308	-	12,734	32,587	23,747	61,381	274,000
104,528	177,257	25,244	300,360	3,000	129,861	306,755	240,997	403,125	2,973,767
<u>\$ 111,690</u>	<u>\$ 189,388</u>	<u>\$ 27,477</u>	<u>\$325,668</u>	<u>\$ 3,000</u>	<u>\$ 142,595</u>	<u>\$ 339,342</u>	<u>\$ 264,744</u>	<u>\$ 464,506</u>	<u>\$ 3,247,767</u>

**TOWN OF LOOMIS
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
ASSETS				
Cash and investments	\$ 299,117	\$ 869,895	\$ 856,602	\$ 2,025,614
TOTAL ASSETS	\$ 299,117	\$ 869,895	\$ 856,602	\$ 2,025,614
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 3,191	\$ 3,191
Total liabilities	-	-	3,191	3,191
Fund balances				
Restricted	299,117	869,895	853,411	2,022,423
TOTAL LIABILITIES AND FUND BALANCES	\$ 299,117	\$ 869,895	\$ 856,602	\$ 2,025,614

TOWN OF LOOMIS
FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
REVENUES:				
Licenses, fees, and permits	\$ 3,217	\$ 13,966	\$ 36,338	\$ 53,521
Use of money and property	12,978	37,650	37,119	87,747
Total revenues	16,195	51,616	73,457	141,268
EXPENDITURES:				
Current:				
Public works	-	-	40,681	40,681
Total expenditures	-	-	40,681	40,681
Net change in fund balances	16,195	51,616	32,776	100,587
Fund balances - beginning	282,922	818,279	820,635	1,921,836
Fund balances - ending	\$ 299,117	\$ 869,895	\$ 853,411	\$ 2,022,423

**TOWN OF LOOMIS
COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2020**

	<u>Revolving Funds</u>	<u>County Facilities Fees</u>	<u>Dry Creek Watershed Fees</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ -	\$ 17,228	\$ 878	\$ 18,106
Due from other agencies	<u>137,134</u>	<u>-</u>	<u>-</u>	<u>137,134</u>
Total assets	<u><u>\$ 137,134</u></u>	<u><u>\$ 17,228</u></u>	<u><u>\$ 878</u></u>	<u><u>\$ 155,240</u></u>
LIABILITIES				
Accounts payable	\$ 99,703	\$ 2,160	\$ 311	\$ 102,174
Due to other funds	37,431	-	-	37,431
Due to other agencies	<u>-</u>	<u>15,068</u>	<u>567</u>	<u>15,635</u>
TOTAL LIABILITIES	<u><u>\$ 137,134</u></u>	<u><u>\$ 17,228</u></u>	<u><u>\$ 878</u></u>	<u><u>\$ 155,240</u></u>

TOWN OF LOOMIS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Increases	Reductions	Balance June 30, 2020
REVOLVING FUNDS:				
ASSETS				
Cash and investments	\$ 193,860	\$ 304,180	\$ (498,040)	\$ -
Due from other agencies	<u>(152,092)</u>	<u>518,581</u>	<u>(229,355)</u>	<u>137,134</u>
Total assets	<u><u>\$ 41,768</u></u>	<u><u>\$ 822,761</u></u>	<u><u>\$ (727,395)</u></u>	<u><u>\$ 137,134</u></u>
LIABILITIES				
Accounts payable	\$ 41,768	\$ 413,952	\$ (356,017)	\$ 99,703
Due to other funds	<u>-</u>	<u>\$ 37,431</u>	<u>\$ -</u>	<u>\$ 37,431</u>
Total liabilities	<u><u>\$ 41,768</u></u>	<u><u>\$ 451,383</u></u>	<u><u>\$ (356,017)</u></u>	<u><u>\$ 137,134</u></u>
COUNTY FACILITIES FEE:				
ASSETS				
Cash and investments	\$ 19,185	\$ 14,770	\$ (16,727)	\$ 17,228
Total assets	<u><u>\$ 19,185</u></u>	<u><u>\$ 14,770</u></u>	<u><u>\$ (16,727)</u></u>	<u><u>\$ 17,228</u></u>
LIABILITIES				
Accounts payable	\$ 4,725	\$ 13,867	\$ (16,432)	\$ 2,160
Due to other agencies	<u>14,460</u>	<u>14,770</u>	<u>(14,162)</u>	<u>15,068</u>
Total liabilities	<u><u>\$ 19,185</u></u>	<u><u>\$ 28,637</u></u>	<u><u>\$ (30,594)</u></u>	<u><u>\$ 17,228</u></u>

TOWN OF LOOMIS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
DRY CREEK WATERSHED FEES				
ASSETS				
Cash and investments	\$ 2,656	\$ 14,359	\$ (16,137)	\$ 878
Total assets	<u>\$ 2,656</u>	<u>\$ 14,359</u>	<u>\$ (16,137)</u>	<u>\$ 878</u>
LIABILITIES				
Accounts payable	\$ 2,049	\$ 14,399	\$ (16,137)	\$ 311
Due to other agencies	<u>607</u>	<u>1,674</u>	<u>(1,714)</u>	<u>567</u>
Total liabilities	<u>\$ 2,656</u>	<u>\$ 16,073</u>	<u>\$ (17,851)</u>	<u>\$ 878</u>
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 215,701	\$ 333,309	\$ (530,904)	\$ 18,106
Due from other agencies	<u>(152,092)</u>	<u>518,581</u>	<u>(229,355)</u>	<u>137,134</u>
Total assets	<u>\$ 63,609</u>	<u>\$ 851,890</u>	<u>\$ (760,259)</u>	<u>\$ 155,240</u>
LIABILITIES				
Accounts payable	\$ 48,542	\$ 442,218	\$ (388,586)	\$ 102,174
Due to other funds	-	37,431	-	37,431
Due to other agencies	<u>15,067</u>	<u>16,444</u>	<u>(15,876)</u>	<u>15,635</u>
Total liabilities	<u>\$ 63,609</u>	<u>\$ 496,093</u>	<u>\$ (404,462)</u>	<u>\$ 155,240</u>

OTHER REPORT



**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, 2020, 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 January 20, 2021.

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

A handwritten signature in cursive script that reads "Fechter & Company, CPAs".

Sacramento, California
January 20, 2021

TOWN OF LOOMIS, CALIFORNIA
REPORT ON AGREED-UPON PROCEDURES
ON THE APPROPRIATIONS LIMIT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

**REPORT ON AGREED-UPON PROCEDURES
ON THE APPROPRIATIONS LIMIT**

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

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet number 6 of the Town of Loomis for the year ended June 30, 2020. These procedures, which were agreed to by the League of California Cities and presented in their Article XIIB Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIB of the California Constitution. The Town of Loomis' management is responsible for the Appropriations Limit Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Loomis. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the complete worksheets, and compared the limit and annual adjustment factors in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the Town Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote of the Town Council.

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

2. For the Appropriations Limit calculation, we added last year's limit to total adjustments, and compared the resulting amount to this year's limit.

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

3. We agreed the current year information presented in the Appropriations Limit calculation to the other calculations described in number 1 above.

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

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

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

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

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Appropriations Limit calculation. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by Article XIII-B of the California Constitution.

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

Fechter & Company
Certified Public Accountants

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is stylized and cursive.

Sacramento, California
December 21, 2020

**TOWN OF LOOMIS
Appropriations Limit Worksheet
For the Year Ended June 30, 2020**

	<u>Amount as Adopted</u>
A. Last year's limit (approved by Resolution No. 18-17, dated June 12, 2018)	\$ 7,820,691
B. Adjustment factors	
1. Population percentage	1.85%
2. Personal income percentage	<u>3.85%</u>
Total adjustment percentage	1.058%
C. Annual dollar adjustment	\$ 451,350
D. This year's limit (approved by Resolution No. 19-35, dated June 11, 2019)	\$ 8,272,041
Difference	\$ -

TOWN OF LOOMIS, CALIFORNIA
COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020

**COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE**

To the Town Council
Town of Loomis
Loomis, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standard*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 20, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Loomis, California are described in Note 1 to the financial statements. The application of existing policies was not changed during 2020. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements were:

- Accrual and disclosure of pension liabilities
- Accrual and disclosure of other post-employment benefits liabilities
- Capital asset lives and depreciation expense

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- Record current year changes in GASB 68 accounts.
- Record current year changes in GASB 75 accounts.
- Record current year changes in capital asset accounts.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 20, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Fechter & Company
Certified Public Accountants

A handwritten signature in black ink that reads "Fechter & Company, CPAs". The signature is stylized and cursive.

Sacramento, California
January 20, 2021