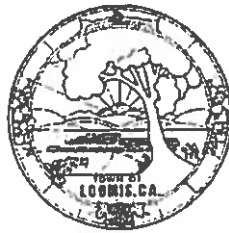


**TOWN OF LOOMIS, CALIFORNIA**

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**AUDITED FINANCIAL STATEMENTS**

**FOR THE FISCAL  
YEAR ENDED JUNE 30, 2016**





# TOWN OF LOOMIS, CALIFORNIA

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# TOWN OF LOOMIS, CALIFORNIA

## TOWN OFFICIALS

### TOWN COUNCIL

- *Brian Baker*..... Mayor
- *Robert Black*..... Mayor Pro-Tem
- *Rhonda Morillas*..... Council member
- *Miguel Ucovich*..... Council member
- *Dave Wheeler*..... Council member

### OTHER TOWN OFFICIALS

- *Rick Angelocci* ..... Town Manager and Planning Director
- *Jeff Mitchell* ..... Town Attorney
- *Roger Carroll* ..... Town Treasurer/ Finance Officer
- *Britton Snipes* ..... Director of Public Works/Town Engineer
- *Rhonda Gannon* ..... Building Inspector
- *Crickett Strock* ..... Town Clerk/Administrative Assistant



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# **BOLER & ASSOCIATES**

PROFESSIONAL ACCOUNTANCY CORPORATION  
750 F STREET • DAVIS, CA 95616

(530) 756-1735

## ***INDEPENDENT AUDITOR'S REPORT***

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

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Loomis, California, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the General Fund and the major special revenue funds: Streets and Roads Fund, Low Income Density Fund, and Maintenance Districts of the Town of Loomis, California, as of June 30, 2016, 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.

***Emphasis of Matter***

***Implementation of New Accounting Standards***

As described in Note 1 to the financial statements, the Town adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, effective years beginning after June 15, 2015. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Net Pension Liability and Schedule of Proportionate Share of the Net Pension Liability on pages 3-13 and 57-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Loomis, California's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 2, 2016, 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.



September 2, 2016



# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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As management of the Town of Loomis (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information presented.

### FINANCIAL HIGHLIGHTS

- The Town's government-wide net position increased in total by \$1,085,236, or 4.48%.
- The total governmental activities revenues from all sources were \$4,938,902.
- The total cost of all Town programs in the Town's governmental activities were \$3,853,666.
- The General Fund reported an excess of revenues over expenditures and other financing sources of \$604,359
- Actual resources received in the General Fund were over final budget by \$335,082 while actual expenditures were under the final budget by \$228,749.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$3,611,910.
- The net pension liability increased \$41,629 over the prior year.

### USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements. The government-wide Statement of Net Position on page 14 and the Statement of Activities on page 15 provide information about the activities as a whole and present a longer-term view of the Town's finances. Governmental Fund financial statements start on page 16. For governmental activities, these statements explain how programs and services were financed in the short term (the most recently completed fiscal year), as well as the amounts remaining available for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. Fund financial statements also provide financial information about activities for which the Town acts solely as a trustee of agent (fiduciary) for the benefit of individuals and entities external to this governmental unit.

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

Our analysis of the Town as a whole begins on page 14 with the government-wide financial statements. One of the most important questions asked about the Town's finances is, "*Is the Town as a whole better off or worse off as a result of the year's activities?*" The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. The government-wide Statement of Net Position includes *all* assets and liabilities, using the *accrual basis of accounting*, which is similar to the account used by most private-sector business entities. The government-wide Statement of Activities focus is to measure net revenues or expenses of each activity and all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

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

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

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

Our analysis of the Town's major funds begins 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 (basis) measures the availability of cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations, and the basic services it provides to residents and visitors of the Towns. Governmental fund information helps you to determine what financial resources are available to be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds, in a reconciliation at the bottom of the fund financial statements.

The fund financial statements provide detailed information about the major funds, not the Town as a whole. Some funds are required to be established by State law (Gas Tax and Law Enforcement Grant funds). However, the Town Council establishes many other funds to help it control and manage money for particular purposes (like the Flow-through fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (like grants received for recycling or park expansion). The funds shown in these statements are:

- The General Fund is the primary operating fund of the Town. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.
- The Streets and Roads Special Revenue Fund accounts for funding received for transportation purposes, including: public transportation, road construction and road maintenance. The ma-

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

- The Low Income Density Special Revenue Fund represents the loan activity for the housing rehabilitation program.
- The Maintenance Districts Special Revenue Fund represents the various maintenance districts throughout the town.
- The Road Circulation Capital Projects Fund creation of new roads, or improvements to existing arterials that create new capacity, such as the Taylor Road reconstruction.
- The Nonmajor Government funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves they are not significant to the Town as a whole. Therefore, they are combined and reported as one. They include funds for transportation, recycling, parks, and rehabilitation loans.

### **Fiduciary Fund Statements - The Town as a Fiduciary**

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

### **Government-wide Financial Analysis - The Town as a Whole**

As noted earlier, net position may serve over time as a useful indicator of a government's financial positions. In the case of the Town of Loomis, assets exceeded liabilities by \$25.3 million as of June 30, 2016 compared to \$24.2 million as of June 30, 2015.

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 46.30% and 49.01% for the fiscal year ended June 30, 2016 and 2015, 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, 2016

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

	2016	2015
<b>ASSETS:</b>		
Current and other assets	\$ 14,107,797	\$ 12,975,715
Capital assets, net	12,163,473	12,470,617
<b>TOTAL ASSETS</b>	<b>\$ 26,271,270</b>	<b>\$ 25,446,332</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Pension payments	\$ 261,816	\$ 115,311
<b>LIABILITIES:</b>		
Liabilities due after one year	\$ 824,002	\$ 774,140
Other liabilities	243,664	270,335
<b>TOTAL LIABILITIES</b>	<b>\$ 1,067,666</b>	<b>\$ 1,044,475</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Pension receipts	\$ 153,076	\$ 290,060
<b>NET ASSETS:</b>		
Investment in capital assets	\$ 12,148,701	12,450,007
Restricted	8,043,495	7,199,965
Unrestricted	5,120,148	4,577,136
<b>TOTAL NET ASSETS</b>	<b>\$ 25,312,344</b>	<b>\$ 24,227,108</b>

As of June 30, 2016, \$8.0 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$5.1 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, 2015, \$7.2 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, \$4.5 million, may be used to meet the Town's ongoing obligations to citizens and creditors.

The government's net position increased \$1.1 million in most part increased sales and property taxes from the improving economy for the fiscal year ended June 30, 2016. For the fiscal year ended June 30, 2015, net position increased \$0.7 million.

The amount reported for net position of Governmental activities does not include the value of the Town's infrastructure (roadways, bridges and storm drainage improvements) acquired upon incorporation on December 17, 1984.

**TOWN OF LOOMIS, CALIFORNIA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Governmental Activities**

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

	2016	2015
<b>CHANGE IN NET POSITION</b>		
<b>FOR THE FISCAL YEAR ENDED JUNE 30</b>		
<b>PROGRAM REVENUES:</b>		
Charges for services	\$ 734,350	\$ 551,265
Operating grants and contributions	195,522	230,293
Capital grants and contributions	358,381	357,476
<b>GENERAL REVENUES:</b>		
Property taxes	1,332,171	1,454,016
Other taxes	167,215	159,612
Sales and use taxes	840,689	761,629
Property tax in-lieu of vehicle license fees	580,286	519,454
Franchise fees	256,622	249,851
Investment income	458,556	244,616
Refunds and reimbursements	2,812	7,833
Other income	12,298	142,751
<b>TOTAL REVENUES</b>	<b>4,938,902</b>	<b>4,678,796</b>
<b>EXPENSES:</b>		
General governmental	1,306,476	1,331,635
Public safety	1,570,912	1,557,513
Public works	816,545	898,095
Planning	158,863	118,298
Interest expense	870	1,666
<b>TOTAL EXPENSES</b>	<b>3,853,666</b>	<b>3,907,207</b>
<b>CHANGE IN NET POSITION</b>	<b>1,085,236</b>	<b>771,589</b>
<b>NET POSITION, JULY 1</b>	<b>24,227,108</b>	<b>23,455,519</b>
<b>NET POSITION, JUNE 30</b>	<b>\$ 25,312,344</b>	<b>\$ 24,227,108</b>

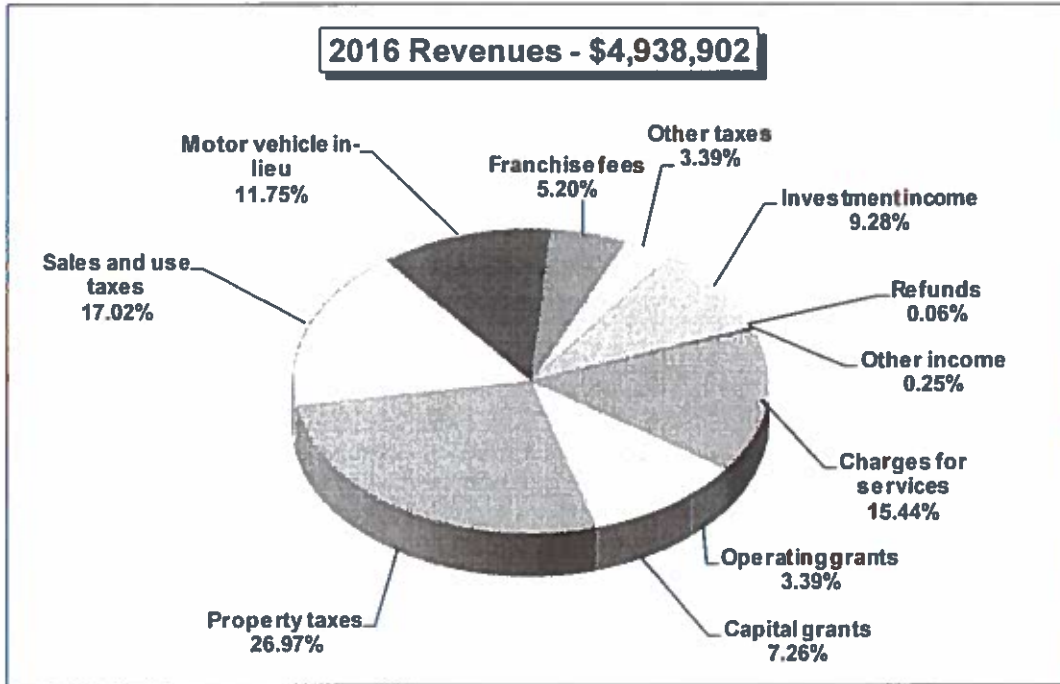
Highlights of the change in net position for the fiscal year ended June 30, 2016 were as follows:

- Operating grants and contributions decreased by \$62,840.
- Sales tax revenues increased by \$79,060.
- Investment income increased by \$213,940.
- Total governmental activities revenues increased by \$260,106 largely attributed investment income and charges for services.

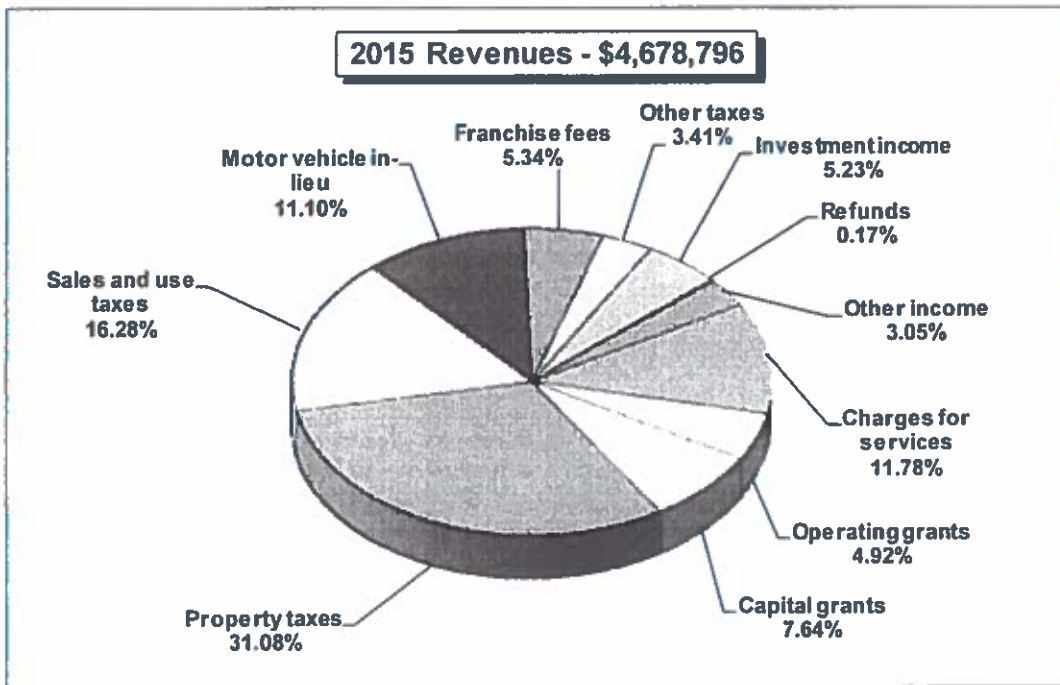
# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The fiscal year ended June 30, 2016 revenues are reflected graphically as follows:



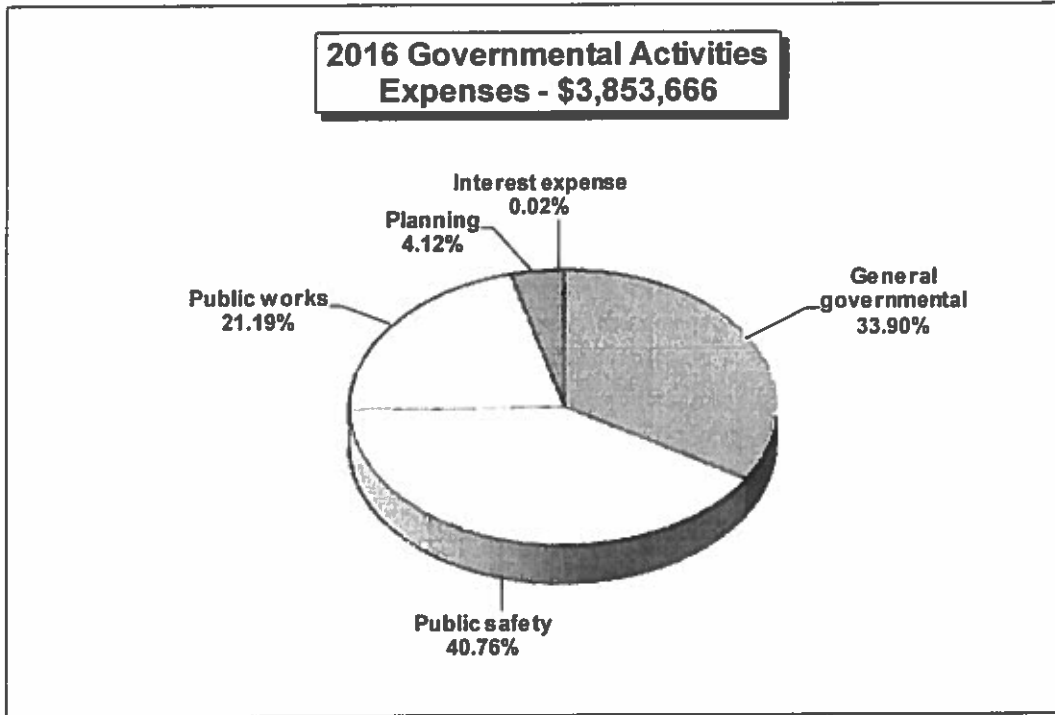
The fiscal year ended June 30, 2015 revenues are reflected graphically as follows:



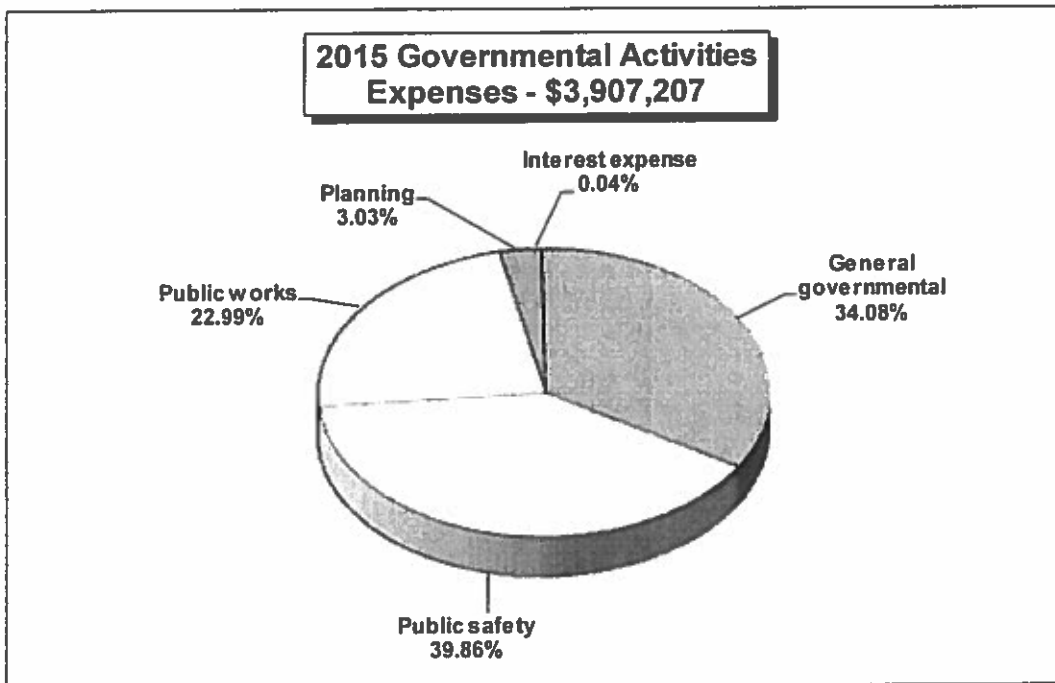
# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The fiscal year ended June 30, 2016 expenses are reflected graphically as follows:



The fiscal year ended June 30, 2015 expenses are reflected graphically as follows:



# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

The table shows the cost of each of the Town's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. For the fiscal year ended June 30, 2016 the net cost is as follows:

### NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Total cost of services	Charges for services	Grants		Net cost (revenue) of services
			Operating	Capital	
General governmental	\$ 1,306,476	\$ 27,739	\$ 28,069	\$ -	\$ (1,250,668)
Public safety	1,570,912	6,821	114,618	-	(1,449,473)
Public works	816,545	594,100	52,835	358,381	188,771
Planning	158,863	105,690	-	-	(53,173)
Interest expense	870	-	-	-	(870)
	<u>\$ 3,853,666</u>	<u>\$ 734,350</u>	<u>\$ 195,522</u>	<u>\$ 358,381</u>	<u>\$ (2,565,413)</u>

For the fiscal year ended June 30, 2015 the net cost is as follows:

### NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total cost of services	Charges for services	Grants		Net cost (revenue) of services
			Operating	Capital	
General governmental	\$ 1,331,635	\$ 26,374	\$ -	\$ -	\$ (1,305,261)
Public safety	1,557,513	7,230	106,230	-	(1,444,053)
Public works	898,095	429,015	124,063	357,476	12,459
Planning	118,298	88,646	-	-	(29,652)
Interest expense	1,666	-	-	-	(1,666)
	<u>\$ 3,907,207</u>	<u>\$ 551,265</u>	<u>\$ 230,293</u>	<u>\$ 357,476</u>	<u>\$ (2,768,173)</u>

### Financial Analysis of Government funds

**General Fund:** Fund balance was \$3,611,910 and \$3,007,551 for the fiscal year ended 2016 and 2015, respectively. Because the Town generally does not finance through debt, the General Fund is strong. Total fund balance is 81.1% and 74.4% of total assets for 2016 and 2015, respectively. For each dollar of liabilities, there is \$4.21 of cash and receivables, which shows that the General Fund can easily pay its obligations as they come due. For 2016, General Fund revenues exceeded expenditures by \$604,359. Expenditures and transfers out were 82.2% of total General fund revenues for 2016. For 2015, General Fund expenditures exceeded revenues by \$(659,583). Expenditures and transfers out were 119.64% of total General fund revenues.



# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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**Streets and Roads Special Revenue Fund:** Fund deficit is \$(50,391) and \$-0- for 2016 and 2015, respectively. This fund reports revenues received from Placer County and the State for use on building and maintaining road and transportation systems. Because the Town's road needs exceed the funds provided by the County and the State, funds were allocated from the gas tax funds and the General Fund.

**Low Income Density Special Revenue Fund:** This fund accounts for the Town's low income loan program's receipts and disbursement. Revenues exceeded expenditures by \$26,956 and \$47,966 for the years ended June 30, 2016 and 2015, respectively.

**Maintenance Districts Special Revenue Fund:** This fund accounts for the maintenance fees collected through the property tax rolls for the various districts within the Town. Revenues exceeded expenditures by \$207,593 for the year ended June 30, 2016. Revenues exceeded expenditures by \$161,973 for the year ended June 30, 2015.

**Road Circulation Capital Projects Fund:** This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by \$303,189 and \$183,285 for the years ended June 30, 2016 and 2015, respectively.

**Nonmajor Governmental Funds:** The combined fund balances of all nonmajor governmental funds totaled \$2,383,949 and \$2,075,425 for 2016 and 2015, respectively.

Overall, the year had a net increase in combined fund balances of the nonmajor governmental funds of \$308,524 for 2016 and a decrease of \$(237,169) for 2015. The nonmajor governmental funds' fund balances are 96.59% and 94.78% of total nonmajor governmental funds' assets for 2016 and 2015, respectively.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Page 24, 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, 2016, revenues were over budget by 10.93% and expenditures under budget by 7.56%. In total for the fiscal year ended June 30, 2015, revenues were over budget by 9.98% and expenditures under budget by 5.86%.

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital assets include police services and public works equipment, vehicles, buildings and roads. Net capital assets of the governmental activities totaled \$12.2 million and \$12.5 million at June 30, 2016 and 2015, respectively. Depreciation on capital assets is recognized in the Government-Wide Statement of Activities.

# TOWN OF LOOMIS, CALIFORNIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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	<u>2016</u>	<u>2015</u>
Capital assets, not being depreciated:		
Land	\$ 2,424,686	\$ 2,424,686
Construction in progress	137,440	4,169
Depreciable capital assets:		
Office equipment	15,335	23,104
Tools and equipment	63,903	40,799
Vehicles	108,295	124,098
Land improvements	115,293	124,018
Infrastructure	7,861,710	8,221,809
Buildings and improvements	1,058,383	1,105,790
Corp yard improvements	378,428	402,144
<b>TOTAL</b>	<b><u>\$ 12,163,473</u></b>	<b><u>\$ 12,470,617</u></b>

Major capital asset improvements and additions during the fiscal year ended June 30, 2016 included the following:

- Completed a two lane left turn pocket at the intersection of Taylor Road and Sierra College Blvd. This will greatly ease traffic at that intersection.
- Purchased an industrial chipper/shredder to reduce refuse dumping fees and provide landscaping materials (chips) to residents.

### Debt administration

The Town's liabilities included compensated absences due after one year which had a balance of \$77,010 as of June 30, 2016, an increase of \$13,688 over the prior year. The Town has obligations under capital lease for copier leases with a balance at year-end of \$14,772.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The local economy continues to improve. New home construction has increased, yet again, in spite of a majority of the Town being under a building moratorium due to limited available sewer hookups. The Town has worked closely with the South Placer Municipal Utility District (SPMUD) to facilitate additional sewer service. At the request of the Town, SPMUD has performed environmental and design work on a new sewer line that will resolve the problem. Construction of the new line could begin as early as Spring, 2017.

The Town has good financial reserves. Unfortunately, the cost of major construction, such as road reconstruction, has almost doubled since our Capital Improvement Plan was adopted. This means that estimated revenues could be significantly less than the cost of upcoming projects. Even though additional reserves have been allocated to these projects, the designated General Fund reserves for capital projects will likely be depleted within five years.

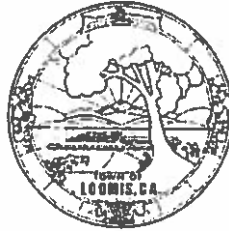
# **TOWN OF LOOMIS, CALIFORNIA**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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

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



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# BASIC FINANCIAL STATEMENTS



# TOWN OF LOOMIS, CALIFORNIA

## GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2016

<b>ASSETS:</b>	
<b>CURRENT ASSETS:</b>	
Cash and investments	\$ 12,851,700
Receivables:	
Accounts receivable	56,834
Due from other governments	535,311
Interest receivable	74,687
Assessments receivable	50,473
Due from employees	3,438
Loans receivable	525,639
<b>TOTAL CURRENT ASSETS</b>	<u>14,107,797</u>
<b>NONCURRENT ASSETS:</b>	
Nondepreciable capital assets	2,562,125
Depreciable capital assets, net	9,601,348
<b>TOTAL NONCURRENT ASSETS</b>	<u>12,163,473</u>
<b>TOTAL ASSETS</b>	<u>26,271,270</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>	
Pension payments	<u>261,816</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 26,533,086</u>
<b>LIABILITIES:</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable and other accrued expenses	\$ 82,304
Accrued payroll liabilities	33,011
Performance bonds	122,222
Long-term debt, due within one year	6,127
<b>TOTAL CURRENT LIABILITIES</b>	<u>243,664</u>
<b>NONCURRENT LIABILITIES, due after one year</b>	
Net pension liability	738,347
Compensated absences	77,010
Long-term debt	8,645
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>824,002</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 1,067,666</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Pension receipts	<u>\$ 153,076</u>
<b>NET POSITION:</b>	
Invested in capital assets, net of related debt	\$ 12,148,701
Restricted for:	
Maintenance projects	2,532,128
Capital project funds	5,511,367
Unrestricted	5,120,148
<b>TOTAL NET POSITION</b>	<u>\$ 25,312,344</u>

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

# TOWN OF LOOMIS, CALIFORNIA

## GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Program Revenues			Net (expense) revenue - Governmental Activities	
	Expenses	Charges for Services	Grants and contributions		
			Operating		Capital
<b>GOVERNMENTAL ACTIVITIES:</b>					
General government	\$ 1,306,476	\$ 27,739	\$ 28,069	\$ (1,250,668)	
Public safety	1,570,912	6,821	114,618	(1,449,473)	
Public works	816,545	594,100	52,835	188,771	
Planning	158,863	105,690	-	(53,173)	
Interest expense	870	-	-	(870)	
	<u>\$ 3,853,666</u>	<u>\$ 734,350</u>	<u>\$ 195,522</u>	<u>\$358,381</u>	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>				<u>(2,565,413)</u>	
<b>GENERAL REVENUES:</b>					
				1,332,171	
				167,215	
				840,689	
				580,286	
				256,622	
				458,556	
				2,812	
				12,298	
				<b>TOTAL GENERAL REVENUES</b>	
				<u>3,650,649</u>	
				<b>CHANGE IN NET POSITION</b>	
				1,085,236	
				<b>NET POSITION, JULY 1</b>	
				<u>24,227,108</u>	
				<b>NET POSITION, JUNE 30</b>	
				<u>\$ 25,312,344</u>	

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

# TOWN OF LOOMIS, CALIFORNIA

## BALANCE SHEET - GOVERNMENTAL FUNDS AS OF JUNE 30, 2016

<u>ASSETS</u>	Major Funds				
	General Fund	Special Revenue Funds			Capital Pro- jects Fund
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Cir- culation Fund
<b>ASSETS:</b>					
Cash and investments	\$ 3,713,363	\$ 38,236	\$ 471,073	\$2,526,461	\$ 3,690,957
Receivables:					
Accounts receivable	53,141	-	-	-	-
Due from other governments	128,811	353,665	-	-	-
Interest receivable	74,687	-	-	-	-
Assessments receivable	44,706	-	-	5,767	-
Due from employees	3,438	-	-	-	-
Loans receivable	-	-	525,639	-	-
Due from other funds	438,365	-	-	-	75,388
<b>TOTAL ASSETS</b>	<b>4,456,511</b>	<b>391,901</b>	<b>996,712</b>	<b>2,532,228</b>	<b>3,766,345</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Pension payments	261,816	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 4,718,327</u></b>	<b><u>\$ 391,901</u></b>	<b><u>\$ 996,712</u></b>	<b><u>\$2,532,228</u></b>	<b><u>\$ 3,766,345</u></b>

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



<u>Nonmajor Governmental Fund</u>	<u>TOTALS</u>
\$ 2,411,610	\$12,851,700
3,693	56,834
52,835	535,311
-	74,687
-	50,473
-	3,438
-	525,639
-	513,753
2,468,138	14,611,835
-	261,816
\$ 2,468,138	\$14,873,651
	(Continued)

# TOWN OF LOOMIS, CALIFORNIA

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED) AS OF JUNE 30, 2015

	Major Funds				
	General Fund	Special Revenue Funds			Capital Pro- jects Fund
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Cir- culation Fund
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 59,761	\$ 22,430	\$ -	\$ 100	\$ -
Accrued payroll liabilities	33,011	-	-	-	-
Due to other funds	-	419,862	-	-	-
Post employment benefits liability	122,222	-	-	-	-
Net pension liability	738,347	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>953,341</b>	<b>442,292</b>	<b>-</b>	<b>100</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Repayment of community development loans	-	-	525,639	-	-
Pension receipts	153,076	-	-	-	-
<b>TOTAL DEFERRED INFLOWS</b>	<b>153,076</b>	<b>-</b>	<b>525,639</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Maintenance districts	-	-	-	2,532,128	-
Capital projects	-	-	-	-	3,601,345
Committed to subsequent year's expenditure					
Special revenue funds	-	-	28,750	-	-
Capital project funds	-	-	-	-	165,000
Unassigned:					
General fund	3,611,910	-	-	-	-
Special revenue funds	-	(50,391)	442,323	-	-
<b>TOTAL FUND BALANCES</b>	<b>3,611,910</b>	<b>(50,391)</b>	<b>471,073</b>	<b>2,532,128</b>	<b>3,766,345</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,718,327</b>	<b>\$ 391,901</b>	<b>\$ 996,712</b>	<b>\$2,532,228</b>	<b>\$ 3,766,345</b>

<u>Nonmajor Governmental Fund</u>	<u>TOTALS</u>
\$ 13	\$ 82,304
-	33,011
84,176	504,038
-	122,222
-	<u>738,347</u>
<u>84,189</u>	<u>1,479,922</u>
-	525,639
-	<u>153,076</u>
-	<u>678,715</u>
-	2,532,128
1,745,022	5,346,367
-	28,750
-	165,000
-	3,611,910
<u>638,927</u>	<u>1,030,859</u>
<u>2,383,949</u>	<u>12,715,014</u>
<u>\$ 2,468,138</u>	<u>\$14,873,651</u>

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# TOWN OF LOOMIS, CALIFORNIA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION AS OF JUNE 30, 2016

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>	<b>\$ 12,715,014</b>
 Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,163,473
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
Compensated absences in the general fund are not due and payable in the current period and therefore are not reported in the general funds.	(77,010)
Long-term debt in the general fund are not due and payable in the current period and therefore are not reported in the general funds.	<u>(14,772)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 25,312,344</u></u></b>

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

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Major Funds				Capital Pro- jects Fund Road Cir- culation Fund
	General Fund	Special Revenue Funds			
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	
<b>REVENUES:</b>					
Tax revenues	\$ 2,048,946	\$ -	\$ -	\$ 144,325	\$ -
License, fees and permits	338,894	-	12,000	-	172,937
Franchise fees	256,622	-	-	-	-
Intergovernmental revenues	580,286	358,381	-	-	-
Fines, forfeitures and penalties	6,821	-	-	-	-
Use of money and property	152,855	4,731	14,956	78,999	130,252
Refunds and reimbursements	2,812	-	-	-	-
Other income	12,298	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,399,534</b>	<b>363,112</b>	<b>26,956</b>	<b>223,324</b>	<b>303,189</b>
<b>EXPENDITURES:</b>					
Current:					
General government	699,831	-	-	2,420	-
Public safety	1,445,651	-	-	-	-
Public works	474,842	275,239	-	13,311	-
Planning	158,863	-	-	-	-
Debt service:					
Interest costs	870	-	-	-	-
Principal payments	5,838	-	-	-	-
Capital outlay	9,280	138,264	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>2,795,175</b>	<b>413,503</b>	<b>-</b>	<b>15,731</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>604,359</b>	<b>(50,391)</b>	<b>26,956</b>	<b>207,593</b>	<b>303,189</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>604,359</b>	<b>(50,391)</b>	<b>26,956</b>	<b>207,593</b>	<b>303,189</b>
FUND BALANCES (DEFICIT), JULY 1	3,007,551	-	444,117	2,324,535	3,463,156
<b>FUND BALANCES (DEFECIT), JUNE 30</b>	<b>\$ 3,611,910</b>	<b>\$ (50,391)</b>	<b>\$ 471,073</b>	<b>\$2,532,128</b>	<b>\$ 3,766,345</b>

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

<u>Nonmajor Governmental Funds</u>	<u>TOTALS</u>
\$ 146,804	\$ 2,340,075
203,698	727,529
-	256,622
195,522	1,134,189
-	6,821
76,763	458,556
-	2,812
-	12,298
<u>622,787</u>	<u>4,938,902</u>
106,694	808,945
125,261	1,570,912
53,153	816,545
-	158,863
-	870
-	5,838
29,155	176,699
<u>314,263</u>	<u>3,538,672</u>
<u>308,524</u>	<u>1,400,230</u>
6,842	6,842
<u>(6,842)</u>	<u>(6,842)</u>
-	-
308,524	1,400,230
<u>2,075,425</u>	<u>11,314,784</u>
<u>\$ 2,383,949</u>	<u>\$ 12,715,014</u>

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# **TOWN OF LOOMIS, CALIFORNIA**

## **RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 1,400,230**

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

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

Capital outlay expenditures 176,699

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:

Principal payments on long-term debt 5,838

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

(483,843)

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

Decrease in compensated absences (13,688)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**

**\$ 1,085,236**

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Tax revenues	\$ 1,966,000	\$ 1,966,000	\$ 2,048,946	\$ 82,946
License, fees and permits	173,300	173,300	338,894	165,594
Franchise fees	251,500	251,500	256,622	5,122
Intergovernmental	528,500	528,500	580,286	51,786
Fines, forfeitures and penalties	7,000	7,000	6,821	(179)
Use of money and property	113,152	113,152	152,855	39,703
Refunds and reimbursements	-	-	2,812	2,812
Other	25,000	25,000	12,298	(12,702)
<b>TOTAL REVENUES</b>	<b>3,064,452</b>	<b>3,064,452</b>	<b>3,399,534</b>	<b>335,082</b>
<b>EXPENDITURES:</b>				
Current:				
General government	827,750	827,750	699,831	127,919
Public safety	1,464,424	1,464,424	1,445,651	18,773
Public works	493,450	493,450	474,842	18,608
Planning	166,500	166,500	158,863	7,637
Debt service:				
Interest costs	-	-	870	(870)
Principal payments	-	-	5,838	(5,838)
Capital outlay	71,800	71,800	9,280	62,520
<b>TOTAL EXPENDITURES</b>	<b>3,023,924</b>	<b>3,023,924</b>	<b>2,795,175</b>	<b>228,749</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>40,528</b>	<b>40,528</b>	<b>604,359</b>	<b>563,831</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
Transfers out	(114,653)	(114,653)	-	114,653
<b>TOTAL OTHER FINANCING</b>	<b>(114,653)</b>	<b>(114,653)</b>	<b>-</b>	<b>114,653</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(74,125)</b>	<b>(74,125)</b>	<b>604,359</b>	<b>678,484</b>
<b>FUND BALANCES (DEFICIT), JULY 1</b>	<b>3,007,551</b>	<b>3,007,551</b>	<b>3,007,551</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ 2,933,426</b>	<b>\$ 2,933,426</b>	<b>\$ 3,611,910</b>	<b>\$ 678,484</b>

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

## **TOWN OF LOOMIS, CALIFORNIA**

### **RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** **\$ 1,275,619**

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

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

Capital outlay expenditures 176,699

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:

Principal payments on long-term debt 5,838

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

(483,843)

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

Decrease in compensated absences (13,688)

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES**

\$ 960,625

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Tax revenues	\$ 1,966,000	\$ 1,966,000	\$ 1,924,335	\$ (41,665)
License, fees and permits	173,300	173,300	338,894	165,594
Franchise fees	251,500	251,500	256,622	5,122
Intergovernmental	528,500	528,500	580,286	51,786
Fines, forfeitures and penalties	7,000	7,000	6,821	(179)
Use of money and property	113,152	113,152	152,855	39,703
Refunds and reimbursements	-	-	2,812	2,812
Other	25,000	25,000	12,298	(12,702)
	<b>3,064,452</b>	<b>3,064,452</b>	<b>3,274,923</b>	<b>210,471</b>
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES:</b>				
Current:				
General government	827,750	827,750	699,831	127,919
Public safety	1,464,424	1,464,424	1,445,651	18,773
Public works	493,450	493,450	474,842	18,608
Planning	166,500	166,500	158,863	7,637
Debt service:				
Interest costs	-	-	870	(870)
Principal payments	-	-	5,838	(5,838)
Capital outlay	71,800	71,800	9,280	62,520
	<b>3,023,924</b>	<b>3,023,924</b>	<b>2,795,175</b>	<b>228,749</b>
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>40,528</b>	<b>40,528</b>	<b>479,748</b>	<b>439,220</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
Transfers out	(114,653)	(114,653)	-	114,653
	<b>(114,653)</b>	<b>(114,653)</b>	<b>-</b>	<b>114,653</b>
<b>TOTAL OTHER FINANCING</b>				
<b>NET CHANGE IN FUND BALANCES</b>	<b>(74,125)</b>	<b>(74,125)</b>	<b>479,748</b>	<b>553,873</b>
<b>FUND BALANCES (DEFICIT), JULY 1</b>	<b>3,007,551</b>	<b>3,007,551</b>	<b>3,007,551</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT), JUNE 30</b>	<b>\$ 2,933,426</b>	<b>\$ 2,933,426</b>	<b>\$ 3,487,299</b>	<b>\$ 553,873</b>

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

**Streets and Roads Special Revenue Fund**

<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
367,000	367,000	358,381	(8,619)
-	-	-	-
2,000	2,000	4,731	2,731
-	-	-	-
-	-	-	-
<u>369,000</u>	<u>369,000</u>	<u>363,112</u>	<u>(5,888)</u>
-	-	-	-
-	-	-	-
143,150	143,150	275,239	(132,089)
-	-	-	-
-	-	-	-
<u>389,000</u>	<u>389,000</u>	<u>138,264</u>	<u>250,736</u>
<u>532,150</u>	<u>532,150</u>	<u>413,503</u>	<u>118,647</u>
<u>(163,150)</u>	<u>(163,150)</u>	<u>(50,391)</u>	<u>112,759</u>
114,653	114,653	-	(114,653)
-	-	-	-
<u>114,653</u>	<u>114,653</u>	<u>-</u>	<u>(114,653)</u>
(48,497)	(48,497)	(50,391)	(1,894)
-	-	-	-
<u>\$ (48,497)</u>	<u>\$ (48,497)</u>	<u>\$ (50,391)</u>	<u>\$ (1,894)</u>

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Low Income Density Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Tax revenues	\$ -	\$ -	\$ -	\$ -
License, fees and permits	3,750	3,750	12,000	8,250
Investment income	7,560	7,560	14,956	7,396
	<b>TOTAL REVENUES</b>	<b>11,310</b>	<b>26,956</b>	<b>15,646</b>
<b>EXPENDITURES:</b>				
Current:				
General government	4,000	4,000	-	4,000
Public works	-	-	-	-
	<b>TOTAL EXPENDITURES</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,310</b>	<b>7,310</b>	<b>26,956</b>	<b>19,646</b>
<b>FUND BALANCES, JULY 1</b>	<b>444,117</b>	<b>444,117</b>	<b>444,117</b>	<b>-</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 451,427</b>	<b>\$ 451,427</b>	<b>\$ 471,073</b>	<b>\$ 19,646</b>

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

**Maintenance Districts Special Revenue Fund**

<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Original</b>	<b>Final</b>		
\$ 144,251	\$ 144,251	\$ 144,325	\$ 74
-	-	-	-
<u>46,650</u>	<u>46,650</u>	<u>78,999</u>	<u>32,349</u>
<u>190,901</u>	<u>190,901</u>	<u>223,324</u>	<u>32,423</u>
1,450	1,450	2,420	(970)
<u>58,567</u>	<u>58,567</u>	<u>13,311</u>	<u>45,256</u>
<u>60,017</u>	<u>60,017</u>	<u>15,731</u>	<u>44,286</u>
130,884	130,884	207,593	76,709
<u>2,324,535</u>	<u>2,324,535</u>	<u>2,324,535</u>	<u>-</u>
<u>\$ 2,455,419</u>	<u>\$ 2,455,419</u>	<u>\$ 2,532,128</u>	<u>\$ 76,709</u>

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS AS OF JUNE 30, 2016

### ASSETS

Cash and investments	\$ 30,984
Due from other governments	<u>67,053</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 98,037</u></b>

### LIABILITIES

Accounts payable	\$ 44,003
Due to other Town funds	9,715
Due to other agencies	<u>44,319</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 98,037</u></b>

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



# **TOWN OF LOOMIS, CALIFORNIA**

## **NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

The Town main funding sources include property taxes, sales taxes, other inter-governmental revenue from state and federal sources, user fees, and federal and state financial assistance.

These financial statements include:

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

#### **Basis of Accounting - Government-Wide Financial Statements**

The government-wide financial statements (i.e. the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs have been included as part of the program expenses reported for the various functional activities in the statement of activities. Program revenues include:

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

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Revenues that are not classified as program revenues are presented as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenue. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the Town are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

#### **Reporting Entity**

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

#### **Fund Accounting**

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

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

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

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

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

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

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

The Town reports the following major special revenue funds:

- Streets and Roads Fund is used to account for the Transportation Development Act revenues received for various street and road projects.
- Low Income Density Fund is used to account for the monies received for loan repayments.
- Maintenance Districts Fund is used to account for the monies received for the various maintenance districts of the Town.

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

The Town reports the following major capital projects fund:

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

***Fiduciary Funds***

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

**Cash and Cash Equivalents**

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

**Loans Receivable**

The Town has various loans receivable from past community development block grant awards and for economic development. Generally, the block grant loans are due on change of title of the underlying property. The block grant receivable balances are offset by deferred revenue. The activity for the fiscal year ended June 30, 2016 is as follows:

	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2016</u>	<u>Due within one year</u>
General Fund					
Due from employees	\$ 3,426	\$ 3,027	\$ (3,015)	\$ 3,438	\$ 3,438
Low Income Density					
Special Revenue Fund	<u>525,639</u>	<u>-</u>	<u>-</u>	<u>525,639</u>	<u>-</u>
	<u>\$ 529,065</u>	<u>\$ 3,027</u>	<u>\$ (3,015)</u>	<u>\$ 529,077</u>	<u>\$ 3,438</u>

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The activity for the fiscal year ended June 30, 2015 is as follows:

	<u>Balance at July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2015</u>	<u>Due within one year</u>
<b>General Fund:</b>					
Due from employees	\$ 2,570	\$ 3,725	\$ (2,869)	\$ 3,426	\$ -
<b>Low Income Density</b>					
Special Revenue Fund	<u>560,139</u>	<u>-</u>	<u>(34,500)</u>	<u>525,639</u>	<u>-</u>
	<u>\$ 562,709</u>	<u>\$ 3,725</u>	<u>\$ (37,369)</u>	<u>\$ 529,065</u>	<u>\$ -</u>

**Capital Assets and Depreciation**

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

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

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

Improvements	30 years
Equipment and other improvements	5 to 20 years

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

**Allowance for Doubtful Accounts**

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

**Interfund Transactions**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion).

**Compensated Absences**

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Town. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. The unpaid vacation liability of the Town amounted to \$31,779 and \$23,647 as of June 30, 2016 and 2015, 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 \$77,174 and \$63,322 as of June 30, 2016 and 2015, respectively.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

---

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

#### Deferred Revenues

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

#### Net Position

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

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the Town not restricted for any project or other purpose.

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

#### Fund Equity

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the Town classifies governmental fund balances as follows:

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

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

Fund Balance Type	Amount	Action
Subsequent year's expenditures:		
Major funds:		
Low Income Density Special Revenue Fund	\$ 28,750	Council budget resolution
Road Circulation Capital Projects Fund	<u>165,000</u>	Council budget resolution
<b>TOTAL COMMITTED BALANCES</b>	<b><u>\$ 193,750</u></b>	

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

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

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

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

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

**Budgetary Policy and Data**

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

**Estimates and Assumptions**

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

**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 THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement requires disclosures about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. See Note 2 for more information.

### NOTE 2: CASH AND INVESTMENTS

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

	2016	2015
Cash on hand	\$ 175	\$ 175
Deposits with financial institutions	592,558	1,242,496
Less: outstanding checks	(565,478)	(385,149)
Local agency investment fund	250,950	929
Total cash and cash equivalents	278,205	858,451
Certificates of deposit held with brokerage firm	2,442,223	3,149,410
U.S. Treasury obligations	100,066	499,451
Municipal obligations	1,862,148	2,917,769
Medium term corporate notes	3,728,211	1,927,501
Educational institutions	1,105,292	583,005
Other governmental units	3,366,539	2,401,977
Total debt instruments	10,162,256	8,329,703
Total investments	12,604,479	11,479,113
<b>TOTAL CASH AND INVESTMENTS</b>	<b>\$ 12,882,684</b>	<b>\$ 12,337,564</b>
Summary of cash and investments:		
Government-wide statement	\$ 12,851,700	\$ 12,243,728
Fiduciary funds	30,984	93,836
<b>TOTAL</b>	<b>\$ 12,882,684</b>	<b>\$ 12,337,564</b>

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 2: CASH AND INVESTMENTS (continued)**

**Investment policy:** Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, §53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the Town by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The Town’s investment policy provides for additional restrictions as to the investment type, maximum maturity, percentage of portfolio, and maximum in a single user. During the fiscal year ended June 30, 2012, the Town’s permissible investments included the following instruments.

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

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

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

Information about the sensitivity of the fair value of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town’s investments by maturity at June 30, 2016:



## TOWN OF LOOMIS, CALIFORNIA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 2: CASH AND INVESTMENTS (continued)**

Type of Investment	Total	Remaining Maturity (in months)				
		12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	\$ 250,950	\$ 250,950	\$ -	\$ -	\$ -	\$ -
U.S. Treasury obligations	100,066	-	-	-	-	100,066
Municipal obligations	1,862,148	-	488,334	755,512	516,315	101,987
Medium term corporate notes	3,728,212	-	725,001	989,046	101,279	1,912,886
Educational institutions	1,105,292	-	586,504	154,523	103,975	260,290
Other governmental units	3,366,538	-	101,443	846,873	1,286,324	1,131,898
<b>TOTAL</b>	<b>\$ 10,413,206</b>	<b>\$ 250,950</b>	<b>\$ 1,901,282</b>	<b>\$ 2,745,954</b>	<b>\$ 2,007,893</b>	<b>\$ 3,507,127</b>
Percentage of portfolio	100.00%	2.41%	18.26%	26.37%	19.28%	33.68%

The distribution of the Town's investments by maturity at June 30, 2015:

Type of Investment	Total	Remaining Maturity (in months)				
		12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	\$ 929	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Treasury obligations	499,451	-	-	399,442	100,009	-
Municipal obligations	2,917,769	203,444	-	1,257,680	1,209,253	247,392
Medium term corporate notes	1,927,501	224,730	-	922,951	779,820	-
Educational institutions	583,005	-	-	332,828	149,971	100,206
Other governmental units	2,401,977	305,680	253,455	477,674	279,638	1,085,530
<b>TOTAL</b>	<b>\$ 8,330,632</b>	<b>\$ 733,854</b>	<b>\$ 253,455</b>	<b>\$ 3,390,575</b>	<b>\$ 2,518,691</b>	<b>\$ 1,433,128</b>
Percentage of portfolio	100.00%	8.81%	3.04%	40.70%	30.23%	17.20%

**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, 2016:

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

Credit risk	Type of Investment						Total
	Local agency investment fund	US Treasury obligations	Municipal obligations	Commercial Paper	Educational institutions	Other governmental units	
AAA	\$ -	\$ 100,066	\$ -	\$ -	\$ -	\$ -	\$ 100,066
AA+	-	-	-	316,453	142,889	274,655	733,997
AA	-	-	572,513	-	154,523	261,737	988,773
AA-	-	-	528,198	202,447	295,195	-	1,025,840
A+	-	-	-	305,895	-	1,132,660	1,438,555
A	-	-	322,824	1,630,712	252,395	100,667	2,306,598
A-	-	-	-	301,639	-	715,279	1,016,918
BBB+	-	-	75,586	106,180	-	-	181,766
No rating	250,950	-	363,027	864,886	260,290	881,540	2,620,693
<b>TOTAL</b>	<b>\$ 250,950</b>	<b>\$ 100,066</b>	<b>\$ 1,862,148</b>	<b>\$ 3,728,212</b>	<b>\$ 1,105,292</b>	<b>\$ 3,366,538</b>	<b>\$ 10,413,206</b>

The Town's actual ratings of the investments as of June 30, 2015:

Credit risk	Type of Investment						Total
	Local agency investment fund	US Treasury obligations	Municipal obligations	Commercial Paper	Educational Institutions	Other governmental units	
AAA	\$ -	\$ -	\$ 418,919	\$ -	\$ -	\$ 283,287	\$ 702,206
AA+	-	499,451	490,948	322,702	142,212	-	1,455,313
AA	-	-	1,405,368	110,912	149,972	626,302	2,292,554
AA-	-	-	248,777	-	290,822	283,779	823,378
A+	-	-	-	201,526	-	394,608	596,134
A	-	-	251,593	486,155	-	305,680	1,043,428
A-	-	-	102,164	532,991	-	508,320	1,143,475
BBB+	-	-	-	273,215	-	-	273,215
No rating	929	-	-	-	-	-	929
<b>TOTAL</b>	<b>\$ 929</b>	<b>\$ 499,451</b>	<b>\$ 2,917,769</b>	<b>\$ 1,927,501</b>	<b>\$ 583,006</b>	<b>\$ 2,401,976</b>	<b>\$ 8,330,632</b>

**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, 2016, 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

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 2: CASH AND INVESTMENTS (continued)**

(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, 2016, the Town's account with Wells Fargo Bank had a total carrying amount of \$24,881 with a bank balance of \$590,359 of which \$250,000 insured by the FDIC.

At June 30, 2015, the Town's account with Wells Fargo Bank had a total carrying amount of \$857,200 with a bank balance of \$1,242,349 of which \$250,000 insured by the FDIC.

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

	2016	2015
Certificates of deposit held with brokerage firm	\$ 2,442,223	\$ 3,149,410
U.S. Treasury obligations	100,066	499,451
Municipal obligations	1,862,148	2,917,769
Medium term corporate notes	3,728,211	1,927,501
Educational institutions	1,105,292	583,005
Other governmental units	3,366,539	2,401,977
<b>TOTAL INVESTMENTS</b>	<b>\$ 12,604,479</b>	<b>\$ 11,479,113</b>

**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.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 2: CASH AND INVESTMENTS (continued)**

	Balance as of June 30, 2015	Fair Value Measurements Using		
		Quoted prices in active mar- kets for iden- ticle assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobserv- able inputs (Level 3)
<b>Securities:</b>				
Local agency investment fund	\$ 250,950	\$ 250,950	\$ -	\$ -
U.S. Treasury obligations	100,066	100,066	-	-
Municipal obligations	1,862,148	1,862,148	-	-
Medium term corporate notes	3,728,212	3,728,212	-	-
Educational institutions	1,105,292	1,105,292	-	-
Other governmental units	3,366,538	3,366,538	-	-
<b>TOTAL INVESTMENTS BY FAIR VALUE LEVEL</b>	<b>\$ 10,413,206</b>	<b>\$ 10,413,206</b>	<b>\$ -</b>	<b>\$ -</b>

**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 \$75,442,558,513 and \$69,641,162,418 at June 30, 2016 and 2015, respectively. The fund is managed by the State Treasurer and consists of the following:

	As a percent of portfolio	
	2016	2015
Structured notes and medium-term asset backed securities	1.55%	0.97%
Short-term asset-backed commercial paper	1.26%	1.11%
All other investments	97.19%	97.92%
	<u>100.00%</u>	<u>100.00%</u>

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based on the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amortized cost of the pooled investments at June 30, 2016 was \$75,395,751,048.

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

## TOWN OF LOOMIS, CALIFORNIA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

#### 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, 2016 was as follows:

	Balance at July 1, 2015	Additions	Deletions	Balance at June 30, 2016
<b>Capital assets, not being depreciated</b>				
Land	\$ 2,424,686	\$ -	\$ -	\$ 2,424,686
Construction in progress	4,169	133,270	-	137,439
	<u>2,428,855</u>	<u>133,270</u>	<u>-</u>	<u>2,562,125</u>
<b>Depreciable capital assets:</b>				
Office equipment	35,056	-	-	35,056
Equipment under capital lease	29,734	-	-	29,734
Tools and equipment	132,577	30,786	-	163,363
Vehicles	311,589	-	-	311,589
Land improvements	225,212	-	-	225,212
Infrastructure	10,926,546	12,643	-	10,939,189
Buildings and improvements	1,420,848	-	-	1,420,848
Corp yard improvements	716,135	-	-	716,135
	<u>13,797,697</u>	<u>43,429</u>	<u>-</u>	<u>13,841,126</u>
<b>Less accumulated depreciation</b>				
Office equipment	(29,793)	(1,822)	-	(31,615)
Equipment under capital lease	(11,894)	(5,947)	-	(17,841)
Tools and equipment	(91,777)	(7,683)	-	(99,460)
Vehicles	(187,490)	(15,802)	-	(203,292)
Land improvements	(101,194)	(8,725)	-	(109,919)
Infrastructure	(2,704,737)	(372,742)	-	(3,077,479)
Buildings and improvements	(315,058)	(47,407)	-	(362,465)
Corp yard improvements	(313,992)	(23,715)	-	(337,707)
	<u>(3,755,935)</u>	<u>(483,843)</u>	<u>-</u>	<u>(4,239,778)</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 12,470,617</u>	<u>\$(307,144)</u>	<u>\$ -</u>	<u>\$ 12,163,473</u>

The depreciation expense for the year ended June 30, 2016 of \$483,843 is charged to the general government function.

## TOWN OF LOOMIS, CALIFORNIA

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 3: CAPITAL ASSETS AND DEPRECIATION (continued)**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Balance at July 1, 2014	Additions	Deletions	Transfers	Balance at June 30, 2015
<b>Capital assets, not being depreciated</b>					
Land	\$ 2,424,686	\$ -	\$ -	\$ -	\$ 2,424,686
Construction in progress	76,138	4,169		(76,138)	4,169
	<u>2,500,824</u>	<u>4,169</u>	<u>-</u>	<u>(76,138)</u>	<u>2,428,855</u>
<b>Depreciable capital assets:</b>					
Office equipment	35,056	-	-	-	35,056
Equipment under capital lease	29,734	-	-	-	29,734
Tools and equipment	120,762	11,815	-	-	132,577
Vehicles	311,589	-	-	-	311,589
Land improvements	215,452	9,760	-	-	225,212
Infrastructure	9,513,076	1,337,332	-	76,138	10,926,546
Buildings and improvements	1,420,848	-	-	-	1,420,848
Corp yard improvements	716,135	-	-	-	716,135
	<u>12,362,652</u>	<u>1,358,907</u>	<u>-</u>	<u>76,138</u>	<u>13,797,697</u>
<b>Less accumulated depreciation</b>					
Office equipment	(27,970)	(1,823)	-	-	(29,793)
Equipment under capital lease	(5,947)	(5,947)	-	-	(11,894)
Tools and equipment	(84,566)	(7,211)	-	-	(91,777)
Vehicles	(171,687)	(15,803)	-	-	(187,490)
Land improvements	(92,469)	(8,725)	-	-	(101,194)
Infrastructure	(2,340,517)	(364,220)	-	-	(2,704,737)
Buildings and improvements	(267,651)	(47,407)	-	-	(315,058)
Corp yard improvements	(290,277)	(23,715)	-	-	(313,992)
	<u>(3,281,084)</u>	<u>(474,851)</u>	<u>-</u>	<u>-</u>	<u>(3,755,935)</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<u>\$ 11,582,392</u>	<u>\$ 888,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,470,617</u>

The depreciation expense for the year ended June 30, 2015 of \$474,851 is charged to the general government function.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 4: JOINT VENTURE**

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

**NOTE 5: LONG-TERM LIABILITIES**

The changes in long-term liabilities for the fiscal year ended June 30, 2016 were as follows:

	<u>Balance at July 1, 2015</u>	<u>Incurred</u>	<u>Retired</u>	<u>Balance at June 30, 2016</u>	<u>Due within one year</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Compensated absences	\$ 63,322	\$ 13,688	\$ -	\$ 77,010	\$ -
Obligations under capital lease	<u>20,610</u>	<u>-</u>	<u>(5,838)</u>	<u>14,772</u>	<u>6,127</u>
<b>TOTAL</b>	<u>\$ 83,932</u>	<u>\$ 13,688</u>	<u>\$ (5,838)</u>	<u>\$ 91,782</u>	<u>\$ 6,127</u>

Obligations under capital lease:

Copier lease dated September 18, 2015, due in monthly payments of \$559 including interest at 4.85% per annum through October, 2019.

\$ 14,772

The annual requirements are as follows:

<u>Year Ended June 30,</u>	<u>Obligations under cap- ital lease</u>
2017	\$ 6,708
2018	6,708
2019	<u>2,236</u>
Total	15,652
Less: interest	<u>(880)</u>
<b>TOTAL</b>	<u>\$ 14,772</u>

**TOWN OF LOOMIS, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5: LONG-TERM LIABILITIES (continued)**

Assets under capital lease were as follows:

	Fiscal year ended June 30,	
	2016	2015
Assets under capital lease:		
Office equipment	\$ 29,734	\$ 29,734
Less: accumulated amortization	(17,840)	(11,894)
<b>TOTAL, NET</b>	<b>\$ 11,894</b>	<b>\$ 17,840</b>

The changes in long-term liabilities for the fiscal year ended June 30, 2015 were as follows:

	Balance at July 1, 2014	Incurred	Retired	Balance at June 30, 2015	Due within one year
<b>GOVERNMENTAL ACTIVITIES:</b>					
Compensated absences	\$ 88,103	\$ -	\$(24,781)	\$ 63,322	\$ -
Obligations under capital lease	26,172	-	(5,562)	20,610	6,490
<b>TOTAL</b>	<b>\$ 114,275</b>	<b>\$ -</b>	<b>\$(30,343)</b>	<b>\$ 83,932</b>	<b>\$ 6,490</b>

**NOTE 6: EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following funds had excess expenditures over appropriations for the year ended June 30, 2016:

Fund	Expenditures and transfers	Budget	Deficit
Non-major funds:			
State Disability Assess Special Revenue Fund*	\$ 188	\$ -	\$ (188)

\* Fund was not budgeted



# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### NOTE 7: INTERFUND TRANSACTIONS

Interfund balances for operations as of June 30, 2016 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 438,365	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Non-major funds	-	84,176
Capital Projects Fund:		
Road Circulation Fund	75,388	-
Agency Funds:		
Non-major funds	-	9,715
<b>Total</b>	<b>\$ 513,753</b>	<b>\$ 513,753</b>

Interfund transfers for operations as of June 30, 2016 were as follows:

Fund	Transfer In	Transfer Out
Special Revenue Funds:		
Non-major funds	\$ 6,842	\$ 6,842
<b>Total</b>	<b>\$ 6,842</b>	<b>\$ 6,842</b>

Interfund balances for operations as of June 30, 2015 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 856,134	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Maintenance Districts Fund	-	4,645
Non-major funds	-	57,339
Capital Projects Fund:		
Road Circulation Fund	75,388	449,676
<b>Total</b>	<b>\$ 931,522</b>	<b>\$ 931,522</b>

**TOWN OF LOOMIS, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 7: INTERFUND TRANSACTIONS (continued)**

Interfund transfers for operations as of June 30, 2015 were as follows:

Fund	Transfer In	Transfer Out
General Fund	\$ -	\$ 1,268,063
Special Revenue Funds:		
Streets and Roads Fund	1,759,542	-
Non-major funds	-	491,479
<b>Total</b>	<b>\$ 1,759,542</b>	<b>\$ 1,759,542</b>

**NOTE 8: FUND DEFICITS**

The following funds had deficit fund balances as of June 30, 2016:

Fund	Deficit
Special Revenue Funds:	
Streets and Roads Fund	\$ (50,391)
Non-major funds:	
Master Plan Fund	(31,429)

The following funds had deficit fund balances as of June 30, 2015:

Fund	Deficit
Special Revenue Funds:	
Non-major funds:	
Special revenue funds:	
Bike Lane Fund	\$ (199)
Master Plan Fund	(31,712)

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**Plan Description**

*Plan administration.* The Town of Loomis, California's defined benefit pension plan, California Public Employees' Retirement System (CalPERS) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Town of Loomis, California is part of the Public Agency portion of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public entities within the State of California. The Town participates in the Miscellaneous, 2% at 55 risk pool. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The Town of Loomis, California selects optional benefits through state statute and Town resolutions.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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. The contribution rates as a percent of annual payroll for the Town as of June 30, 2016 were as follows:

	<u>Active employee contribution</u>	<u>Average employer contribution</u>
Miscellaneous plan	7.000%	8.003%

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

*Pooled Report Format.* Since the Town's plan has less than 100 active members, it is required to participate in a risk pool.

*Benefits provided.* CalPERS provides retirement and disability benefits based on two different valuation plans; Classic and PEPR. Classic members are those employees who were in the CalPERS retirement system before January 1, 2015. PEPR members are employees who have been hired and added to the CalPERS system subsequent to December 31, 2013. Retirement benefits for Classic plan members are calculated as 3 percent of the member's highest 3-year average salary times the member's years of service. Plan members with 5 years of accumulated service are eligible to retire at age 60. Classic plan members may retire at any age after 30 years of service. PEPR (Public Employees' Pension Reform Act) employees retirement benefits are calculated at 2% of the Plan members 3-highest years averaged salaries times the number of years of service and are eligible to retire at age 62. All plan members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. A plan member who leaves Town service may withdraw his or her contributions, plus any accumulated interest.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

*Contributions.* The Town of Loomis, California is required to contribute at the actuarially determined rate necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution for fiscal year ended June 30, 2016 was \$51,130 and the employee contribution was \$44,721. The amount of contributions paid by the Town totaled \$95,851 for the year ended June 30, 2016.

PEPRA employees are required to pay no less than 50% of the actuarially determined cost of the retirement plan. For the fiscal year ending June 30, 2016, the total actuarially determined cost of retirement for PEPRA participants is 12.5% of payroll. PEPRA participants pay 6.25% of payroll into the plan.

The contribution requirement of plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

*Pension Plan CAFR.* CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Actuarial Office, P.O. Box 942709, Sacramento, CA 95814.

*Actuarial valuations.* For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. Both the June 30, 2014 total pension liability and the June 30, 2015 total pension liability were based on the following actuarial methods and assumptions:

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Measurement period	July 1, 2014 to June 30, 2015
Actuarial cost method	Entry Age Normal
Asset valuation method	Actuarial value of assets
Actuarial assumptions:	
Inflation rate	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses
Mortality rate table	The probabilities of mortality are based on the 2010 CalPRES Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.
Retirement age	The probabilities of retirement are based on the 2010 CalPRES Experience Study for the period from 1997 to 2007.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 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.

The long-term discount rate was determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year.

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 of 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, both short-term and long-term market return expectations as well as the expected pension fund cash flows are considered. 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.

**TOWN OF LOOMIS, CALIFORNIA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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. These geometric rates of return are net of administrative expenses.

<u>Asset class</u>	<u>New Strategic Allocation</u>	<u>Real Re- turn Years 1-10</u>	<u>Real Re- turn Years &gt;10</u>
Global equity	47.0%	5.25%	5.71%
Global fixed income	19.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	12.0%	6.83%	6.95%
Real estate	11.0%	4.50%	5.13%
Infrastructure and forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	<u>Discount Rate</u>		
	<u>1.00% Decrease (6.50%)</u>	<u>Current (7.50%)</u>	<u>1.00% Decrease (8.50%)</u>
Plan's net pension liability:			
Miscellaneous plan	\$ 1,508,157	\$ 899,281	\$ 396,583

*Subsequent events.* There were no subsequent events that would materially affect the results presented in this disclosure.

*Recognition of Gains and Losses.* Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

The amortization period differs depending on the source of the gain or loss. The periods are as follows:

- Difference between projected and actual earnings      5 year straight-line amortization
- All other amounts      Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

*Pension expense and deferred outflows and deferred inflows.* For the measurement period ended June 30, 2015 (the measurement date), the Town incurred a pension expense/(income) as follows:

	Risk pool total	City share Expense (Income)	% of total pool
Miscellaneous plan	\$ 169,012,983	\$ 55,401	0.03278%

Note that no adjustments have been made for contributions subsequent to the measurement date. Adequate treatment of any contributions made after the measurement date is the responsibility of the employer.

As of June 30, 2015, the Town reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

Measurement date:	June 30, 2014		June 30, 2015	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ (37,662)
Changes in assumptions	-	-	3,981	-
Net difference between projected and actual earnings on pension plan investments	-	(253,359)	-	(115,414)
Adjustment due to differences in proportions	10,632	-	10,632	-
<b>TOTAL</b>	<b>\$ 10,632</b>	<b>\$ (253,359)</b>	<b>\$ 14,613</b>	<b>\$ (153,076)</b>

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

Amounts reported as deferred outflows and deferred inflows of resources related to pensions, other than the employer-specific item, will be recognized in future pension expense as follows:

Measurement period ended June 30:	Town's Miscellaneous Plan
2015	\$ (26,367)
2016	(26,367)
2017	(23,961)
2018	2,413
2019	-
Thereafter	-

*Covered employees.* The total number of participants for the 2013-14 measurement period was 122,789. This includes active, inactive, and retired employees.

*Changes in the net pension liability.* The following table is intended for informational purposes only and is not a required GASB 68 disclosure for employers participating in cost-sharing plans. The table shows the changes in net pension liability recognized over the measurement period for the aggregate Miscellaneous Risk Pool.

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
<b>MISCELLANEOUS PLANS:</b>			
Balance at June 30, 2014, valuation date	\$ 13,110,948,452	\$ 10,639,461,174	\$ 2,471,487,278
Changes recognized for the measurement period:			
Service cost	335,248,541	-	335,248,541
Interest on the total pension liability	977,551,637	-	977,551,637
Changes in benefit terms	485,762	-	485,762
Differences between expected and actual experience	25,585,821	-	25,585,821
Net plan to plan resource movement	-	65,452,197	(65,452,197)
Changes in assumptions	(242,065,946)	-	(242,065,946)
Contributions from the employers	-	376,902,997	(376,902,997)
Contributions from the employees	-	154,112,658	(154,112,658)
Net investment income	-	240,587,946	(240,587,946)
Benefit payments, including refunds of employee contributions	(568,251,183)	(568,251,183)	-
Administrative expenses	-	(12,229,721)	12,229,721
Net change for the year	528,554,632	256,574,894	271,979,738
Balance at June 30, 2015, measurement date	\$ 13,639,503,084	\$ 10,896,036,068	\$ 2,743,467,016



# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

*Changes in assumptions.* The aggregate changes in assumptions that have affected measurement of the total pension liability since the prior measurement date follows:

Measure- ment date	Initial Changes of Assump- tions	Remain- ing period (Years)	Increase (decrease) in pension expense arising from the recognition of the effects of changes in assumptions (Measurement Dates)				
			2015	2016	2017	2018	There- after
2014	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
2015	(242,065,946)	3.80	(63,701,565)	(63,701,565)	(63,701,565)	50,961,251	-
Net increase (decrease) in pension expense			<u>\$ (63,701,565)</u>	<u>\$ (63,701,565)</u>	<u>\$ (63,701,565)</u>	<u>\$ 50,961,251</u>	<u>\$ -</u>

*Summary of recognized deferred outflows and deferred inflow.* The net amount of the balances of deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense for each of the next five years and in the aggregate thereafter follows:

	Net increase (decrease) in pension expense (Measurement Periods)					There- after
	2015	2016	2017	2018	2019	
Changes in assumptions	\$ (63,701,565)	\$ (63,701,565)	\$ (63,701,565)	\$ (50,961,251)	\$ -	\$ -
Differences between expected and actual experience	6,733,111	6,733,111	6,733,111	5,386,488	-	-
Differences between projected and actual earnings on pension plan investments	(67,903,910)	(67,903,910)	(67,903,910)	(67,903,911)	114,295,501	-
<b>GRAND TOTAL</b>	<u>\$ (124,872,364)</u>	<u>\$ (124,872,364)</u>	<u>\$ (124,872,364)</u>	<u>\$ (113,478,674)</u>	<u>\$ 114,295,501</u>	<u>\$ -</u>

### NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS

#### Plan Description

The Town's employees are eligible for post-retirement health benefits if they meet certain service year requirements and retire upon separation from the Town. The Town has computed the post-employment benefits using the alternative measurement method permitted under GASB No. 45. The 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.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

### NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)

#### Basis of Accounting

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

#### Funding Policy

Future contribution requirements of plan members, if any, and the Town will be established and amended as needed by the Town Council. The required contribution will be based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Council. For 2016 and 2015, the Town paid monthly premiums totaling \$7,812 and \$7,812, respectively. The projected liabilities were \$206,576 and \$203,753 for the year ended June 30, 2016 and 2015, respectively.

#### Annual OPEB Cost and Net OPEB Obligation

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

	<u>2016</u>	<u>2015</u>
Annual required contribution	\$ 46,483	\$ 40,690
Adjustment to prior contribution	-	(8,061)
Interest on net OPEB obligation	2,092	3,154
Adjustment to prior interest	-	(1,685)
Payments made	(7,812)	(45,443)
Adjustment to prior payments	-	37,631
Increase in net OPEB obligation	40,763	26,286
Net OPEB obligation, July 1	<u>81,459</u>	<u>55,173</u>
Net OPEB obligation, June 30	<u>\$ 122,222</u>	<u>\$ 81,459</u>

The ARC was determined as part of the June 30, 2016 alternative measurement method computation. The ARC rate was 6.56% and 4.93% of annual covered payroll for the fiscal years ended June 30, 2016 and 2015, respectively.

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

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

<u>Year ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage of annual OPEB cost contributed</u>	<u>Net OPEB obligation</u>
2014	\$ 30,716	79.07%	\$ 24,286
2015	43,844	59.95%	26,286
2016	48,575	83.92%	40,763

**Funded Status and Funding Process**

The funded status of the liability was as follows:

	<u>2016</u>	<u>2015</u>
Accrued liability (AL)	\$ 206,576	\$ 324,844
Value of plan assets contributed	-	(101,309)
Adjustment to prior plan assets	-	(19,782)
Unfunded accrued liability (UAL)	<u>\$ 206,576</u>	<u>\$ 203,753</u>
Funded ratio (value of plan assets/AL)	<u>0.00%</u>	<u>31.19%</u>
Covered payroll (active plan members)	<u>\$ 642,524</u>	<u>\$ 667,987</u>
UAL as a percentage of covered payroll	<u>32.15%</u>	<u>30.50%</u>

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

**Actuarial Methods and Assumptions**

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

# TOWN OF LOOMIS, CALIFORNIA

## NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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### **NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS (Continued)**

In the June 30, 2015, the alternative measurement method was used. The assumptions included a 4.00% investment rate of return (net of administrative expenses), discount rate of 4.50% and average salary increases of 3.30%. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level percent of payroll over the participants' working lifetime. There are no plan assets as of June 30, 2016 and 2015. The unfunded actuarial accrued liability will be amortized using the flat dollar amount method over 25 years.

### **NOTE 11: COMMITMENTS**

The Town has an improvement project at the intersection of Taylor Road and Sierra College Boulevard. As of June 30, 2016, the Town had expended \$104,363 on the construction contract that totaled \$211,780.



**REQUIRED SUPPLEMENTARY INFORMATION**



# TOWN OF LOOMIS, CALIFORNIA

## SCHEDULE OF NET PENSION LIABILITY AS OF JUNE 30, 2016

	Measurement date:	June 30, 2014	
	<u>Aggregate data</u>	<u>Town of Loomis</u>	<u>Percent of Town to Aggregate data</u>
<b><u>MISCELLANEOUS RISK POOL:</u></b>			
Total pension liability	\$ 13,110,948,452	\$ 4,385,212	<u>0.03345%</u>
Fiduciary net position	<u>(10,639,461,174)</u>	<u>(3,688,514)</u>	<u>0.03467%</u>
Net pension liability	<u>\$ 2,471,487,278</u>	<u>\$ 696,698</u>	<u>0.02819%</u>
Additional side fund payments	<u>\$ 29,291,579</u>	<u>\$ -</u>	
Fiduciary net position, net of additional side fund payments	<u>\$ 10,610,169,595</u>	<u>\$ 3,688,514</u>	
Covered - employee payroll		<u>\$ 660,429</u>	
Percentage of net pension liability of covered - employee payroll		<u>105.49%</u>	
Percentage of net pension liability to total pension liability		<u>84.11%</u>	

June 30, 2015

<u>Aggregate data</u>	<u>Town of Loomis</u>	<u>Percent of Town to Aggregate data</u>
\$ 13,639,503,084	\$ 4,470,893	<u>0.03278%</u>
<u>(10,896,036,068)</u>	<u>(3,732,546)</u>	<u>0.03426%</u>
<u>\$ 2,743,467,016</u>	<u>\$ 738,347</u>	<u>0.02691%</u>
<u>\$ 82,440,377</u>	<u>\$ -</u>	
<u>\$ 10,813,595,691</u>	<u>\$ 3,732,546</u>	
	<u>\$ 677,599</u>	
	<u>108.97%</u>	
	<u>83.49%</u>	

## TOWN OF LOOMIS, CALIFORNIA

### SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AS OF JUNE 30, 2016 LAST TEN FISCAL YEARS\*

	Measurement date: June 30, 2014				
	Plan total pension liability	Plan fiduci- ary net position	Plan net pension liability/ (asset)	Net posi- tion as a % of pension liability	Net position liability as a percentage of payroll
<b>MISCELLANEOUS PLAN:</b>					
Valuation date	\$ 4,138,907	\$ 3,162,781	\$ 976,126	23.58%	147.80%
Measurement date	<u>4,385,212</u>	<u>3,688,514</u>	<u>696,698</u>	15.89%	105.49%
Net change for the year	<u>\$ 246,305</u>	<u>\$ 525,733</u>	<u>\$ (279,428)</u>		
Percentages to total pool					
At the valuation date	<u>0.033450%</u>	<u>0.034760%</u>	-		
At the measurement date	-	-	<u>0.028190%</u>		
Covered employee payroll			<u>\$ 660,429</u>		

\* GASB Statement No. 68 was implemented during the fiscal year ended June 30, 2015. No information was available prior to this date.



Measurement date: June 30, 2015

<u>Plan total pension liability</u>	<u>Plan fiduci- ary net position</u>	<u>Plan net pension liability/ (asset)</u>	<u>Net posi- tion as a % of pension liability</u>	<u>Net position liability as a percentage of payroll</u>
\$ 4,385,212	\$ 3,688,514	\$ 696,698	15.89%	102.82%
<u>4,470,893</u>	<u>3,732,546</u>	<u>738,347</u>	16.51%	108.97%
<u>\$ 85,681</u>	<u>\$ 44,032</u>	<u>\$ 41,649</u>		
<u>0.032779%</u>	<u>0.034256%</u>	<u>-</u>		
<u>-</u>	<u>-</u>	<u>0.026913%</u>		
		<u>\$ 677,599</u>		

**TOWN OF LOOMIS, CALIFORNIA**

**SCHEDULE OF PLAN CONTRIBUTIONS  
AS OF JUNE 30, 2016  
LAST TEN FISCAL YEARS\***

	<u>2014</u>	<u>2015</u>
Actuarially determined contribution	\$ 211,047	\$ 227,750
Contributions in relation to the actuarially determined contribution	<u>(211,047)</u>	<u>(279,799)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (52,049)</u>
Covered-employee payroll	<u>\$ 660,429</u>	<u>\$ 677,599</u>
Contributions as a percentage of covered-employee payroll	<u>31.96%</u>	<u>41.29%</u>

\* GASB Statement No. 68 was implemented during the fiscal year ended June 30, 2015. No information was available prior to this date.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:**

**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**

None

**COMBINING FUND FINANCIAL STATEMENTS**



# TOWN OF LOOMIS, CALIFORNIA

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS NONMAJOR GOVERNMENTAL FUNDS AS OF JUNE 30, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>TOTALS</u>
<b><u>ASSETS</u></b>			
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 666,588	\$ 1,745,022	\$ 2,411,610
Receivables:			
Accounts receivable	3,693	-	3,693
Due from other governments	52,835	-	52,835
<b>TOTAL ASSETS</b>	<b><u>\$ 723,116</u></b>	<b><u>\$ 1,745,022</u></b>	<b><u>\$ 2,468,138</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	\$ 13	\$ -	\$ 13
Due to other funds	84,176	-	84,176
<b>TOTAL LIABILITIES</b>	<b><u>84,189</u></b>	<b><u>-</u></b>	<b><u>84,189</u></b>
<b>FUND BALANCES:</b>			
Restricted for capital projects	-	1,745,022	1,745,022
Unassigned	638,927	-	638,927
<b>TOTAL FUND BALANCES</b>	<b><u>638,927</u></b>	<b><u>1,745,022</u></b>	<b><u>2,383,949</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 723,116</u></b>	<b><u>\$ 1,745,022</u></b>	<b><u>\$ 2,468,138</u></b>

## TOWN OF LOOMIS, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>TOTALS</u>
<b>REVENUES:</b>			
Tax revenues	\$ 146,804	\$ -	\$ 146,804
License, fees and permits	654	203,044	203,698
Intergovernmental revenues	195,522	-	195,522
Investment income	23,059	53,704	76,763
	<u>366,039</u>	<u>256,748</u>	<u>622,787</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES:</b>			
Current:			
General government	106,694	-	106,694
Public safety	125,261	-	125,261
Public works	53,153	-	53,153
Capital outlay	29,155	-	29,155
	<u>314,263</u>	<u>-</u>	<u>314,263</u>
<b>TOTAL EXPENDITURES</b>			
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>51,776</u>	<u>256,748</u>	<u>308,524</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	6,842	-	6,842
Transfers out	(6,842)	-	(6,842)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL OTHER FINANCING</b>			
<b>NET CHANGE IN FUND BALANCES</b>	51,776	256,748	308,524
FUND BALANCES, JULY 1	<u>587,151</u>	<u>1,488,274</u>	<u>2,075,425</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 638,927</u>	<u>\$ 1,745,022</u>	<u>\$ 2,383,949</u>

# TOWN OF LOOMIS, CALIFORNIA

## COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS AS OF JUNE 30, 2016

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law En- forcement Fund
<b>ASSETS</b>					
Cash and investments	\$ 35,992	\$ 340,336	\$ 219,515	\$ 251	\$ 43,703
Receivables:					
Accounts receivable	-	-	3,693	-	-
Due from other governments	-	-	-	52,835	-
<b>TOTAL ASSETS</b>	<b>\$ 35,992</b>	<b>\$ 340,336</b>	<b>\$ 223,208</b>	<b>\$ 53,086</b>	<b>\$ 43,703</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	52,560	-
<b>TOTAL LIABILITIES</b>	-	-	-	52,560	-
<b>FUND BALANCES (DEFICIT):</b>					
Unassigned	35,992	340,336	223,208	526	43,703
<b>TOTAL FUND BALANCES</b>	<b>35,992</b>	<b>340,336</b>	<b>223,208</b>	<b>526</b>	<b>43,703</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 35,992</b>	<b>\$ 340,336</b>	<b>\$ 223,208</b>	<b>\$ 53,086</b>	<b>\$ 43,703</b>

<u>Bike Lane Fund</u>	<u>Master Plan Fund</u>	<u>Westside Specific Plan Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>State Disability Access Fund</u>	<u>TOTALS</u>
\$ 23,642	\$ 187	\$ 1,137	\$ -	\$ 1,825	\$ 666,588
-	-	-	-	-	3,693
-	-	-	-	-	52,835
<u>\$ 23,642</u>	<u>\$ 187</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 1,825</u>	<u>\$ 723,116</u>
\$ -	\$ -	\$ -	\$ -	\$ 13	\$ 13
-	31,616	-	-	-	84,176
-	31,616	-	-	13	84,189
<u>23,642</u>	<u>(31,429)</u>	<u>1,137</u>	<u>-</u>	<u>1,812</u>	<u>638,927</u>
<u>23,642</u>	<u>(31,429)</u>	<u>1,137</u>	<u>-</u>	<u>1,812</u>	<u>638,927</u>
<u>\$ 23,642</u>	<u>\$ 187</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 1,825</u>	<u>\$ 723,116</u>

## TOWN OF LOOMIS, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund
<b>REVENUES:</b>					
Tax revenues	\$ 132,058	\$ -	\$ 14,746	\$ -	\$ -
License, fees and permits	-	-	-	-	-
Intergovernmental	-	-	5,000	52,835	114,618
Investment income	1,178	10,840	7,872	526	1,534
<b>TOTAL REVENUES</b>	<u>133,236</u>	<u>10,840</u>	<u>27,618</u>	<u>53,361</u>	<u>116,152</u>
<b>EXPENDITURES:</b>					
Current:					
General government	91,094	-	15,600	-	-
Public safety	25,261	-	-	-	100,000
Public works	-	-	-	52,958	-
Capital outlay	-	-	29,155	-	-
<b>TOTAL EXPENDITURES</b>	<u>116,355</u>	<u>-</u>	<u>44,755</u>	<u>52,958</u>	<u>100,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>16,881</u>	<u>10,840</u>	<u>(17,137)</u>	<u>403</u>	<u>16,152</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	6,842	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING</b>	<u>6,842</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	23,723	10,840	(17,137)	403	16,152
<b>FUND BALANCES (DEFICITS), JULY 1</b>	<u>12,269</u>	<u>329,496</u>	<u>240,345</u>	<u>123</u>	<u>27,551</u>
<b>FUND BALANCES (DEFICITS), JUNE 30</b>	<u>\$ 35,992</u>	<u>\$ 340,336</u>	<u>\$ 223,208</u>	<u>\$ 526</u>	<u>\$ 43,703</u>



<u>Bike Lane Fund</u>	<u>Master Plan Fund</u>	<u>Westside Specific Plan Fund</u>	<u>Traffic Congestion Relief Fund</u>	<u>State Disability Access Fund</u>	<u>TOTALS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,804
-	-	-	-	654	654
23,069	-	-	-	-	195,522
772	283	-	-	54	23,059
<u>23,841</u>	<u>283</u>	<u>-</u>	<u>-</u>	<u>708</u>	<u>366,039</u>
-	-	-	-	-	106,694
-	-	-	-	-	125,261
-	-	-	-	195	53,153
-	-	-	-	-	29,155
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195</u>	<u>314,263</u>
<u>23,841</u>	<u>283</u>	<u>-</u>	<u>-</u>	<u>513</u>	<u>51,776</u>
-	-	-	-	-	6,842
<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,842)</u>	<u>-</u>	<u>(6,842)</u>
-	-	-	(6,842)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,842)</u>	<u>-</u>	<u>-</u>
23,841	283	-	(6,842)	513	51,776
(199)	(31,712)	1,137	6,842	1,299	587,151
<u>\$ 23,642</u>	<u>\$ (31,429)</u>	<u>\$ 1,137</u>	<u>\$ -</u>	<u>\$ 1,812</u>	<u>\$ 638,927</u>

# TOWN OF LOOMIS, CALIFORNIA

## COMBINING BALANCE SHEET MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS AS OF JUNE 30, 2016

	Hunters Crossing Fund	Loomis Maintenance District I      District II Fund              Fund		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
<b><u>ASSETS</u></b>							
Cash and investments	\$274,890	\$ 4,487	\$26,457	\$ 331,929	\$242,410	\$ 115,000	\$170,320
Receivables:							
Assessments receivable	153	25	51	-	-	-	250
<b>TOTAL ASSETS</b>	<b><u>\$275,043</u></b>	<b><u>\$ 4,512</u></b>	<b><u>\$26,508</u></b>	<b><u>\$ 331,929</u></b>	<b><u>\$242,410</u></b>	<b><u>\$ 115,000</u></b>	<b><u>\$170,570</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES:</b>							
Restricted for maintenance districts	275,043	4,512	26,508	331,929	242,410	115,000	170,570
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$275,043</u></b>	<b><u>\$ 4,512</u></b>	<b><u>\$26,508</u></b>	<b><u>\$ 331,929</u></b>	<b><u>\$242,410</u></b>	<b><u>\$ 115,000</u></b>	<b><u>\$170,570</u></b>

<u>Hunters Crossing II Fund</u>	<u>King Road Village Fund</u>	<u>Saunders Avenue Fund</u>	<u>Rachel Estates Fund</u>	<u>No Name Lane Fund</u>	<u>Sherwood Estates Fund</u>	<u>Heritage Park Estates Fund</u>	<u>Hunter Oaks Fund</u>	<u>Sierra De Mon- serat Fund</u>	<u>TOTALS</u>
\$ 95,848	\$ 160,026	\$ 20,970	\$ 250,777	\$ 3,000	\$ 111,082	\$ 246,996	\$ 207,193	\$ 265,076	\$ 2,526,461
154	390	48	530	-	325	842	1,076	1,923	5,767
<u>\$ 96,002</u>	<u>\$ 160,416</u>	<u>\$ 21,018</u>	<u>\$ 251,307</u>	<u>\$ 3,000</u>	<u>\$ 111,407</u>	<u>\$ 247,838</u>	<u>\$ 208,269</u>	<u>\$ 266,999</u>	<u>\$ 2,532,228</u>
\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
-	-	100	-	-	-	-	-	-	100
<u>96,002</u>	<u>160,416</u>	<u>20,918</u>	<u>251,307</u>	<u>3,000</u>	<u>111,407</u>	<u>247,838</u>	<u>208,269</u>	<u>266,999</u>	<u>2,532,128</u>
<u>\$ 96,002</u>	<u>\$ 160,416</u>	<u>\$ 21,018</u>	<u>\$ 251,307</u>	<u>\$ 3,000</u>	<u>\$ 111,407</u>	<u>\$ 247,838</u>	<u>\$ 208,269</u>	<u>\$ 266,999</u>	<u>\$ 2,532,228</u>

## TOWN OF LOOMIS, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Hunters Crossing Fund	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
		District I Fund	District II Fund				
<b>REVENUES:</b>							
Tax revenues	\$ 7,514	\$ 500	\$ 1,030	\$ 8,482	\$ 6,568	\$ 9,444	\$ 4,997
Investment income	8,674	285	831	10,470	7,644	3,551	5,369
<b>TOTAL REVENUES</b>	<u>16,188</u>	<u>785</u>	<u>1,861</u>	<u>18,952</u>	<u>14,212</u>	<u>12,995</u>	<u>10,366</u>
<b>EXPENDITURES:</b>							
Current:							
General government	828	5	10	86	66	94	50
Public works	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>828</u>	<u>5</u>	<u>10</u>	<u>86</u>	<u>66</u>	<u>94</u>	<u>50</u>
<b>NET CHANGE IN FUND BALANCES</b>	15,360	780	1,851	18,866	14,146	12,901	10,316
<b>FUND BALANCES, JULY 1</b>	<u>259,683</u>	<u>3,732</u>	<u>24,657</u>	<u>313,063</u>	<u>228,264</u>	<u>102,099</u>	<u>160,254</u>
<b>FUND BALANCES, JUNE 30</b>	<u><u>\$ 275,043</u></u>	<u><u>\$4,512</u></u>	<u><u>\$26,508</u></u>	<u><u>\$ 331,929</u></u>	<u><u>\$242,410</u></u>	<u><u>\$ 115,000</u></u>	<u><u>\$170,570</u></u>

<u>Hunters Crossing II Fund</u>	<u>King Road Village Fund</u>	<u>Saunders Avenue Fund</u>	<u>Rachel Estates Fund</u>	<u>No Name Lane Fund</u>	<u>Sherwood Estates Fund</u>	<u>Heritage Park Estates Fund</u>	<u>Hunter Oaks Fund</u>	<u>Sierra De Mon- serat Fund</u>	<u>TOTALS</u>
\$ 3,084	\$ 7,802	\$ 960	\$ 10,613	\$ -	\$ 6,502	\$ 16,841	\$ 21,518	\$ 38,470	\$ 144,325
<u>3,021</u>	<u>5,033</u>	<u>657</u>	<u>7,872</u>	<u>-</u>	<u>3,465</u>	<u>7,677</u>	<u>6,424</u>	<u>8,026</u>	<u>78,999</u>
<u>6,105</u>	<u>12,835</u>	<u>1,617</u>	<u>18,485</u>	<u>-</u>	<u>9,967</u>	<u>24,518</u>	<u>27,942</u>	<u>46,496</u>	<u>223,324</u>
333	-	10	106	-	65	168	214	385	2,420
<u>-</u>	<u>2,820</u>	<u>-</u>	<u>564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,194</u>	<u>1,733</u>	<u>13,311</u>
<u>333</u>	<u>2,820</u>	<u>10</u>	<u>670</u>	<u>-</u>	<u>65</u>	<u>168</u>	<u>8,408</u>	<u>2,118</u>	<u>15,731</u>
5,772	10,015	1,607	17,815	-	9,902	24,350	19,534	44,378	207,593
<u>90,230</u>	<u>150,401</u>	<u>19,311</u>	<u>233,492</u>	<u>3,000</u>	<u>101,505</u>	<u>223,488</u>	<u>188,735</u>	<u>222,621</u>	<u>2,324,535</u>
<u>\$ 96,002</u>	<u>\$ 160,416</u>	<u>\$ 20,918</u>	<u>\$ 251,307</u>	<u>\$ 3,000</u>	<u>\$ 111,407</u>	<u>\$ 247,838</u>	<u>\$ 208,269</u>	<u>\$ 266,999</u>	<u>\$ 2,532,128</u>

# TOWN OF LOOMIS, CALIFORNIA

## COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS AS OF JUNE 30, 2016

	<u>Drainage Fund</u>	<u>Community Facilities Capital Projects Fund</u>	<u>Park Fee Fund</u>	<u>TOTALS</u>
<u>ASSETS</u>				
Cash and investments	<u>\$238,710</u>	<u>\$ 915,065</u>	<u>\$ 591,247</u>	<u>\$1,745,022</u>
<b>TOTAL ASSETS</b>	<u><u>\$238,710</u></u>	<u><u>\$ 915,065</u></u>	<u><u>\$ 591,247</u></u>	<u><u>\$1,745,022</u></u>
<u>FUND BALANCES</u>				
Restricted for capital projects	<u>\$238,710</u>	<u>\$ 915,065</u>	<u>\$ 591,247</u>	<u>\$1,745,022</u>
<b>TOTAL FUND BALANCES</b>	<u><u>\$238,710</u></u>	<u><u>\$ 915,065</u></u>	<u><u>\$ 591,247</u></u>	<u><u>\$1,745,022</u></u>

## TOWN OF LOOMIS, CALIFORNIA

### COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Drainage Fund	Community Facilities Capital Projects Fund	Park Fee Fund	TOTALS
<b>REVENUES:</b>				
License, fees and permits	\$ 14,587	\$ 51,012	\$ 137,445	\$ 203,044
Investment income	7,470	28,672	17,562	53,704
<b>NET CHANGE IN FUND BALANCES</b>	22,057	79,684	155,007	256,748
<b>FUND BALANCES, JULY 1</b>	216,653	835,381	436,240	1,488,274
<b>FUND BALANCES, JUNE 30</b>	\$ 238,710	\$ 915,065	\$ 591,247	\$ 1,745,022

# TOWN OF LOOMIS, CALIFORNIA

## COMBINING BALANCE SHEET - AGENCY FUNDS AS OF JUNE 30, 2016

	<u>Revolving Funds</u>	<u>County Facilities Fees</u>	<u>Dry Creek Watershed Fees</u>	<u>TOTALS</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ -	\$ 28,584	\$ 2,400	\$ 30,984
Due from other governments or agencies	<u>67,053</u>	<u>-</u>	<u>-</u>	<u>67,053</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 67,053</u></b>	<b><u>\$ 28,584</u></b>	<b><u>\$ 2,400</u></b>	<b><u>\$ 98,037</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 24,462	\$ 17,748	\$ 1,793	\$ 44,003
Due to other Town funds	9,715	-	-	9,715
Due to other agencies	<u>32,876</u>	<u>10,836</u>	<u>607</u>	<u>44,319</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 67,053</u></b>	<b><u>\$ 28,584</u></b>	<b><u>\$ 2,400</u></b>	<b><u>\$ 98,037</u></b>



# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b><u>REVOLVING FUNDS:</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 78,985	\$ 91,253	\$ (170,238)	\$ -
Due from other governments or agencies	27,948	187,658	(148,553)	67,053
<b>TOTAL ASSETS</b>	<b>\$ 106,933</b>	<b>\$ 278,911</b>	<b>\$ (318,791)</b>	<b>\$ 67,053</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 42,328	\$ 130,868	\$ (148,734)	\$ 24,462
Due to other Town funds	-	9,715	-	9,715
Due to other agencies	64,605	3,038	(34,767)	32,876
<b>TOTAL LIABILITIES</b>	<b>\$ 106,933</b>	<b>\$ 143,621</b>	<b>\$ (183,501)</b>	<b>\$ 67,053</b>
<b><u>COUNTY FACILITIES FEE:</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 13,622	\$ 60,153	\$ (45,191)	\$ 28,584
<b>TOTAL ASSETS</b>	<b>\$ 13,622</b>	<b>\$ 60,153</b>	<b>\$ (45,191)</b>	<b>\$ 28,584</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 5,006	\$ 55,185	\$ (42,443)	\$ 17,748
Due to other agencies	8,616	60,154	(57,934)	10,836
<b>TOTAL LIABILITIES</b>	<b>\$ 13,622</b>	<b>\$ 115,339</b>	<b>\$ (100,377)</b>	<b>\$ 28,584</b>
<b><u>DRY CREEK WATERSHED FEES:</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 1,229	\$ 17,314	\$ (16,143)	\$ 2,400
<b>TOTAL ASSETS</b>	<b>\$ 1,229</b>	<b>\$ 17,314</b>	<b>\$ (16,143)</b>	<b>\$ 2,400</b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 622	\$ 17,314	\$ (16,143)	\$ 1,793
Due to other agencies	607	12,444	(12,444)	607
<b>TOTAL LIABILITIES</b>	<b>\$ 1,229</b>	<b>\$ 29,758</b>	<b>\$ (28,587)</b>	<b>\$ 2,400</b>

(Continued)

# TOWN OF LOOMIS, CALIFORNIA

## STATEMENT OF CHANGES IN ASSETS AND LIABILITIES AGENCY FUNDS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<b><u>TOTAL ALL AGENCY FUNDS:</u></b>				
<b><u>ASSETS</u></b>				
Cash and investments	\$ 93,836	\$ 168,720	\$ (231,572)	\$ 30,984
Due from other governments or agencies	27,948	187,658	(148,553)	67,053
<b>TOTAL ASSETS</b>	<b><u>\$ 121,784</u></b>	<b><u>\$ 356,378</u></b>	<b><u>\$ (380,125)</u></b>	<b><u>\$ 98,037</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued liabilities	\$ 47,956	\$ 203,367	\$ (207,320)	\$ 44,003
Due to other funds	-	9,715	-	9,715
Due to other agencies	73,828	75,636	(105,145)	44,319
<b>TOTAL LIABILITIES</b>	<b><u>\$ 121,784</u></b>	<b><u>\$ 288,718</u></b>	<b><u>\$ (312,465)</u></b>	<b><u>\$ 98,037</u></b>

**OTHER REPORTS**



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# BOLER & ASSOCIATES

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

To the Town Council  
Town of Loomis  
Loomis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California as of and for the year ended June 30, 2016, 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 September 2, 2016.

### ***Internal Control Over Financial Reporting***

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Loomis, California's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



September 2, 2016