

TOWN OF LOOMIS, CALIFORNIA

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

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

TOWN OF LOOMIS, CALIFORNIA

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

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TOWN OF LOOMIS, CALIFORNIA

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

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TOWN OF LOOMIS, CALIFORNIA

TOWN OFFICIALS

TOWN COUNCIL

- *Jan Clark-Crets* Mayor
- *Jeff Duncan* Mayor Pro-Tem
- *Brian Baker* Council Member
- *Tim Onderko* Council Member
- *Rhonda Morillas* Council Member

OTHER TOWN OFFICIALS

- *Sean Rabe* Town Manager
- *Jeff Mitchell* Town Attorney
- *Roger Carroll* Town Treasurer/
Finance Officer
- *Britton Snipes* Director of Public Works/
Town Engineer
- *Mary Beth Van Voorhis* Planner
- *Sean Burke* Building Inspector
- *Crickett Strock* Town Clerk/Administrative
Assistant

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report of the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021, on our consideration of the Town of Loomis, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Loomis, California's internal control over financial reporting and compliance.

Fechter & Company
Certified Public Accountants



Sacramento, California
January 20, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF LOOMIS, CALIFORNIA

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

As management of the Town of Loomis (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information presented.

FINANCIAL HIGHLIGHTS

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

USING THIS ANNUAL REPORT

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

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

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

TOWN OF LOOMIS, CALIFORNIA

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

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

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

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

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

Our analysis of the Town's major funds begins on page 16. The Town's various funds are reported as governmental type funds. Governmental funds focus on how money flows into and out of those funds, and the balances left at year-end that may be available for future spending. These funds are reported using an accounting method described as modified accrual accounting. This accounting method measures the availability of cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations, and the basic services it provides to residents and visitors of the Town. Governmental fund information helps to determine what financial resources are available to be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds, in a reconciliation at the bottom of the fund financial statements.

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

- The General Fund is the primary operating fund of the Town. It accounts for all the financial resources of the general government, except those required to be accounted for in another fund.

TOWN OF LOOMIS, CALIFORNIA

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

-
- The Streets and Roads Special Revenue Fund accounts for funding received for transportation purposes, including: public transportation, road construction, and road maintenance. The majority of the funds received are from gasoline and sales taxes collected by the state and passed to the Town by the state or through the county.
 - The Low-Income Density Special Revenue Fund represents the loan activity for the housing rehabilitation program.
 - The Maintenance Districts Special Revenue Fund represents the various maintenance districts throughout the Town.
 - The Road Circulation Capital Projects Fund is for the creation of new roads, or improvements to existing arterials that create new capacity.
 - The Nonmajor Governmental Funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves they are not significant to the Town as a whole. Therefore, they are combined and reported as one. They include funds for transportation, recycling, parks, and rehabilitation loans.

Fiduciary Fund Statements – The Town as a Fiduciary

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

Government-Wide Financial Analysis – The Town as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Loomis, assets exceeded liabilities by \$30.2 million as of June 30, 2020 compared to \$30.0 million as of June 30, 2019.

A significant portion of the Town's net position reflects its investment in capital assets (e.g., land, streets, storm drain systems, buildings and park assets, machinery and equipment). The capital assets net of accumulated depreciation as a percentage of total assets was 46.4% and 47.3% for the fiscal years ended June 30, 2020 and 2019, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

TOWN OF LOOMIS, CALIFORNIA

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

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

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

As of June 30, 2020, \$11.3 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the net position, \$4.4 million, may be used to meet the Town's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Town of Loomis is able to report positive balances in all three categories of net position.

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

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

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

TOWN OF LOOMIS, CALIFORNIA

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

Governmental Activities

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

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

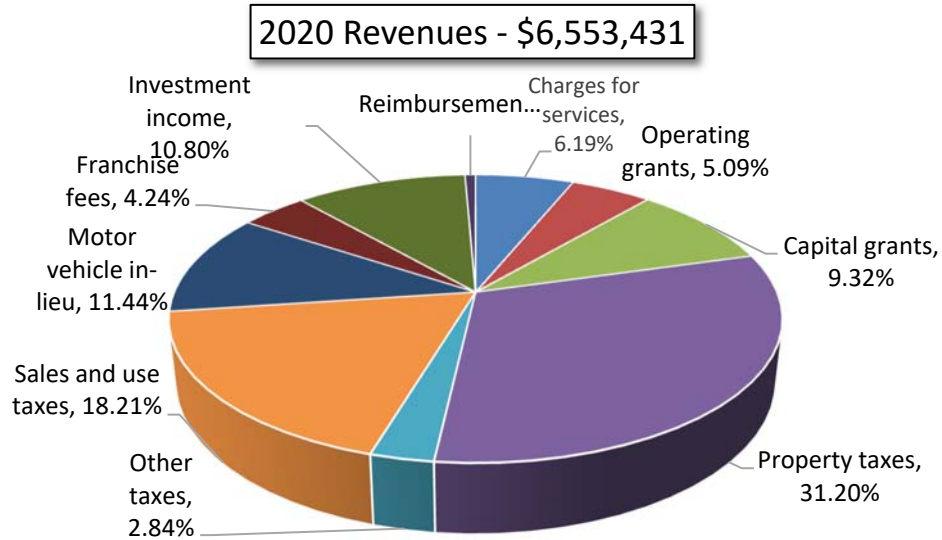
Highlights of the changes in net position for the fiscal year ended June 30, 2020 were as follows:

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

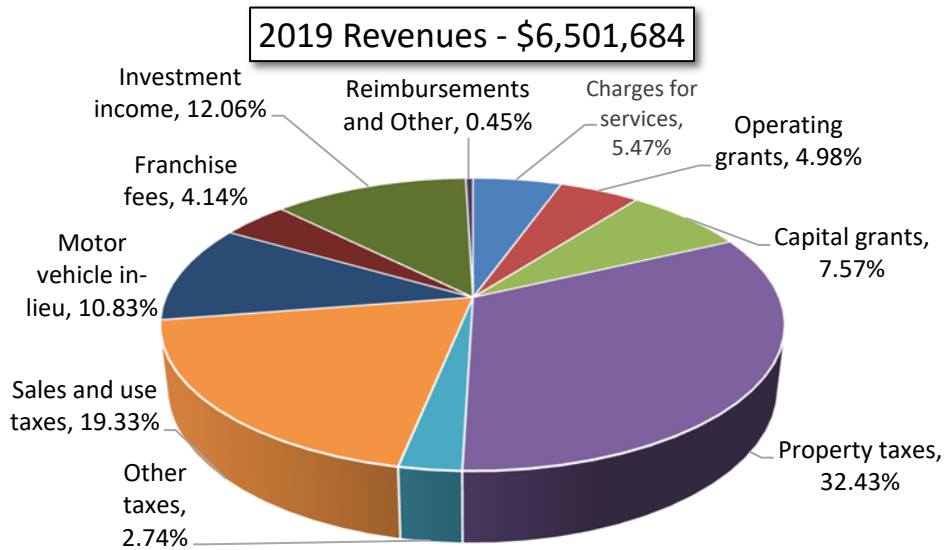
TOWN OF LOOMIS, CALIFORNIA

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

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



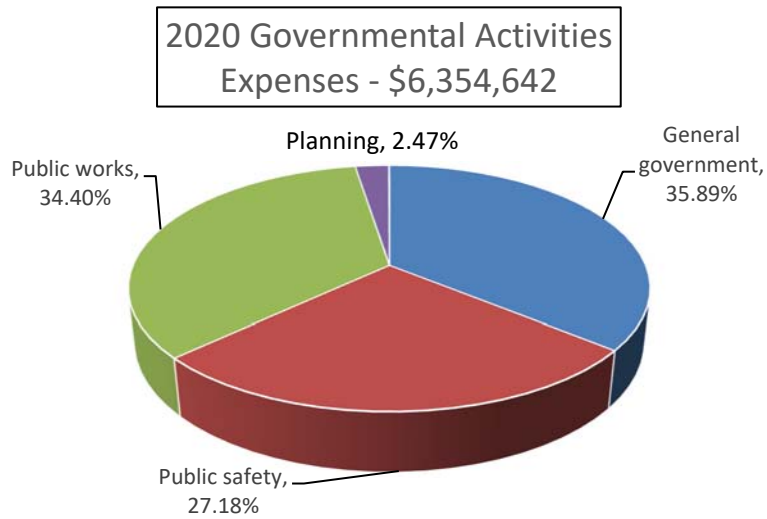
The fiscal year ended June 30, 2019 revenues are reflected graphically as follows:



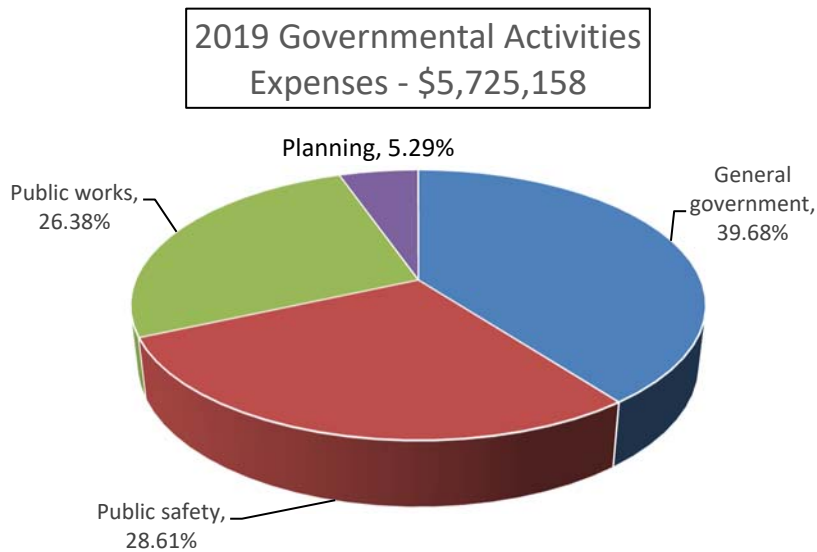
TOWN OF LOOMIS, CALIFORNIA

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

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



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



TOWN OF LOOMIS, CALIFORNIA

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

The table below shows the net cost of each of the Town's major programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. For the fiscal year ended June 30, 2020 the net cost is as follows:

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

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

For the fiscal year ended June 30, 2019 the net cost is as follows:

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

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

TOWN OF LOOMIS, CALIFORNIA

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

Financial Analysis of Government funds

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

Streets and Roads Special Revenue Fund: Fund balance is \$142,963 and \$(446,488) for 2020 and 2019, respectively. This fund reports revenues received from Placer County and the State for use on building and maintaining road and transportation systems. Because the Town's road needs exceed the funds provided by the County and the State, funds were allocated from the gas tax funds and the General Fund.

Low-Income Density Special Revenue Fund: This fund accounts for the Town's low-income loan program's receipts and disbursements. Revenues exceeded expenditures by \$444 for the year ended June 30, 2020. However, expenditures exceeded revenues by \$24,636 for the year ended June 30, 2019.

Maintenance Districts Special Revenue Fund: This fund accounts for the maintenance fees collected through the property tax rolls for the various districts within the Town. Revenues exceeded expenditures by \$274,000 for the year ended June 30, 2020 and \$154,924 for the year ended June 30, 2019.

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

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

Overall, the year had a net increase in combined fund balances of the nonmajor governmental funds of \$195,946 for 2020 and \$238,283 for 2019. The nonmajor governmental funds' fund balances are 97.86% and 98.77% of total nonmajor governmental funds' assets for 2020 and 2019, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Page 22, shows the difference between the budgeted revenues and expenditures and the actual amounts received and expended. In total for the fiscal year ended June 30, 2020, revenues were over budget by less than one percent and expenditures were under budget by 7.30%. In total, for the fiscal year ended June 30, 2019, revenues were over budget by 11.90% and expenditures were under budget by 8.79%.

TOWN OF LOOMIS, CALIFORNIA

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital assets include police services and public works equipment, vehicles, buildings, and roads. Net capital assets of the governmental activities totaled \$14.5 million and \$14.4 million at June 30, 2020 and June 30, 2019, respectively. Depreciation on capital assets is recognized in the Government-Wide Statement of Activities. The Town's capital assets, net of depreciation, as of June 30, 2020 and 2019, are summarized below:

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

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

- Began construction of Phase 2 of the Downtown Master Plan. This phase includes road reconstruction, sidewalks, street lights, and repaving on Taylor Road between Horseshoe Bar Road and King Road.
- A new tractor mower.
- Intersection design for Sierra College Blvd and Taylor Road.

TOWN OF LOOMIS, CALIFORNIA

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

Debt administration

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

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

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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



BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF LOOMIS
STATEMENT OF NET POSITION
JUNE 30, 2020

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

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

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

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

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

Fund balances - total governmental funds \$ 15,828,069

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

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds: 14,521,098

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

Deferred outflows of resources related to pension
and OPEB are not reported in the governmental funds. 792,655

Deferred inflows of resources related to pension
and OPEB are not reported in the governmental funds. (302,501)

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

| | | |
|---------------------------------|-----------|-------------|
| Obligations under capital lease | (18,734) | |
| Compensated absences | (172,881) | |
| Net pension liability | (706,991) | |
| Net OPEB liability | (224,269) | |
| | | (1,122,875) |

Net position of governmental activities \$ 30,242,085

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

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

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

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

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

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

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

Net change in fund balances - total governmental funds \$ 666,708

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

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

| | | |
|---------------------------------------------------------------------------------------------------------|------------------|---------|
| Expenditures for general capital assets, infrastructure, and other related capital asset adjustments | \$ 821,589 | |
| Less: current year depreciation | <u>(654,180)</u> | |
| | | 167,409 |

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

| | |
|-------------------------------------------------------------|--------|
| Change in deferred inflows of resources related to pensions | 51,262 |
|-------------------------------------------------------------|--------|

Expenditures in the statement of activities that do not require the use of
current financial resources are not reported as expenditures in the funds:

| | |
|--------------------------------------------------------------|-----------|
| Change in the liability for compensated absences | (35,854) |
| Change in net pension liability | (135,925) |
| Change in OPEB liability | (8,230) |
| Change in deferred outflows of resources related to pensions | (511,531) |

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

| |
|--------------|
| <u>4,950</u> |
|--------------|

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

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

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

ASSETS

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

LIABILITIES

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These financial statements include:

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

Basis of Accounting – Government-Wide Financial Statements

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

Reporting Entity

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

Fund Accounting

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (continued)

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

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

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

Governmental Funds

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

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

The Town reports the following major special revenue funds:

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Funds (continued)

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

The Town reports the following major capital projects fund:

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

Fiduciary Funds

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

Cash and Cash Equivalents

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

Loans Receivable

The Town has various loans receivable from past community development block grant awards and for economic development. Generally, the block grant loans are due on change of title of the underlying property. The Low Income Density receivable balance is offset by deferred inflows of resources. The activity for the fiscal year ended June 30, 2020 is as follows:

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Depreciation

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

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

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

| | |
|----------------------------------|---------------|
| Improvements | 30 years |
| Equipment and other improvements | 5 to 20 years |

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

Allowance for Doubtful Accounts

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

Interfund Transactions

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

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Town. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. The unpaid vacation liability of the Town amounted to \$56,956 and \$36,754 as of June 30, 2020 and 2019, respectively.

Accumulated sick leave benefits are recognized as liabilities of the Town. Employees vest in sick leave benefits after completing five years of service at a rate of 50%. The unpaid sick leave liability of the Town amounted to \$115,925 and \$100,271 as of June 30, 2020 and 2019, respectively.

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenues

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

Net Position

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

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

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

Fund Equity

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Equity (continued)

- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action, i.e. council resolution, of the highest level of decision-making authority and does not lapse at year-end.
- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the Town Manager or Department Heads with Town Council approval.
- *Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The Town considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. As of June 30, 2020, the Town had no committed fund balances.

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

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

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

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

Budgetary Policy and Data

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates and Assumptions

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

Property Tax

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 2: CASH AND INVESTMENTS

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

Cash and Cash Equivalents:

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

Investments:

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

Summary of Cash and Investments:

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

During the fiscal year ended June 30, 2020, the town's permissible investments included the following instruments:

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

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

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

Information about the sensitivity of the fair value of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity at June 30, 2020:

| Type of Investment | Total | Remaining Maturity (in Months) | | | | |
|------------------------------|----------------------|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | 12 Months or Less | 13 to 23 Months | 24 to 36 Months | 36 to 48 Months | 48 to 60 Months |
| Local agency investment fund | \$ 1,427,390 | \$ 1,427,390 | \$ - | \$ - | \$ - | \$ - |
| Government agencies | 4,940,022 | 1,054,155 | 510,262 | 933,071 | 771,239 | 1,671,295 |
| Medium term corporate notes | 3,534,835 | 1,058,176 | 511,446 | 964,024 | 821,572 | 179,617 |
| Educational institutions | 1,030,855 | 521,280 | 252,138 | - | 257,437 | - |
| Total | \$ 10,933,102 | \$ 4,061,001 | \$ 1,273,846 | \$ 1,897,095 | \$ 1,850,248 | \$ 1,850,912 |
| Percentage of portfolio | 100.00% | 37.15% | 11.65% | 17.35% | 16.92% | 16.93% |

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Credit risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the Town’s actual ratings of its investments as of June 30, 2020:

| Credit Risk | Type of Investment | | | | Total |
|--------------|------------------------------|---------------------|-----------------------------|--------------------------|----------------------|
| | Local Agency Investment Fund | Government Agencies | Medium Term Corporate Notes | Educational Institutions | |
| AA+ | \$ - | \$ 119,222 | \$ - | \$ - | 119,222 |
| AA | - | 2,523,941 | - | 250,000 | 2,773,941 |
| AA- | - | 377,856 | - | 509,575 | 887,431 |
| A+ | - | 759,348 | 556,722 | - | 1,316,070 |
| A | - | 616,019 | 1,549,380 | 271,280 | 2,436,679 |
| A- | - | - | 1,046,305 | - | 1,046,305 |
| BBB+ | - | - | 382,428 | - | 382,428 |
| No Rating | 1,427,390 | 543,636 | - | - | 1,971,026 |
| Total | \$ 1,427,390 | \$ 4,940,022 | \$ 3,534,835 | \$ 1,030,855 | \$ 10,933,102 |

Concentration of credit risk: The investment policy of the Town limits the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2020, the Town did not have any investment in any one issuer exceeding its existing investment policy.

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

At June 30, 2020, the Town’s account with a financial institution had a total carrying amount of \$21,944 with a bank balance of \$453,005, of which \$250,000 is insured by the FDIC.

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June.30, 2020, the Town investments in the following investment types were held by the same custodial account that was used by the Town to buy the securities:

| | |
|--------------------------------------------------|---------------|
| Certificates of deposit held with brokerage firm | \$ 4,758,434 |
| Government agencies | 4,940,022 |
| Medium term corporate notes | 3,534,835 |
| Educational institutions | 1,030,855 |
| Total Investments | \$ 14,264,146 |

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

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

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

| | Balance as of June 30, 2020 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|---------------------------------------|-----------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| Securities: | | | | |
| Local agency investment fund | \$ 1,427,390 | \$ 1,427,390 | \$ - | \$ - |
| Government agencies | 4,940,022 | 4,940,022 | - | - |
| Medium term corporate notes | 3,534,835 | 3,534,835 | - | - |
| Educational institutions | 1,030,855 | 1,030,855 | - | - |
| Total Investments by Fair Value Level | \$10,933,102 | \$ 10,933,102 | \$ - | \$ - |

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment in Local Agency Investment Fund (LAIF): LAIF is stated at fair value. The LAIF is a special fund of the State of California Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$101,607,078,218 at June 30, 2020. The fund is managed by the State Treasurer and consists of the following:

| | As a Percent of Portfolio |
|----------------------------------------------------------|---------------------------------|
| Structured notes and medium-term asset-backed securities | 2.21% |
| Short-term asset-backed commercial paper | 1.16% |
| All other investments | <u>96.63%</u> |
| | <u>100.00%</u> |

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of live members as designated by State Statute. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based on the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amortized cost of the pooled investments at June 30, 2020 was \$101,110,343,833.

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 3: CAPITAL ASSETS AND DEPRECIATION

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. There were no impaired assets at the year end. Capital asset activity for the year ended June 30, 2020 was as follows:

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

Depreciation expense was charged to governmental functions as follows:

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 4: JOINT VENTURE

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

NOTE 5: LONG-TERM LIABILITIES

The changes in long-term liabilities for the fiscal year ended June 30, 2020 were as follows:

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

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

As of June 30, 2020, capital lease annual requirements are as follows:

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Assets under capital lease were as follows:

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

NOTE 6: INTERFUND TRANSACTIONS

Due To/From Other Funds

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

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

Transfers

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 7: FUND DEFICITS

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

| Fund | Deficit |
|------------------------|-------------|
| Special Revenue Funds: | |
| Non-Major Funds: | |
| Master Plan Fund | \$ (31,387) |

NOTE 8: DEFINED BENEFIT PENSION PLAN

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

Plan Description

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

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

Benefits Provided

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The Miscellaneous Rate Plan provisions and benefits in effect at June 30, 2020, are summarized as follows:

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

Contributions

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

Miscellaneous plan participants (tier 1) are required to contribute 7.00% of their annual covered salary. Miscellaneous tier 3 plan participants are required to contribute 6.25% of their annual covered salary. In addition, the Town is required to make an employer contribution at an actuarial determined rate of 9.680% (tier 1) and 6.985% (tier 3) of annual covered payroll for the year ended June 30, 2020. For the year ended June 30, 2020, contributions to the Plan were \$167,354; \$94,610 employer contributions and \$72,744 employee contributions. The Town also contributed \$50,779 to its unfunded liability.

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The Town's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019. The Town's proportion of the net pension liability based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions or all participating employers, actuarially determined. As of June 30, 2020, the Town's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020, was as follows:

| | Miscellaneous |
|----------------------------|---------------|
| Proportion - June 30, 2019 | 0.01515% |
| Proportion - June 30, 2020 | 0.01765% |
| Change | 0.00250% |

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The \$146,323 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement Period Ended June 30, | Deferred Outflows/ (Inflows) of Resources |
|--------------------------------------------|----------------------------------------------------|
| 2021 | \$ 327,827 |
| 2022 | 10,296 |
| 2023 | 3,210 |
| 2024 | 2,498 |
| Total | <u>\$ 343,831</u> |

Actuarial Assumptions

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

| | |
|---------------------------|------------------------------------------------------------------|
| Valuation date | June 30, 2018 |
| Measurement date | June 30, 2019 |
| Measurement period | July 1, 2018 to June 30, 2019 |
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Actuarial value of assets |
| Actuarial assumptions: | |
| Discount rate | 7.15% |
| Inflation rate | 2.50% |
| Salary increases | Varies by entry age and service |
| Payroll growth | 2.75% |
| Investment rate of return | 7.15% net of pension plan investment and administrative expenses |
| Mortality rate table | Based on the 2010 CalPERS Experience Study |

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increases, mortality, and retirement rates. The Experience Study Report may be accessed on the CalPERS website at www.calpers.ca.gov.

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

Discount Rate

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

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

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

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

| | 1% Decrease (6.15%) | Discount Rate (7.15%) | 1% Increase (8.15%) |
|--------------------------------------|------------------------|--------------------------|------------------------|
| Town's net pension liability (asset) | \$ 1,508,140 | \$ 706,991 | \$ 45,699 |

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

TOWN OF LOOMIS, CALIFORNIA

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

NOTE 9: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Town's employees are eligible for post-retirement health benefits if they meet certain service year requirements and retire upon separation from the Town. The Town has computed the post-employment benefit using the alternative measurement method permitted under GASB No. 75. The Town has use information from the Town's payroll records to develop all significant assumptions and methods. The liability has not been funded nor has a trustee been appointed. The benefit provisions are to be established and may be amended by the Town Council. The Plan currently does not issue stand-alone financial statements. For this report, the following timeframes are used:

| | |
|------------------|---------------|
| Valuation Date | June 30, 2019 |
| Measurement Date | June 30, 2020 |

Basis of Accounting

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

Funding Policy

Future contribution requirements of plan members, if any, and the Town will be established and amended as needed by the Town Council. The required contribution will be based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Council. For 2020 and 2019, the Town paid monthly premiums totaling \$7,812 and \$7,975, respectively. The projected liabilities were \$224,269 and \$216,039 for the year ended June 30, 2020 and 2019, respectively.

TOWN OF LOOMIS, CALIFORNIA

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

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

Significant Assumptions

Significant assumptions are as follows:

| | |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discount rate | 2.66% |
| Expected return on plan assets | N/A |
| Projected salary increases | 4.00% |
| Mortality | Mortality rates were based on the RP2000 mortality tables for males and females projected 18 years; this assumption does not include a margin for future improvements in longevity. |
| Health care cost trend rate | The cost trend numbers were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection. |

Participants eligible for OPEB were as follows:

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

TOWN OF LOOMIS, CALIFORNIA

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

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

Changes in the Net OPEB Liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2020 for the Town.

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

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

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

| | 1% Decrease 1.31% | Discount Rate 2.31% | 1% Increase 3.31% |
|--------------------|----------------------|------------------------|----------------------|
| Net OPEB liability | \$ 249,373 | \$ 224,269 | \$ 203,061 |

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

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

| | 1% Decrease | Current Trend Rate | 1% Increase |
|--------------------|-------------|-----------------------|-------------|
| Net OPEB liability | \$ 223,195 | \$ 224,269 | \$ 225,339 |

TOWN OF LOOMIS, CALIFORNIA

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

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

Net OPEB Expense

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

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

NOTE 10: COVID-19 CONSIDERATIONS

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

NOTE 11: EVALUATION OF SUBSEQUENT EVENTS – MANAGEMENT REVIEW

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

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

Last 10 Fiscal years*

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

Schedule of Town's contributions:

Last 10 Fiscal Years*

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

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

TOWN OF LOOMIS
Required Supplementary Information
Schedule of Changes in the Town's Net OPEB Liability
June 30, 2020

Last 10 Fiscal years*

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

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

PENSIONS – MISCELLANEOUS PLAN

NOTE 1: CHANGE IN BENEFIT TERMS

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

NOTE 2: CHANGE IN ASSUMPTIONS

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

SUPPLEMENTARY INFORMATION
COMBINING FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

| Master Plan Fund | Westside Specific Plan Fund | State Disability Access Fund | Road Maintenance Fund | Total |
|------------------------|-----------------------------------|---------------------------------------|-----------------------------|-------------------|
| \$ 229 | \$ 1,137 | \$ 9,367 | \$ - | \$ 944,702 |
| - | - | - | - | 3,823 |
| <u>\$ 229</u> | <u>\$ 1,137</u> | <u>\$ 9,367</u> | <u>\$ -</u> | <u>\$ 948,525</u> |
| \$ - | \$ - | \$ 16 | \$ - | \$ 28,845 |
| 31,616 | - | - | - | 31,616 |
| <u>31,616</u> | <u>-</u> | <u>16</u> | <u>-</u> | <u>60,461</u> |
| - | 1,137 | 9,351 | - | 919,451 |
| (31,387) | - | - | - | (31,387) |
| <u>(31,387)</u> | <u>1,137</u> | <u>9,351</u> | <u>-</u> | <u>888,064</u> |
| <u>\$ 229</u> | <u>\$ 1,137</u> | <u>\$ 9,367</u> | <u>\$ -</u> | <u>\$ 948,525</u> |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OTHER REPORT

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

To the Town Council
Town of Loomis
Loomis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Loomis, California's basic financial statements, and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

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

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

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

To the Town Council
Town of Loomis
Loomis, California

Compliance and Other Matters

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

Purpose of this Report

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

Fechter & Company
Certified Public Accountants

A handwritten signature in cursive script that reads "Fechter & Company, CPAs". The signature is written in black ink and is positioned below the printed name of the firm.

Sacramento, California
January 20, 2021