

TOWN OF LOOMIS, CALIFORNIA

ANNUAL FINANCIAL REPORT
With
Independent Auditor's Report Thereon

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

TOWN OF LOOMIS, CALIFORNIA

Annual Financial Report
For the Fiscal Year Ended June 30, 2022

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TOWN OF LOOMIS, CALIFORNIA

TOWN OFFICIALS

TOWN COUNCIL

- *Jenny Knisley* Mayor
- *Danny Cartwright* Mayor Pro-Tempore
- *Brian Baker* Council Member
- *Jan Clark-Crets* Council Member
- *Jeff Duncan* Council Member

OTHER TOWN OFFICIALS

- *Sean Rabe* Town Manager
- *Jeff Mitchell* Town Attorney
- *Roger Carroll* Town Treasurer/
Finance Officer
- *Merrill Buck* Director of Public Works/
Town Engineer
- *Mary Beth Van Voorhis* Planner
- *Josh Pino* Building Inspector
- *Carol Parker* Deputy Town Clerk

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Town of Loomis, California's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Loomis, California, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Loomis, California's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing

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

standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Loomis, California's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Loomis, California's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, 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.

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

Supplementary Information

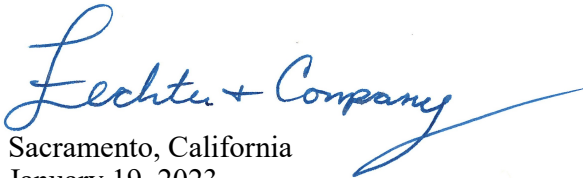
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Loomis, California's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not 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 19, 2023, 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 19, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. We encourage the readers to consider the information presented here in conjunction with the accompanying basic financial statements and the additional information presented.

FINANCIAL HIGHLIGHTS

- The Town's government-wide net position increased in total by \$1,706,719, or 5.49%.
- The total governmental activities revenues from all sources were \$7,679,915.
- The total cost of all Town programs in the Town's governmental activities were \$5,973,196.
- The General Fund reported net changes in fund balance of \$752,405.
- Actual resources received in the General Fund were over final budget by \$200,901 while actual expenditures were under the final budget by \$474,386.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$4,870,331.
- The net pension liability decreased \$820,663 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 15 and the Statement of Activities on page 16 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 17. 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 begins on page 15 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 YEAR ENDED JUNE 30, 2022

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 17. 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 YEAR ENDED JUNE 30, 2022

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- 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 21. 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 \$32.8 million as of June 30, 2022 compared to \$31.1 million as of June 30, 2021.

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 48.1% and 48.3% for the fiscal years ended June 30, 2022 and 2021, 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 YEAR ENDED JUNE 30, 2022

The Town's combined net position for the years ending June 30, 2022 and 2021 are summarized as follows:

	2022	2021	Increase (Decrease)	Percent Change
ASSETS				
Current assets	\$ 17,366,940	\$ 16,815,730	\$ 551,210	3.28%
Capital assets, net	16,089,517	15,716,007	373,510	2.38%
Total Assets	<u>33,456,457</u>	<u>32,531,737</u>	<u>924,720</u>	2.84%
DEFERRED OUTFLOWS OF RESOURCES				
Pension	<u>337,424</u>	<u>424,430</u>	<u>(87,006)</u>	-20.50%
LIABILITIES				
Current liabilities	537,344	517,038	20,306	3.93%
Other liabilities	<u>325,283</u>	<u>1,158,491</u>	<u>(833,208)</u>	-71.92%
Total Liabilities	<u>862,627</u>	<u>1,675,529</u>	<u>(812,902)</u>	-48.52%
DEFERRED INFLOWS OF RESOURCES				
Pension	<u>159,552</u>	<u>215,655</u>	<u>(56,103)</u>	-26.02%
NET POSITION				
Invested in capital assets, net of related debt	16,083,143	15,710,148	372,995	2.37%
Restricted	11,826,827	11,878,425	(51,598)	-0.43%
Unrestricted	<u>4,861,732</u>	<u>3,476,410</u>	<u>1,385,322</u>	39.85%
Total Net Position	<u>\$ 32,771,702</u>	<u>\$ 31,064,983</u>	<u>\$ 1,706,719</u>	5.49%

As of June 30, 2022, \$16.1 million represents resources that are invested in capital assets and \$11.8 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, \$4.9 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, 2021, \$15.7 million represented resources that were invested in capital assets and \$11.9 million of the Town's net position represented resources that were subject to external restrictions on how they may be used. The remaining balance of net position, \$3.5 million, was available for use to meet the Town's ongoing obligations to citizens and creditors.

During the year ended June 30, 2022, the government's net position increased \$1.71 million due primarily to additional grants received in the current year. During the fiscal year ended June 30, 2021, the net position increased by \$0.82 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 YEAR ENDED JUNE 30, 2022

Governmental Activities

The Town's changes in net position for the years ended June 30, 2022 and 2021 of the government-wide activities are as follows:

	2022	2021	Increase (Decrease)	Percent Change
REVENUES:				
Charges for services	\$ 923,252	\$ 606,873	\$ 316,379	52.13%
Operating grants and contributions	1,281,825	337,730	944,095	279.54%
Capital grants and contributions	1,165,229	1,216,082	(50,853)	-4.18%
GENERAL REVENUES:				
Property taxes	2,501,679	2,303,722	197,957	8.59%
Other taxes	219,105	199,937	19,168	9.59%
Sales and use taxes	1,161,720	1,284,521	(122,801)	-9.56%
Prop tax in-lieu of vehicle license fees	839,934	791,573	48,361	6.11%
Franchise fees	313,710	290,617	23,093	7.95%
Investment income	(789,681)	117,464	(907,145)	-772.27%
Refunds and reimbursements	40,974	10,730	30,244	281.86%
Other income	22,168	322,253	(300,085)	-93.12%
Total revenues	<u>7,679,915</u>	<u>7,481,502</u>	<u>198,413</u>	2.65%
EXPENSES:				
General government	1,190,087	2,052,288	(862,201)	-42.01%
Public safety	1,947,950	1,816,523	131,427	7.24%
Public works	2,169,961	1,893,748	276,213	14.59%
Planning	664,292	894,667	(230,375)	-25.75%
Interest expense	906	1,378	(472)	-34.25%
Total expenses	<u>5,973,196</u>	<u>6,658,604</u>	<u>(685,408)</u>	-10.29%
CHANGE IN NET POSITION	1,706,719	822,898	883,821	107.40%
NET POSITION, JULY 1	<u>31,064,983</u>	<u>30,242,085</u>	<u>822,898</u>	2.72%
NET POSITION, JUNE 30	<u>\$ 32,771,702</u>	<u>\$ 31,064,983</u>	<u>\$ 1,706,719</u>	5.49%

Highlights of the changes in net position for the fiscal year ended June 30, 2022 were as follows:

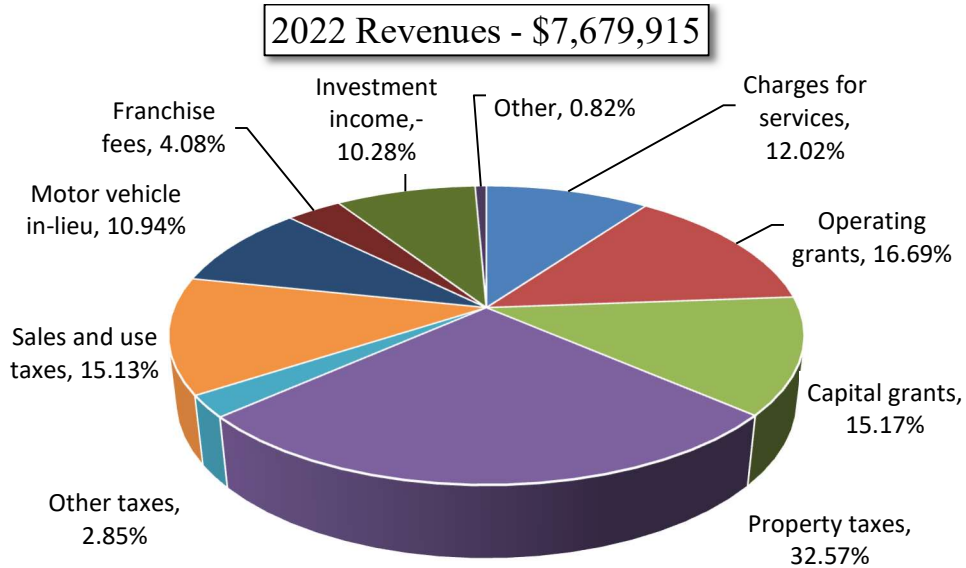
- Charges for service increased by \$316,379 due primarily to increases in circulation and dedication fees.
- Operating grants increased by \$944,095 due primarily to an APRA grant of \$821,247 received in fiscal year 2022.
- Property tax revenues increased by \$197,957.
- Investment income decreased by \$907,145.

TOWN OF LOOMIS, CALIFORNIA

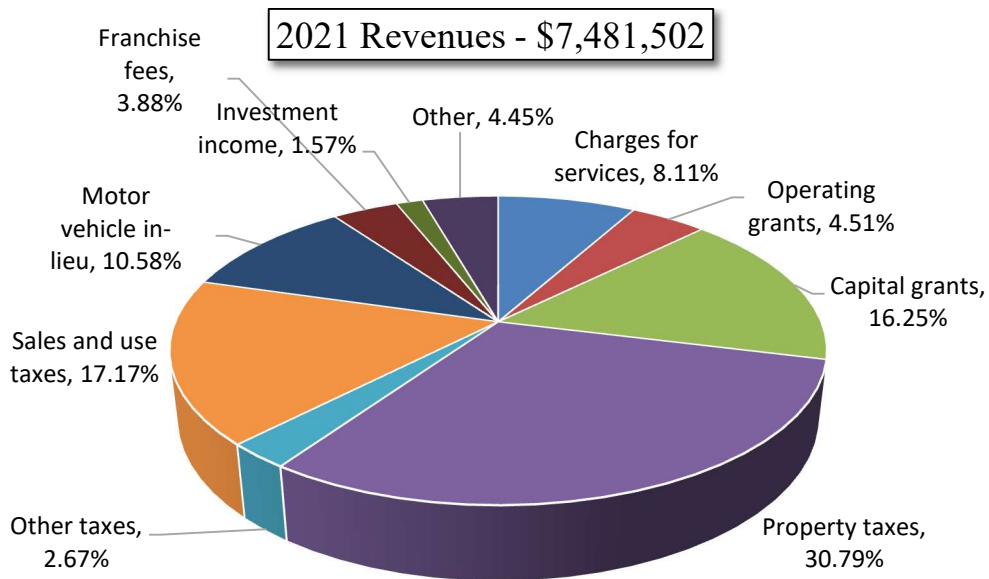
MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

- Other income decreased by \$300,085 due primarily to HCD and LEAP grants in the prior year.
- Overall, the total governmental activities revenues increased by \$198,413.

The fiscal year ended June 30, 2022 revenues are reflected graphically as follows:



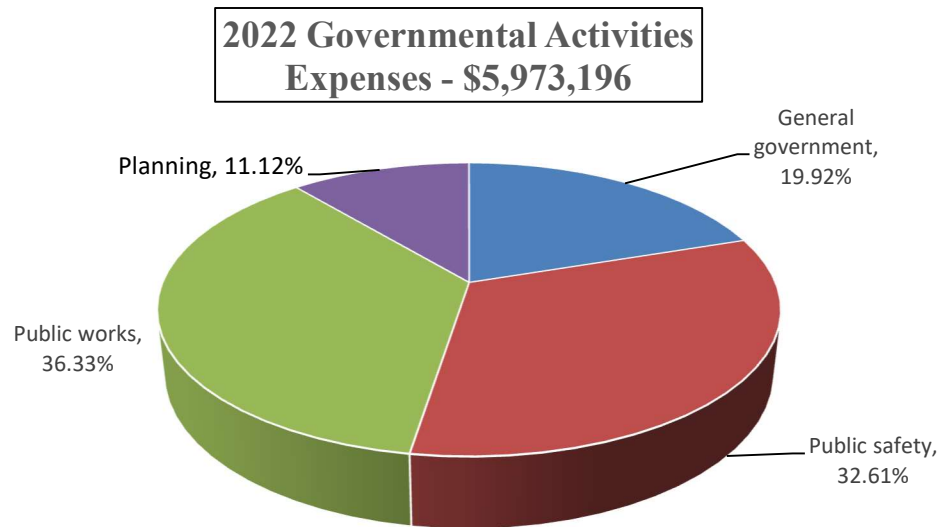
The fiscal year ended June 30, 2021 revenues are reflected graphically as follows:



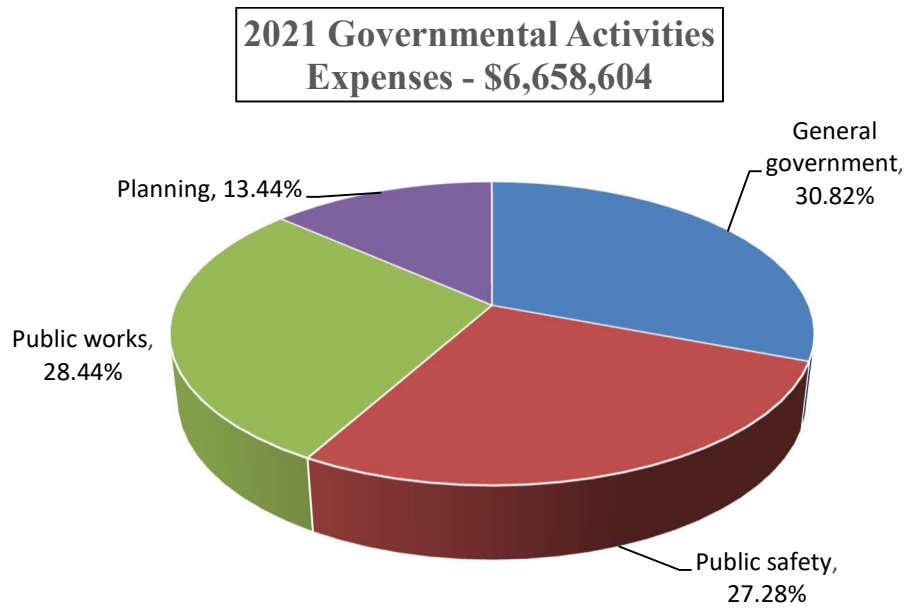
TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

The fiscal year ended June 30, 2022 expenses are reflected graphically as follows:



The fiscal year ended June 30, 2021 expenses are reflected graphically as follows:



TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the net cost is as follows:

NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Total cost of services	Charges for services	Grants		Net cost of services
			Operating	Capital	
General government	\$ 1,190,087	\$ 32,283	\$ 806,800	\$ 499,999	\$ 148,995
Public safety	1,947,950	5,887	160,876	-	(1,781,187)
Public works	2,169,961	777,393	314,149	665,230	(413,189)
Planning	664,292	107,689	-	-	(556,603)
Interest expense	906	-	-	-	(906)
	<u>\$ 5,973,196</u>	<u>\$ 923,252</u>	<u>\$1,281,825</u>	<u>\$1,165,229</u>	<u>\$ (2,602,890)</u>

For the fiscal year ended June 30, 2021, the net cost is as follows:

NET COST OF MAJOR PROGRAMS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total cost of services	Charges for services	Grants		Net cost of services
			Operating	Capital	
General government	\$ 2,052,288	\$ 31,170	\$ -	\$ -	\$ (2,021,118)
Public safety	1,816,523	4,651	156,110	-	(1,655,762)
Public works	1,893,748	475,836	181,620	1,216,082	(20,210)
Planning	894,667	95,216	-	-	(799,451)
Interest expense	1,378	-	-	-	(1,378)
	<u>\$ 6,658,604</u>	<u>\$ 606,873</u>	<u>\$ 337,730</u>	<u>\$1,216,082</u>	<u>\$ (4,497,919)</u>

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

Financial Analysis of Government funds

General Fund: Fund balance was \$4,900,419 and \$4,148,014 for the fiscal years ended 2022 and 2021, respectively. Because the town generally does not finance through debt, the General Fund is strong. Total fund balance is 95.55% and 91.80% of total assets for 2022 and 2021, respectively. For each dollar of liabilities, there is \$19.17 of cash and receivables, which shows the General Fund can easily pay its obligations as they come due. For 2022, General Fund revenues exceeded expenditures by \$756,015. Transfers out were \$3,610. Expenditures and transfers out were 86.90% of total General Fund revenues for 2022. For 2021, General Fund revenues exceeded expenditures by \$156,075. Expenditures and transfers out were 104.71% of total General Fund revenues.

Streets and Roads Special Revenue Fund: Fund balance is \$(280,172) and \$(133,512) for 2022 and 2021, respectively. This fund reports revenues received from Placer County and the State for use on building and maintaining road and transportation systems. Because the Town's Road needs exceed the funds provided by the County and the State, funds were allocated from the gas tax funds and the General Fund.

Low-Income Density Special Revenue Fund: This fund accounts for the Town's low-income loan program's receipts and disbursements. Expenditures exceeded revenues by \$9,671 for the year ended June 30, 2022. Expenditures exceeded revenues by \$28,460 for the year ended June 30, 2021.

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 \$7,632 for the year ended June 30, 2022, and \$199,731 for the year ended June 30, 2021.

Road Circulation Capital Projects Fund: This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by \$3,902 and \$142,550 for the years ended June 30, 2022 and 2021, respectively.

Nonmajor Governmental Funds: The combined fund balances of all nonmajor governmental funds totaled \$3,090,715 and \$3,150,048 for 2022 and 2021, respectively.

Overall, the year had a net decrease in combined fund balances of the nonmajor governmental funds of \$59,333 for 2022 and a net increase of \$239,561 for 2021. The nonmajor governmental funds' fund balances are 95.02% and 97.79% of total nonmajor governmental funds' assets for 2022 and 2021, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Page 48, 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, 2022, revenues were over budget by 6.62% and expenditures were under budget by 8.68%. In total, for the fiscal year ended June 30, 2021, revenues were over budget by 7.89% and expenditures were over budget by 9.69%.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

CAPITAL ASSETS AND LONG-TERM LIABILITIES

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 \$16.1 million and \$15.7 million at June 30, 2022 and June 30, 2021, 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, 2022 and 2021, are summarized below:

	2022	2021
Capital assets, not being depreciated:		
Land	\$ 2,524,686	\$ 2,424,686
Construction in progress	245,806	175,037
Sub-total	<u>2,770,492</u>	<u>2,599,723</u>
Depreciable capital assets, net of accumulated depreciation:		
Office equipment	32,657	20,990
Equipment under capital lease	5,560	11,121
Tools and equipment	76,614	79,625
Vehicles	78,504	75,515
Land improvements	97,288	114,936
Infrastructure	11,533,911	11,634,447
Buildings and improvements	1,241,293	912,126
Corp yard improvements	241,891	267,524
Intangible assets	11,307	-
Sub-total	<u>13,319,025</u>	<u>13,116,284</u>
Capital Assets, Net	<u>\$ 16,089,517</u>	<u>\$ 15,716,007</u>

Major capital asset improvements and additions during the fiscal year ended June 30, 2022 included the following:

- Taylor Road Pedestrian Crossings
- Boyington Road rebuild project
- Library building and property acquisition

For more information regarding the Town's capital assets, refer to Note 3 of this report.

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2022

Long-term liabilities

The Town's long-term liabilities which include noncurrent capital leases, net pension liability, net OPEB liability, and noncurrent compensated absences liability had a balance of \$325,283 as of June 30, 2022, a decrease of \$833,208 over the prior year. For more information regarding the Town's long-term liabilities, refer to Notes 5, 8, and 9 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

One of the Town's largest, yet most volatile, revenue sources is sales tax. Between changes in how online retailers report their sales and the threatened impending recession, there could be a negative effect on the Town's income. Fortunately, Town businesses are reporting strong sales and we do not expect much of an impact in the upcoming year.

The COSTCO project has resolved its issues with neighboring communities and the store is expected to be complete and operating in the Fall of 2023. This will represent a major increase in sales tax revenue and will allow the Town to catch up on road maintenance projects.

While the rate of home sales is decreasing due to increasing mortgage rates, the Town continues to stay on the better side of the curve. The actual effect of decreasing sales will show in a lower increase in property tax revenue, but not likely until the 2023-24 fiscal year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances, and 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, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 15,990,227
Receivables:	
Accounts receivable	65,273
Due from other governments	330,158
Due from fiduciary funds	237,596
Interest receivable	97,096
Assessments receivable	89,093
Due from employees	1,770
Loans receivable	525,639
Prepaid costs and deposits	30,088
TOTAL CURRENT ASSETS	17,366,940
NONCURRENT ASSETS	
Nondepreciable capital assets	2,670,492
Depreciable capital assets, net	13,419,025
TOTAL NONCURRENT ASSETS	16,089,517
TOTAL ASSETS	33,456,457
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	337,424
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable and other accrued expenses	408,385
Accrued payroll liabilities	23,590
Obligations under capital lease, due within one year	6,374
Compensated absences liability, current	98,995
TOTAL CURRENT LIABILITIES	537,344
NONCURRENT LIABILITIES	
Obligations under capital lease, noncurrent	1,116
Net pension liability	9,482
Net OPEB liability	206,957
Compensated absences liability	107,728
TOTAL NONCURRENT LIABILITIES	325,283
TOTAL LIABILITIES	862,627
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	159,552
NET POSITION	
Net investment in capital assets	16,083,143
Restricted	11,826,827
Unrestricted	4,861,732
TOTAL NET POSITION	\$ 32,771,702

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

**TOWN OF LOOMIS, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position - Governmental Activites
Governmental activities:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activites
General government	\$ 1,190,087	\$ 32,283	\$ 806,800	\$ 499,999	\$ 148,995
Public safety	1,947,950	5,887	160,876	-	(1,781,187)
Public works	2,169,961	777,393	314,149	665,230	(413,189)
Planning	664,292	107,689	-	-	(556,603)
Interest expense	906	-	-	-	(906)
Total governmental activities	\$ 5,973,196	\$ 923,252	\$ 1,281,825	\$ 1,165,229	(2,602,890)
General revenues:					
Property taxes					2,501,679
Other taxes					219,105
Sales and use taxes					1,161,720
Property taxes in-lieu of vehicle license fees					839,934
Franchise fees					313,710
Investment income					(789,681)
Refunds and reimbursements					40,974
Other income					22,168
Total general revenues					4,309,609
Change in net position					1,706,719
Net position - beginning					31,064,983
Net position - ending					\$ 32,771,702

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

BASIC FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

TOWN OF LOOMIS, CALIFORNIA
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Revenue Funds			Capital Projects Fund	Nonmajor Governmental Funds	Total
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Circulation Fund		
ASSETS							
Cash and investments	\$ 3,936,907	\$ 327,057	\$ 389,950	\$ 3,446,342	\$ 4,777,896	\$ 3,112,075	\$ 15,990,227
Receivables:							
Accounts receivable	61,284	307	-	-	-	3,682	65,273
Due from other governments	193,324	-	-	-	-	136,834	330,158
Interest receivable	97,096	-	-	-	-	-	97,096
Assessments receivable	80,305	-	-	8,788	-	-	89,093
Due from employees	1,770	-	-	-	-	-	1,770
Loans receivable	-	-	525,639	-	-	-	525,639
Prepaid costs and deposits	30,088	-	-	-	-	-	30,088
Due from other funds	727,622	-	-	-	75,388	-	803,010
TOTAL ASSETS	\$ 5,128,396	\$ 327,364	\$ 915,589	\$ 3,455,130	\$ 4,853,284	\$ 3,252,591	\$ 17,932,354
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued liabilities	\$ 204,387	\$ 187,674	\$ -	\$ -	\$ -	\$ 16,324	\$ 408,385
Accrued payroll liabilities	23,590	-	-	-	-	-	23,590
Due to other funds	-	419,862	-	-	-	145,552	565,414
Total liabilities	<u>227,977</u>	<u>607,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,876</u>	<u>997,389</u>
DEFERRED INFLOWS OF RESOURCES							
Repayment of community development loans	-	-	525,639	-	-	-	525,639
FUND BALANCES							
Nonspendable	30,088	-	-	-	-	-	30,088
Restricted for:							
Maintenance districts	-	-	-	3,455,130	-	-	3,455,130
Capital projects	-	-	-	-	4,853,284	2,263,738	7,117,022
Low income density	-	-	389,950	-	-	-	389,950
Tree removal	-	-	-	-	-	273,389	273,389
AB 939	-	-	-	-	-	288,008	288,008
Law enforcement	-	-	-	-	-	206,141	206,141
Other	-	-	-	-	-	97,187	97,187
Unassigned	4,870,331	(280,172)	-	-	-	(37,748)	4,552,411
Total fund balances	<u>4,900,419</u>	<u>(280,172)</u>	<u>389,950</u>	<u>3,455,130</u>	<u>4,853,284</u>	<u>3,090,715</u>	<u>16,409,326</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,128,396	\$ 327,364	\$ 915,589	\$ 3,455,130	\$ 4,853,284	\$ 3,252,591	\$ 17,932,354

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

**TOWN OF LOOMIS, CALIFORNIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund balances - total governmental funds \$ 16,409,326

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: 16,089,517

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. 337,424

Deferred inflows of resources related to pension
and OPEB are not reported in the governmental funds. (159,552)

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	(7,490)	
Compensated absences	(206,723)	
Net pension liability	(9,482)	
Net OPEB liability	(206,957)	
	(430,652)	(430,652)

Net position of governmental activities \$ 32,771,702

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

TOWN OF LOOMIS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Funds			Capital Projects Fund	Nonmajor Governmental Funds	Total
		Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Circulation Fund		
REVENUES:							
Tax revenues	\$ 3,505,241	\$ -	\$ -	\$ 194,697	\$ -	\$ 182,566	\$ 3,882,504
Licenses, fees, and permits	424,891	-	9,750	-	286,409	190,799	911,849
Franchise fees	313,710	-	-	-	-	-	313,710
Intergovernmental	1,621,065	665,230	-	-	-	500,694	2,786,989
Fines, forfeitures, and penalties	11,403	-	-	-	-	-	11,403
Use of money and property	(194,751)	(2,224)	(19,421)	(171,076)	(237,114)	(165,095)	(789,681)
Refunds and reimbursements	40,974	-	-	-	-	-	40,974
Other revenues	22,168	-	-	-	-	-	22,168
Total revenues	5,744,701	663,006	(9,671)	23,621	49,295	708,964	7,179,916
EXPENDITURES:							
Current:							
General government	1,521,002	-	-	2,221	-	114,980	1,638,203
Public safety	1,711,966	-	-	-	-	235,984	1,947,950
Public works	920,182	372,045	-	13,768	39,138	172,012	1,517,145
Planning	736,335	-	-	-	-	-	736,335
Debt service:							
Principal retirement	5,858	-	-	-	-	-	5,858
Interest and fiscal charges	906	-	-	-	-	-	906
Capital outlay	92,437	575,357	-	-	6,255	111,195	785,244
Total expenditures	4,988,686	947,402	-	15,989	45,393	634,171	6,631,641
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	756,015	(284,396)	(9,671)	7,632	3,902	74,793	548,275
Other Financing Sources (Uses):							
Transfers in	-	137,736	-	-	-	3,610	141,346
Transfers out	(3,610)	-	-	-	-	(137,736)	(141,346)
Total other financing sources (uses)	(3,610)	137,736	-	-	-	(134,126)	-
NET CHANGE IN FUND BALANCES	752,405	(146,660)	(9,671)	7,632	3,902	(59,333)	548,275
Fund balances - beginning	4,148,014	(133,512)	399,621	3,447,498	4,849,382	3,150,048	15,861,051
Fund balances - ending	\$ 4,900,419	\$ (280,172)	\$ 389,950	\$ 3,455,130	\$ 4,853,284	\$ 3,090,715	\$ 16,409,326

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

**TOWN OF LOOMIS, CALIFORNIA
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, 2022**

Net change in fund balances - total governmental funds \$ 548,275

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	\$1,145,073	
Less: current year depreciation	<u>(771,563)</u>	
		373,510

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	56,103
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Expenditures in the statement of activities that do not require the use of current financial resources are not reported as expenditures in the funds:

Change in the liability for compensated absences	(6,474)
Change in net pension liability	820,663
Change in OPEB liability	(4,210)
Change in deferred outflows of resources related to pensions	(87,006)

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

<u>5,858</u>

Change in net position of governmental activities	<u><u>\$ 1,706,719</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWN OF LOOMIS, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
JUNE 30, 2022

ASSETS

Cash and investments	\$ 25,558
Due from other agencies	<u>285,229</u>
Total assets	<u><u>\$ 310,787</u></u>

LIABILITIES

Accounts payable	\$ 56,143
Due to other funds	237,596
Due to other agencies	<u>17,048</u>
Total liabilities	<u><u>\$ 310,787</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, 2022

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:

- Government-wide financial statements prepared using the economic resources measurement focus and the accrual basis of accounting for all the Town’s activities.
- Governmental fund financial statements prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

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, 2022

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (continued)

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

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

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

Governmental Funds

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

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

The Town reports the following major special revenue funds:

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022 is as follows:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2022</u>	<u>Due Within One Year</u>
General Fund:					
Due from employees	\$ 1,281	\$ 2,245	\$ (1,756)	\$ 1,770	\$ 1,770
Low Income Density:					
Special Revenue Fund	<u>525,639</u>	<u>-</u>	<u>-</u>	<u>525,639</u>	<u>-</u>
	<u>\$ 526,920</u>	<u>\$ 2,245</u>	<u>\$ (1,756)</u>	<u>\$ 527,409</u>	<u>\$ 1,770</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Improvements	30 years
Equipment and other improvements	5 to 20 years

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

Allowance for Doubtful Accounts

No amount has been provided as an allowance for doubtful accounts because, in the opinion of management, all material amounts are fully 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 \$82,139 and \$56,956 as of June 30, 2022 and 2021, 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 \$118,110 and \$115,925 as of June 30, 2022 and 2021, respectively.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022

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, 2022, 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 Roads Fund	State Intergovernmental revenues
Low Income Density Fund	Interest revenue and fees
Maintenance District Fund	Tax assessments

Budgetary Policy and Data

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

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022

NOTE 2: CASH AND INVESTMENTS

Cash and investments consisted of the following for the fiscal year ended June 30, 2022:

Cash and Cash Equivalents:

Cash on hand	\$ 175
Deposits with Financial Institutions	181,893
Add: deposits in transit	1,164
Less: outstanding checks	(1,403)
Local agency investment fund	<u>676,803</u>
 Total Cash and Cash Equivalents	 <u>858,632</u>

Investments:

Certificates of deposit held with brokerage firm	<u>3,609,455</u>
 Government agencies	 5,849,866
Medium-term corporate notes	4,485,615
Educational institutions	<u>1,212,217</u>
 Total Debt Instruments	 <u>11,547,698</u>
 Total Investments	 <u>15,157,153</u>
 Total Cash and Investments	 <u><u>\$ 16,015,785</u></u>

Summary of Cash and Investments:

Government-wide statement	\$ 15,990,227
Fiduciary funds	<u>25,558</u>
 Total	 <u><u>\$ 16,015,785</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, 2022

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

During the fiscal year ended June 30, 2022, 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 short-term and long-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, 2022:

Type of Investment	Total	Remaining Maturity (in Months)				
		12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	49 to 60 Months
Local agency investment fund	\$ 676,803	\$ 676,803	\$ -	\$ -	\$ -	\$ -
Government agencies	5,849,866	615,343	694,681	2,023,925	2,061,100	454,817
Medium-term corporate notes	4,485,615	-	252,835	856,446	2,410,592	965,742
Educational institutions	1,212,217	-	-	283,365	453,312	475,540
Total	\$ 12,224,501	\$ 1,292,146	\$ 947,516	\$ 3,163,736	\$ 4,925,004	\$ 1,896,099
Percentage of portfolio	100.00%	10.58%	7.75%	25.88%	40.29%	15.51%

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022:

Credit Risk	Type of Investment				Total
	Local Agency Investment Fund	Government Agencies	Medium-Term Corporate Notes	Educational Institutions	
AAA	\$ -	\$ 323,687	\$ -	\$ -	\$ 323,687
AA+	-	108,012	-	231,010	339,022
AA	-	3,400,568	262,308	505,667	4,168,543
AA-	-	1,167,629	1,514,777	475,540	3,157,946
A+	-	192,888	431,881	-	624,769
A	-	-	1,782,319	-	1,782,319
A-	-	-	494,330	-	494,330
No Rating	676,803	657,082	-	-	1,333,885
Total	<u>\$ 676,803</u>	<u>\$ 5,849,866</u>	<u>\$ 4,485,615</u>	<u>\$ 1,212,217</u>	<u>\$ 12,224,501</u>

Concentration of credit risk: The investment policy of the Town limits the amount that can be invested in any one issuer to the amount stipulated by the California Government Code. As of June 30, 2022, 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, 2022, the Town’s account with a financial institution had a total carrying amount of \$181,654 with a bank balance of \$181,893, which is insured by the FDIC.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2022, 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	\$ 3,609,455
Government agencies	5,849,866
Medium-term corporate notes	4,485,615
Educational institutions	1,212,217
Total Investments	\$ 15,157,153

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, 2022	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	\$ 676,803	\$ 676,803	\$ -	\$ -
Government agencies	5,849,866	5,849,866	-	-
Medium-term corporate notes	4,485,615	4,485,615	-	-
Educational institutions	1,212,217	1,212,217	-	-
Total Investments by Fair Value Level	\$ 12,224,501	\$ 12,224,501	\$ -	\$ -

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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 \$234,469,950,028 at June 30, 2022. The fund is managed by the State Treasurer and consists of the following:

	As a Percent of Portfolio
Structured notes and medium-term asset-backed securities	1.14%
Short-term asset-backed commercial paper	0.74%
All other investments	98.12%
	<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, 2022 was \$234,590,320,982.

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, 2022

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, 2022 was as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital assets, not being depreciated:				
Land	\$ 2,424,686	\$ 100,000	\$ -	\$ 2,524,686
Constructions in progress	175,038	70,768	-	245,806
	<u>2,599,724</u>	<u>170,768</u>	<u>-</u>	<u>2,770,492</u>
Depreciable capital assets:				
Office equipment	58,378	15,515	-	73,893
Equipment under capital lease	27,803	-	-	27,803
Tools and equipment	174,733	8,566	-	183,299
Vehicles	355,624	37,243	-	392,867
Land improvements	284,385	-	(9,760)	274,625
Infrastructure	17,184,105	501,989	-	17,686,094
Buildings and improvements	1,552,874	403,217	(7,127)	1,948,964
Corp yard improvements	725,724	-	-	725,724
Intangible assets	-	12,335	-	12,335
	<u>20,363,626</u>	<u>978,865</u>	<u>(16,887)</u>	<u>21,325,604</u>
Less accumulated depreciation:				
Office equipment	(37,388)	(3,848)	-	(41,236)
Equipment under capital lease	(16,682)	(5,561)	-	(22,243)
Tools and equipment	(95,108)	(11,577)	-	(106,685)
Vehicles	(280,109)	(34,254)	-	(314,363)
Land improvements	(169,449)	(13,088)	5,200	(177,337)
Infrastructure	(5,549,659)	(602,524)	-	(6,152,183)
Buildings and improvements	(640,748)	(74,050)	7,127	(707,671)
Corp yard improvements	(458,200)	(25,633)	-	(483,833)
Intangible assets	-	(1,028)	-	(1,028)
	<u>(7,247,343)</u>	<u>(771,563)</u>	<u>12,327</u>	<u>(8,006,579)</u>
Governmental Activities, Capital Assets, Net	<u>\$ 15,716,007</u>	<u>\$ 378,070</u>	<u>\$ (4,560)</u>	<u>\$ 16,089,517</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 146,902
Public works	624,661
	<u>\$ 771,563</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022 were as follows:

	<u>Balance at July 1, 2021</u>	<u>Incurred</u>	<u>Retired</u>	<u>Balance at June 30, 2022</u>	<u>Due Within One Year</u>
Governmental Activities:					
Compensated absences	\$ 200,249	\$ 135,078	\$(128,604)	\$ 206,723	\$ 98,995
Obligations under capital lease *	<u>13,348</u>	<u>-</u>	<u>(5,858)</u>	<u>7,490</u>	<u>6,374</u>
Total	<u>\$ 213,597</u>	<u>\$ 135,078</u>	<u>\$(134,462)</u>	<u>\$ 214,213</u>	<u>\$ 105,369</u>

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

As of June 30, 2022, capital lease annual requirements are as follows:

<u>Year Ending June 30,</u>	<u>Obligations Under Capital Lease</u>
2023	\$ 6,764
2024	<u>1,127</u>
Total future minimum lease payments	7,891
Less: Interest	<u>(401)</u>
Total	<u>\$ 7,490</u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Assets under capital lease were as follows:

	<u>Fiscal Year Ended June 30, 2022</u>
Capital Assets Under Capital Lease:	
Office equipment	\$ 27,803
Less: accumulated depreciation	<u>(22,243)</u>
Capital Assets Under Capital Lease, Net	<u><u>\$ 5,560</u></u>

NOTE 6: INTERFUND TRANSACTIONS

Due To/From Other Funds

Interfund balances for operations as of June 30, 2022 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 727,622	\$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Nonmajor funds	-	145,552
Capital Projects Fund:		
Road Circulation Fund	75,388	-
Agency Funds	-	237,596
Total	<u><u>\$ 803,010</u></u>	<u><u>\$ 803,010</u></u>

Transfers

During the year ended June 30, 2022, the following interfund transfers were made to allocate capital expenditures by fund:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,610
Special Revenue Funds:		
Streets and Roads Fund	137,736	-
Nonmajor funds	<u>3,610</u>	<u>137,736</u>
Total	<u><u>\$ 141,346</u></u>	<u><u>\$ 141,346</u></u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 7: FUND DEFICITS

The following funds had deficit fund balances as of June 30, 2022:

Fund	Deficit
Special Revenue Funds:	
Major Fund:	
Streets and Roads Fund	\$ 280,172
Nonmajor Funds:	
Master Plan Fund	31,397
Road Maintenance Fund	6,351

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, 2022

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, 2022, 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	7.00%	6.750%
Required employer contribution rates	10.340%	7.590%

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 10.34% (tier 1) and 7.59% (tier 3) of annual covered payroll for the year ended June 30, 2021. For the year ended June 30, 2022, contributions to the Plan were \$191,407; \$109,551 employer contributions and \$81,856 employee contributions. The Town also contributed \$62,949 to its unfunded liability.

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

As of June 30, 2022, the Town reported liability of \$9,482 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, 2022

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, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. 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, 2022, the Town's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022, was as follows:

	Miscellaneous
Proportion - June 30, 2021	0.01968%
Proportion - June 30, 2022	0.00050%
Change	-0.01918%

For the year ended June 30, 2022, the Town recognized pension credit of \$616,533. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ -	\$ -
Differences between expected and actual experience	1,063	-
Difference between projected and actual earnings on pension plan investments	-	8,277
Differences between employer's contributions and proportionate share of contributions	-	151,275
Change in employer's proportion	163,135	-
Pension contributions made subsequent to measurement date	173,226	-
Total	\$ 337,424	\$ 159,552

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The \$173,226 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, 2022. 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
2023	\$ (1,639)
2024	2,614
2025	5,958
2026	(2,287)
Total	<u>\$ 4,646</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuation were determined using the following actuarial assumptions:

Valuation date	June 30, 2020
Measurement date	June 30, 2021
Measurement period	July 1, 2020 to June 30, 2021
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, 2021 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, 2022

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 of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, 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, 2022

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)	\$ 910,447	\$ 9,482	\$ (735,334)

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, 2022

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 used 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, 2021
Measurement Date	June 30, 2022

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 2022 and 2021, the Town paid monthly premiums totaling \$8,522 and \$7,812, respectively. The projected liabilities were \$206,957 and \$202,747 for the year ended June 30, 2022 and 2021, respectively.

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Significant Assumptions

Significant assumptions are as follows:

Discount rate	2.60%
Expected return on plan assets	N/A
Projected salary increases	2.00%

Mortality	Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.
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Health care cost trend rate	The cost trend numbers were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long-term trend projection.
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Participants eligible for OPEB were as follows:

Active employees electing coverage	14
Retirees electing coverage	<u>6</u>
Total	<u><u>20</u></u>

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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, 2022 for the Town.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at July 1, 2021	\$ 202,747	\$ -	\$ 202,747
Changes recognized for the measurement period:			
Service cost	8,523	-	8,523
Interest	16,567	-	16,567
Economic/Demographic Gains or Losses	(92,121)	-	(92,121)
Change of assumptions	79,764	-	79,764
Employer contributions	-	8,523	(8,523)
Benefit payments	(8,523)	(8,523)	-
Net changes	<u>4,210</u>	<u>-</u>	<u>4,210</u>
Balance at June 30, 2022	<u>\$ 206,957</u>	<u>\$ -</u>	<u>\$ 206,957</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 1.60%	Discount Rate 2.60%	1% Increase 3.60%
Net OPEB liability	\$ 231,035	\$ 206,957	\$ 186,788

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	\$ 202,050	\$ 206,957	\$ 211,934

TOWN OF LOOMIS, CALIFORNIA

Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Net OPEB Credit

For the year ended June 30, 2022, the Town's OPEB expense was \$12,733. Detail of the credit is shown below:

Service cost	\$ 8,523
Interest cost	16,567
Economic/Demographic Gains or Losses	(92,121)
Changes of assumptions	<u>79,764</u>
Net OPEB Expense	<u>\$ 12,733</u>

NOTE 10: EVALUATION OF SUBSEQUENT EVENTS – MANAGEMENT REVIEW

Management has evaluated subsequent events through January 19, 2023, the date which the financial statements were available to be issued. Based upon this evaluation, 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, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUES:				
Tax revenues	\$ 2,943,800	\$ 3,363,800	\$ 3,505,241	\$ 141,441
Licenses, fees, and permits	207,500	334,500	424,891	90,391
Franchise fees	285,000	285,000	313,710	28,710
Intergovernmental	835,000	835,000	1,621,065	786,065
Fines, forfeitures, and penalties	5,000	5,000	11,403	6,403
Use of money and property	80,500	80,500	(194,751)	(275,251)
Refunds and reimbursements	-	-	40,974	40,974
Other revenues	65,000	65,000	22,168	(42,832)
Budgeted reserves	575,000	575,000	-	(575,000)
	<u>4,996,800</u>	<u>5,543,800</u>	<u>5,744,701</u>	<u>200,901</u>
EXPENDITURES:				
Current:				
General government	1,196,235	1,223,235	1,521,002	(297,767)
Public safety	1,731,606	1,731,607	1,711,966	19,641
Public works	1,069,660	1,470,660	920,182	550,478
Planning	881,620	916,620	736,335	180,285
Debt service:				
Principal retirement	4,300	5,300	5,858	(558)
Interest and fiscal charges	-	-	906	(906)
Capital outlay	100,650	115,650	92,437	23,213
	<u>4,984,071</u>	<u>5,463,072</u>	<u>4,988,686</u>	<u>474,386</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,729	80,728	756,015	675,287
Other Financing Sources (Uses):				
Transfers out	-	-	(3,610)	(3,610)
	<u>-</u>	<u>-</u>	<u>(3,610)</u>	<u>(3,610)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	12,729	80,728	752,405	671,677
Fund balances - beginning	4,148,014	4,148,014	4,148,014	-
Fund balances - ending	<u>\$ 4,160,743</u>	<u>\$ 4,228,742</u>	<u>\$ 4,900,419</u>	<u>\$ 671,677</u>

TOWN OF LOOMIS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - STREETS AND ROADS FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUES:				
Intergovernmental	\$ 375,000	\$ 629,000	\$ 665,230	\$ 36,230
Use of money and property	300	300	(2,224)	(2,524)
Total revenues	<u>375,300</u>	<u>629,300</u>	<u>663,006</u>	<u>33,706</u>
EXPENDITURES:				
Current:				
Public works	235,075	269,075	372,045	(102,970)
Capital outlay	<u>700,000</u>	<u>775,000</u>	<u>575,357</u>	<u>199,643</u>
Total expenditures	<u>935,075</u>	<u>1,044,075</u>	<u>947,402</u>	<u>96,673</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(559,775)	(414,775)	(284,396)	130,379
Other Financing Sources (Uses):				
Transfers in	<u>134,606</u>	<u>134,606</u>	<u>137,736</u>	<u>3,130</u>
Total other financing sources (uses)	<u>134,606</u>	<u>134,606</u>	<u>137,736</u>	<u>3,130</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(425,169)	(280,169)	(146,660)	133,509
Fund balances - beginning	<u>(133,512)</u>	<u>(133,512)</u>	<u>(133,512)</u>	<u>-</u>
Fund balances - ending	<u>\$ (558,681)</u>	<u>\$ (413,681)</u>	<u>\$ (280,172)</u>	<u>\$ 133,509</u>

TOWN OF LOOMIS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - LOW INCOME DENSITY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUES:				
Licenses, fees, and permits	\$ 3,000	\$ 3,000	\$ 9,750	\$ 6,750
Intergovernmental	-	-	-	-
Use of money and property	8,500	8,500	(19,421)	(27,921)
Total revenues	<u>11,500</u>	<u>11,500</u>	<u>(9,671)</u>	<u>(21,171)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	11,500	11,500	(9,671)	(21,171)
Fund balances - beginning	<u>399,621</u>	<u>399,621</u>	<u>399,621</u>	<u>-</u>
Fund balances - ending	<u>\$ 411,121</u>	<u>\$ 411,121</u>	<u>\$ 389,950</u>	<u>\$ (21,171)</u>

TOWN OF LOOMIS, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - MAINTENANCE DISTRICTS FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUES:				
Tax revenues	\$ 194,557	\$ 194,557	\$ 194,697	\$ 140
Use of money and property	67,800	67,800	(171,076)	(238,876)
Total revenues	<u>262,357</u>	<u>262,357</u>	<u>23,621</u>	<u>(238,736)</u>
EXPENDITURES:				
Current:				
General government	1,948	1,948	2,221	(273)
Public works	61,867	61,867	13,768	48,099
Total expenditures	<u>63,815</u>	<u>63,815</u>	<u>15,989</u>	<u>47,826</u>
NET CHANGE IN FUND BALANCES	198,542	198,542	7,632	(190,910)
Fund balances - beginning	<u>3,447,498</u>	<u>3,447,498</u>	<u>3,447,498</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 3,646,040</u></u>	<u><u>\$ 3,646,040</u></u>	<u><u>\$ 3,455,130</u></u>	<u><u>\$ (190,910)</u></u>

TOWN OF LOOMIS, CALIFORNIA
Required Supplementary Information
Pensions - Miscellaneous Plan
June 30, 2022

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

Last 10 Fiscal years*

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

Measurement Date	June 30, 2019	June 30, 2020	June 30, 2021
Proportion of the net pension liability	0.01765%	0.01968%	0.00050%
Proportionate share of the net pension liability	\$706,991	\$830,145	\$9,482
Covered payroll	\$939,760	\$1,141,886	\$1,155,801
Proportionate share of the net pension liability as a percentage of its covered payroll	75.23%	72.70%	0.82%
Plan Fiduciary net position as a percentage of the total pension liability	88.13%	87.22%	99.86%

Schedule of Town's contributions:

Last 10 Fiscal Years*

Measurement Date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Actuarially determined contribution	\$ 54,082	\$ 56,073	\$ 54,460	\$ 45,298	\$ 120,118
Contributions in relation to the actuarially determined contribution	(62,109)	(51,130)	(52,323)	(69,745)	(120,118)
Contribution deficiency (excess)	<u>\$ (8,027)</u>	<u>\$ 4,943</u>	<u>\$ 2,137</u>	<u>\$ (24,447)</u>	<u>\$ -</u>
Town's covered payroll	\$ 660,429	\$ 677,599	\$ 666,518	\$ 681,332	\$ 797,721
Contributions as a percentage of covered payroll	8.19%	8.28%	7.85%	10.24%	15.06%

Measurement Date	June 30, 2019	June 30, 2020	June 30, 2021
Actuarially determined contribution	\$ 146,323	\$ 158,087	\$ 173,226
Contributions in relation to the actuarially determined contribution	(146,323)	(158,087)	(173,226)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 939,760	\$ 1,141,886	\$ 1,155,801
Contributions as a percentage of covered payroll	15.57%	13.84%	14.99%

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

See notes to required supplementary information.

TOWN OF LOOMIS, CALIFORNIA
Required Supplementary Information
Schedule of Changes in the Town's Net OPEB Liability
June 30, 2022

Last 10 Fiscal years*

	2019	2020	2021	2022
Net OPEB liability				
Service cost	\$ 17,028	\$ 17,028	\$ 10,183	\$ 8,523
Interest	5,730	6,669	6,710	16,567
Economic/Demographic Gains or (Losses)	4,380	(13,288)	(46,974)	(92,121)
Change in assumptions	13,042	5,633	16,371	79,764
Benefit payments	(7,975)	(7,812)	(7,812)	(8,523)
Net change in Net OPEB liability	32,205	8,230	(21,522)	4,210
Net OPEB liability - beginning, restated	183,834	216,039	224,269	202,747
Net OPEB liability - ending	<u>\$ 216,039</u>	<u>\$ 224,269</u>	<u>\$ 202,747</u>	<u>\$ 206,957</u>
Covered payroll	\$ 852,485	\$ 1,052,275	\$ 1,159,708	\$ 1,275,366
Net OPEB liability (asset) as a percentage of covered payroll	25.3%	21.3%	17.5%	16.2%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	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, 2022

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 amounts 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, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
ASSETS			
Cash and investments	\$ 848,337	\$ 2,263,738	\$ 3,112,075
Receivables:			
Accounts receivable	3,682	-	3,682
Due from other governments	136,834	-	136,834
TOTAL ASSETS	\$ 988,853	\$ 2,263,738	\$ 3,252,591
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 16,324	\$ -	\$ 16,324
Due to other funds	145,552	-	145,552
Total liabilities	161,876	-	161,876
Fund balances			
Restricted for:			
Capital projects	-	2,263,738	2,263,738
Tree removal	273,389	-	273,389
AB 939	288,008	-	288,008
Law enforcement	206,141	-	206,141
Other	97,187	-	97,187
Unassigned	(37,748)	-	(37,748)
Total fund balances	826,977	2,263,738	3,090,715
TOTAL LIABILITIES AND FUND BALANCES	\$ 988,853	\$ 2,263,738	\$ 3,252,591

**TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total
REVENUES:			
Tax revenues	\$ 182,566	\$ -	\$ 182,566
Licenses, fees, and permits	2,746	188,053	190,799
Intergovernmental	500,694	-	500,694
Use of money and property	(54,033)	(111,062)	(165,095)
	<u>631,973</u>	<u>76,991</u>	<u>708,964</u>
EXPENDITURES:			
Current:			
General government	114,980	-	114,980
Public safety	235,984	-	235,984
Public works	172,012	-	172,012
	<u>522,976</u>	<u>-</u>	<u>522,976</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	108,997	76,991	185,988
Other Financing Sources (Uses):			
Transfers out	(137,736)	-	(137,736)
	<u>(137,736)</u>	<u>-</u>	<u>(137,736)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	(28,739)	76,991	48,252
Fund balances - beginning	<u>963,301</u>	<u>2,186,747</u>	<u>3,150,048</u>
Fund balances - ending	<u><u>\$ 934,562</u></u>	<u><u>\$ 2,263,738</u></u>	<u><u>\$ 3,198,300</u></u>

**TOWN OF LOOMIS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund	Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Bike Lane Fund	Total
ASSETS											
Cash and investments	\$ 60,822	\$ 274,057	\$ 284,873	\$ 7,260	\$ 206,141	\$ 219	\$ 1,137	\$ 13,828	\$ -	\$ -	\$ 848,337
Receivables:											
Accounts receivable	-	-	3,682	-	-	-	-	-	-	-	3,682
Due from other governments	13,215	-	-	16,034	-	-	-	-	-	107,585	136,834
TOTAL ASSETS	\$ 74,037	\$ 274,057	\$ 288,555	\$ 23,294	\$ 206,141	\$ 219	\$ 1,137	\$ 13,828	\$ -	\$ 107,585	\$ 988,853
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ -	\$ 668	\$ 547	\$ 15,089	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ 16,324
Due to other funds	-	-	-	-	-	31,616	-	-	6,351	107,585	145,552
Total liabilities	-	668	547	15,089	-	31,616	-	20	6,351	107,585	161,876
Fund balances											
Restricted	74,037	273,389	288,008	8,205	206,141	-	1,137	13,808	-	-	864,725
Unassigned	-	-	-	-	-	(31,397)	-	-	(6,351)	-	(37,748)
Total fund balances	74,037	273,389	288,008	8,205	206,141	(31,397)	1,137	13,808	(6,351)	-	826,977
TOTAL LIABILITIES AND FUND BALANCES	\$ 74,037	\$ 274,057	\$ 288,555	\$ 23,294	\$ 206,141	\$ 219	\$ 1,137	\$ 13,828	\$ -	\$ 107,585	\$ 988,853

TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund	Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	Road Maintenance Fund	Bike Lane Fund	Total
REVENUES:											
Tax revenues	\$ 167,713	\$ -	\$ 14,853	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,566
Licenses, fees, and permits	-	-	-	-	-	-	-	2,746	-	-	2,746
Intergovernmental	-	-	25,669	69,813	160,876	-	-	-	136,751	107,585	500,694
Use of money and property	(3,344)	(15,529)	(13,643)	(762)	(13,144)	(12)	-	(664)	(6,935)	-	(54,033)
Total revenues	164,369	(15,529)	26,879	69,051	147,732	(12)	-	2,082	129,816	107,585	631,973
EXPENDITURES:											
Current:											
General government	95,601	-	19,379	-	-	-	-	-	-	-	114,980
Public safety	-	-	-	-	235,984	-	-	-	-	-	235,984
Public works	-	106,148	5,267	60,355	-	-	-	242	-	-	172,012
Total expenditures	95,601	106,148	24,646	60,355	235,984	-	-	242	-	-	522,976
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	68,768	(121,677)	2,233	8,696	(88,252)	(12)	-	1,840	129,816	107,585	108,997
Other Financing Sources (Uses):											
Transfers out	-	-	-	-	-	-	-	-	(137,736)	-	(137,736)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(137,736)	-	(137,736)
Excess (Deficiency) of Revenues and Other Financing Sources Over (under) Expenditures and Other Financing Uses	68,768	(121,677)	2,233	8,696	(88,252)	(12)	-	1,840	(7,920)	107,585	(28,739)
Fund balances - beginning	5,269	395,066	285,775	(491)	294,393	(31,385)	1,137	11,968	1,569	-	963,301
Fund balances - ending	\$ 74,037	\$ 273,389	\$ 288,008	\$ 8,205	\$ 206,141	\$ (31,397)	\$ 1,137	\$ 13,808	\$ (6,351)	\$ 107,585	\$ 934,562

**TOWN OF LOOMIS, CALIFORNIA
COMBINING BALANCE SHEET
MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Hunters Crossing Fund Funds	Loomis Maintenance		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund	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	Taylor Road Fund	Total
ASSETS																		
Cash and investments	\$ 338,490	\$ 7,733	\$ 34,448	\$ 391,304	\$ 283,586	\$ 145,555	\$ 202,177	\$ 112,155	\$ 189,767	\$ 28,167	\$ 334,256	\$ 3,000	\$ 150,404	\$ 361,163	\$ 281,278	\$ 525,052	\$ 57,807	\$3,446,342
Receivables:																		
Assessment receivable	-	25	52	176	722	-	250	154	390	48	621	-	373	966	1,235	2,208	1,568	8,788
TOTAL ASSETS	<u>\$ 338,490</u>	<u>\$ 7,758</u>	<u>\$ 34,500</u>	<u>\$ 391,480</u>	<u>\$ 284,308</u>	<u>\$ 145,555</u>	<u>\$ 202,427</u>	<u>\$ 112,309</u>	<u>\$ 190,157</u>	<u>\$ 28,215</u>	<u>\$ 334,877</u>	<u>\$ 3,000</u>	<u>\$ 150,777</u>	<u>\$ 362,129</u>	<u>\$ 282,513</u>	<u>\$ 527,260</u>	<u>\$ 59,375</u>	<u>\$3,455,130</u>
LIABILITIES AND FUND BALANCES																		
Liabilities																		
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances																		
Restricted	338,490	7,758	34,500	391,480	284,308	145,555	202,427	112,309	190,157	28,215	334,877	3,000	150,777	362,129	282,513	527,260	59,375	3,455,130
Total fund balances	<u>338,490</u>	<u>7,758</u>	<u>34,500</u>	<u>391,480</u>	<u>284,308</u>	<u>145,555</u>	<u>202,427</u>	<u>112,309</u>	<u>190,157</u>	<u>28,215</u>	<u>334,877</u>	<u>3,000</u>	<u>150,777</u>	<u>362,129</u>	<u>282,513</u>	<u>527,260</u>	<u>59,375</u>	<u>3,455,130</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 338,490</u>	<u>\$ 7,758</u>	<u>\$ 34,500</u>	<u>\$ 391,480</u>	<u>\$ 284,308</u>	<u>\$ 145,555</u>	<u>\$ 202,427</u>	<u>\$ 112,309</u>	<u>\$ 190,157</u>	<u>\$ 28,215</u>	<u>\$ 334,877</u>	<u>\$ 3,000</u>	<u>\$ 150,777</u>	<u>\$ 362,129</u>	<u>\$ 282,513</u>	<u>\$ 527,260</u>	<u>\$ 59,375</u>	<u>\$3,455,130</u>

TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Hunters Crossing Fund Funds	Loomis Maintenance District I Fund District II Fund		Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund	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	Taylor Road Fund	Total	
REVENUES:																			
Tax revenues	\$ 8,728	\$ 500	\$ 1,030	\$ 9,752	\$ 8,262	\$ 10,152	\$ 4,997	\$ 3,084	\$ 7,802	\$ 960	\$ 12,412	\$ -	\$ 7,464	\$ 19,332	\$ 24,700	\$ 44,159	\$ 31,363	\$ 194,697	
Use of money and property	(16,852)	(381)	(1,712)	(19,511)	(14,147)	(7,290)	(10,079)	(5,553)	(9,482)	(1,399)	(16,607)	-	(7,473)	(17,909)	(14,020)	(25,873)	(2,788)	(171,076)	
Total revenues	(8,124)	119	(682)	(9,759)	(5,885)	2,862	(5,082)	(2,469)	(1,680)	(439)	(4,195)	-	(9)	1,423	10,680	18,286	28,575	23,621	
EXPENDITURES:																			
Current:																			
General government	87	5	10	99	75	108	50	382	-	10	124	-	75	193	247	442	314	2,221	
Public works	-	-	-	-	-	-	-	-	3,467	-	572	-	-	-	8,539	1,190	-	13,768	
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenditures	87	5	10	99	75	108	50	382	3,467	10	696	-	75	193	8,786	1,632	314	15,989	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(8,211)	114	(692)	(9,858)	(5,960)	2,754	(5,132)	(2,851)	(5,147)	(449)	(4,891)	-	(84)	1,230	1,894	16,654	28,261	7,632	
Fund balances - beginning	346,701	7,644	35,192	401,338	290,268	142,801	207,559	115,160	195,304	28,664	339,768	3,000	150,861	360,899	280,619	510,606	31,114	3,447,498	
Fund balances - ending	\$ 338,490	\$ 7,758	\$ 34,500	\$ 391,480	\$ 284,308	\$ 145,555	\$ 202,427	\$ 112,309	\$ 190,157	\$ 28,215	\$334,877	\$ 3,000	\$ 150,777	\$ 362,129	\$ 282,513	\$ 527,260	\$ 59,375	\$ 3,455,130	

**TOWN OF LOOMIS, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
ASSETS				
Cash and investments	\$ 316,757	\$ 928,987	\$ 1,017,994	\$ 2,263,738
TOTAL ASSETS	\$ 316,757	\$ 928,987	\$ 1,017,994	\$ 2,263,738
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund balances				
Restricted	316,757	928,987	1,017,994	2,263,738
TOTAL LIABILITIES AND FUND BALANCES	\$ 316,757	\$ 928,987	\$ 1,017,994	\$ 2,263,738

**TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Drainage Funds	Community Facilities Capital Projects Fund	Park Fee Fund	Total
REVENUES:				
Licenses, fees, and permits	\$ 19,953	\$ 57,044	\$ 111,056	\$ 188,053
Use of money and property	(15,602)	(45,796)	(49,664)	(111,062)
Total revenues	4,351	11,248	61,392	76,991
EXPENDITURES:				
Current:				
Public works	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balances	4,351	11,248	61,392	76,991
Fund balances - beginning	312,406	917,739	956,602	2,186,747
Fund balances - ending	<u>\$ 316,757</u>	<u>\$ 928,987</u>	<u>\$ 1,017,994</u>	<u>\$ 2,263,738</u>

**TOWN OF LOOMIS, CALIFORNIA
 COMBINING BALANCE SHEET
 AGENCY FUNDS
 JUNE 30, 2022**

	Revolving Funds	County Facilities Fees	Dry Creek Watershed Fees	Total
ASSETS				
Cash and investments	\$ -	\$ 24,094	\$ 1,464	\$ 25,558
Due from other agencies	<u>285,229</u>	<u>-</u>	<u>-</u>	<u>285,229</u>
Total assets	<u>\$ 285,229</u>	<u>\$ 24,094</u>	<u>\$ 1,464</u>	<u>\$ 310,787</u>
LIABILITIES				
Accounts payable	\$ 47,633	\$ 7,613	\$ 897	\$ 56,143
Due to other funds	237,596	-	-	237,596
Due to other agencies	<u>-</u>	<u>16,481</u>	<u>567</u>	<u>17,048</u>
TOTAL LIABILITIES	<u>\$ 285,229</u>	<u>\$ 24,094</u>	<u>\$ 1,464</u>	<u>\$ 310,787</u>

TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Balance July 1, 2021	Increases	Reductions	Balance June 30, 2022
REVOLVING FUNDS				
ASSETS				
Cash and investments	\$ 24,746	\$ 462,239	\$ (486,985)	\$ -
Due from other agencies	10,147	275,082	-	285,229
	<u>\$ 34,893</u>	<u>\$ 737,321</u>	<u>\$ (486,985)</u>	<u>\$ 285,229</u>
LIABILITIES				
Accounts payable	\$ 34,893	\$ 213,117	\$ (200,377)	\$ 47,633
Due to other funds	-	237,596	-	237,596
	<u>\$ 34,893</u>	<u>\$ 450,713</u>	<u>\$ (200,377)</u>	<u>\$ 285,229</u>
COUNTY FACILITIES FEE				
ASSETS				
Cash and investments	\$ 34,265	\$ 52,824	\$ (62,995)	\$ 24,094
	<u>\$ 34,265</u>	<u>\$ 52,824</u>	<u>\$ (62,995)</u>	<u>\$ 24,094</u>
LIABILITIES				
Accounts payable	\$ 18,062	\$ 52,546	\$ (62,995)	\$ 7,613
Due to other agencies	16,203	54,378	(54,100)	16,481
	<u>\$ 34,265</u>	<u>\$ 106,924</u>	<u>\$ (117,095)</u>	<u>\$ 24,094</u>

TOWN OF LOOMIS, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
DRY CREEK WATERSHED FEES				
ASSETS				
Cash and investments	\$ 3,055	\$ 20,298	\$ (21,889)	\$ 1,464
Total assets	\$ 3,055	\$ 20,298	\$ (21,889)	\$ 1,464
LIABILITIES				
Accounts payable	\$ 2,488	\$ 20,298	\$ (21,889)	\$ 897
Due to other agencies	567	-	-	567
Total liabilities	\$ 3,055	\$ 20,298	\$ (21,889)	\$ 1,464
TOTAL ALL AGENCY FUNDS				
ASSETS				
Cash and investments	\$ 62,066	\$ 535,361	\$ (571,869)	\$ 25,558
Due from other agencies	10,147	275,082	-	285,229
Total assets	\$ 72,213	\$ 810,443	\$ (571,869)	\$ 310,787
LIABILITIES				
Accounts payable	\$ 55,443	\$ 285,961	\$ (285,261)	\$ 56,143
Due to other funds	-	237,596	-	237,596
Due to other agencies	16,770	54,378	(54,100)	17,048
Total liabilities	\$ 72,213	\$ 577,935	\$ (339,361)	\$ 310,787

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

**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***

Honorable Mayor, Town Manager,
and Members of the Town Council
Town of 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, 2022, 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 19, 2023.

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.

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

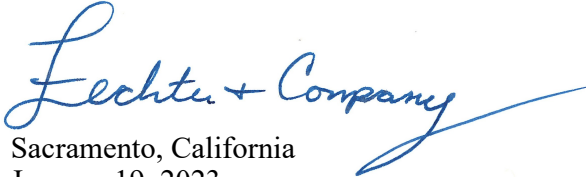
Compliance and Other Matters

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

Purpose of this Report

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

Fechter & Company
Certified Public Accountants


Sacramento, California
January 19, 2023