Staff December 12, 2017

TO:	Honorable Mayor and Members of the Town Council
FROM:	Roger Carroll, Finance Director
DATE:	November 28, 2017
RE:	Receipt of 2016/17 Fiscal Audit from Boler & Associates

Recommendation

Receive and file the Audited Financial Statements for the Year Ended June 30,2017; the Report on Agreed-Upon Procedures on the Appropriations Limit; and the Communication with Those Charged with Governance.

Issue Statement and Discussion

There are three reports included with your council packet:

1. The Audited Financial Statements for the Year Ended June 30, 2017.
2. Report on Agreed-Upon Procedures on the Appropriations Limit.
3. Communication with Those Charged with Governance.

The Town contracts with an outside audit firm, Boler & Associates, which prepared the 2016-2017 audit and gave an "Unmodified Opinion". An Unmodified Opinion means that the financial statements fairly represent the Town's financial position without attaching adverse qualifications or conditions. The audit does not reflect any material areas of concern. If the Council desires, a representative form Boler & Associates would be glad to make a presentation to the Council at a future meeting.

For an overview of the audited financial statements, please read the Management's Discussion and Analysis in the audit report, pages 3 through 13. You will be interested to note that General fund revenues exceeded expenditures by $156,617. This will be addressed, below.

The 2014-15 fiscal year was the first year that the Town was required to report the unfunded pension liabilities in the financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, which made a few changes in the way the financial statements are presented. Guidance regarding how this GASB statement's data is to be presented continues to develop, but appears to have stabilized. This year's and last year's reports should be comparable. This year's presentation can be found starting with Note 9 on pages 46 through 53 with additional data on pages 57 through 60.

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

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

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

The Town of Loomis, over the years, has built a considerable amount of reserves. Going into this fiscal year, we had just over $4 million in General Fund reserves – almost a full year's operating costs. This year's addition to reserves is $156,617.

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

Drainage projects	359,359
Fire	45,863
Community facilities	200,000
Parks	50,000
Operating reserves	1,111,543
Litigation	50,000
Business assistance loans	100,000
COPS set aside	71,244
OPEB set aside	101,430
Capital improvements	2,458,360
Total General Fund Reserves	4,547,799

CEQA Requirements

There are no CEQA issues.

Financial and/or Policy Implications

None.

Attachments

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

Attachment A

TOWN OF LOOMIS, CALIFORNIA

AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL
YEAR ENDED JUNE 30, 2017

TOWN OF LOOMIS, CALIFORNIA

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TOWN OF LOOMIS, CALIFORNIA

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TOWN OF LOOMIS, CALIFORNIA

TOWN OFFICIALS

TOWN COUNCIL

Robert Black	Mayor
Rhonda Morillas	Mayor Pro-Tem
Brian Baker	Council member
Miguel Ucovich	Council member
Tim Onderko	Council member

OTHER TOWN OFFICALS

Sean Rabe	Town Manager
Jeff Mitchell	Town Attorney
Roger Carroll	Town Treasurer/ Finance Officer
Britton Snipes	Director of Public Works/Town Engineer
Robert King	Planner
Rhonda Gannon	Building Inspector
Crickett Strock	Town Clerk/Administrative Assistant

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BOLER & ASSOCIATES

PROFESSIONAL ACCOUNTANCY CORPORATION
750 F STREET • DAVIS, CA 95616 (530) 756-1735

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Town of Loomis, California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information, and the respective budgetary comparison for the General Fund and the major special revenue funds: Streets and Roads Fund, Low Income Density Fund, and Maintenance Districts of the Town of Loomis, California, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Schedule of Net Pension Liability and Schedule of Proportionate Share of the Net Pension Liability on pages 3-13 and 57-60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2017, 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.

October 30, 2017

TOWN OF LOOMIS, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017. 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 $222,502, or 0.88%.
- The total governmental activities revenues from all sources were $4,544,833.
- The total cost of all Town programs in the Town's governmental activities were $4,322,331.
- The General Fund reported an excess of revenues over expenditures and other financing sources of $156,617
- Actual resources received in the General Fund were over final budget by $218,417 while actual expenditures were under the final budget by $8,368.
- At the end of the fiscal year, unassigned fund balance for the General Fund was $4,547,799.
- The net pension liability increased $275,229 over the prior year.

USING THIS ANNUAL REPORT

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

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

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

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

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

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

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

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

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

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

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, such as the Taylor Road reconstruction.
- The Nonmajor Government funds column of the financial statements is an accumulation of all other funds that are of a size or nature that by themselves they are not significant to the Town as a whole. Therefore, they are combined and reported as one. They include funds for transportation, recycling, parks, and rehabilitation loans.

Fiduciary Fund Statements - The Town as a Fiduciary

The Town is a fiduciary for certain project amounts held on behalf of developers and other governmental agencies. These fiduciary activities are reported in separate statements on pages 28. These activities are excluded from the Town's other financial statements, because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used of their intended purposes.

Government-wide Financial Analysis - The Town as a Whole

As noted earlier, net position may serve over time as a useful indicator of a government's financial positions. In the case of the Town of Loomis, assets exceeded liabilities by $25.5 million as of June 30, 2017 compared to $25.3 million as of June 30, 2016.

A significant portion of the Town's net position reflects its investment in capital assets (e.g., land, streets, storm drain systems, buildings and park assets, machinery and equipment). The capital assets net of accumulated depreciation as a percentage of total assets was 47.32% and 46.30% for the fiscal year ended June 30, 2017 and 2016, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

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

	2017	2016
ASSETS:		
Current and other assets	$ 14,196,592	$ 14,107,797
Capital assets, net	12,751,575	12,163,473
TOTAL ASSETS	$ 26,948,167	$ 26,271,270
DEFERRED OUTFLOWS OF RESOURCES:		
Pension payments	$ 479,190	$ 261,816
LIABILITIES:		
Liabilities due after one year	$ 1,101,097	$ 824,002
Other liabilities	542,175	243,664
TOTAL LIABILITIES	$ 1,643,272	$ 1,067,666
DEFERRED INFLOWS OF RESOURCES:		
Pension receipts	$ 249,239	$ 153,076
NET ASSETS:		
Investment in capital assets	$ 12,742,930	12,148,701
Restricted	8,179,883	8,043,495
Unrestricted	4,612,033	5,120,148
TOTAL NET ASSETS	$ 25,534,846	$ 25,312,344

As of June 30, 2017, $8.2 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, $4.6 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, 2016, $8.0 million of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position, $5.1 million, may be used to meet the Town's ongoing obligations to citizens and creditors.

The government's net position increased $0.2 million in most part increased sales and property taxes from the improving economy for the fiscal year ended June 30, 2017. For the fiscal year ended June 30, 2016, net position increased $1.1 million.

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

Governmental Activities

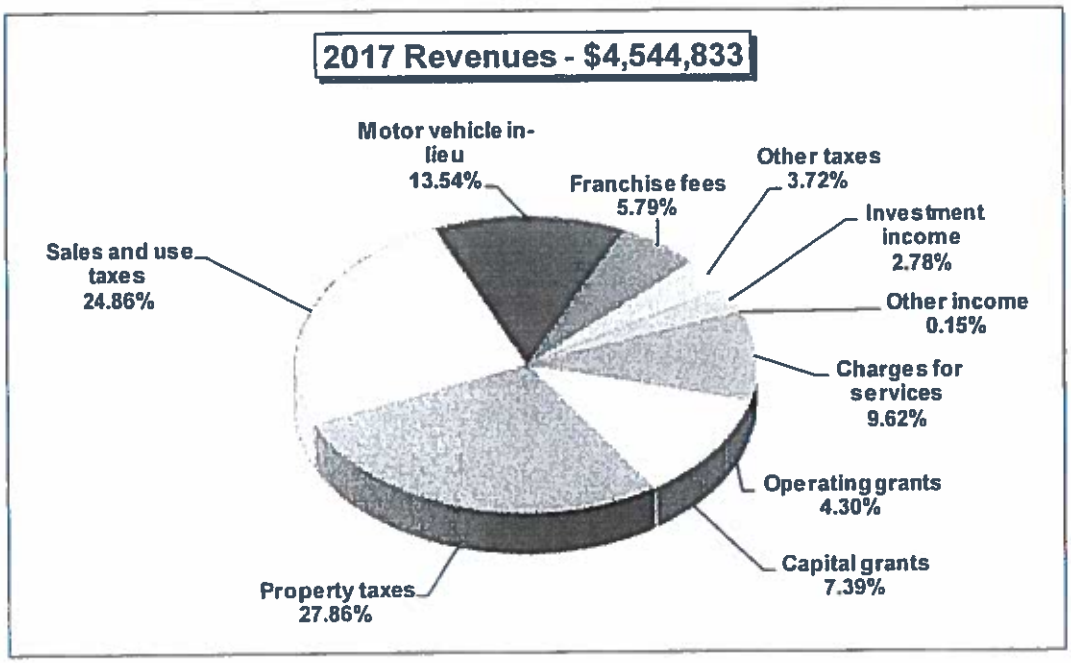
The Town's changes in the net position of the government-wide activities are as follows:

	2017	2016
PROGRAM REVENUES:		
Charges for services	$ 437,252	$ 734,350
Operating grants and contributions	195,431	195,522
Capital grants and contributions	335,823	358,381
GENERAL REVENUES:		
Property taxes	1,266,392	1,332,171
Other taxes	168,908	167,215
Sales and use taxes	1,129,825	840,689
Property tax in-lieu of vehicle license fees	615,410	580,286
Franchise fees	262,999	256,622
Investment income	126,178	458,556
Refunds and reimbursements	-	2,812
Other income	6,615	12,298
TOTAL REVENUES	4,544,833	4,938,902
EXPENSES:		
General governmental	1,449,366	1,306,476
Public safety	1,591,988	1,570,912
Public works	830,172	816,545
Planning	449,919	158,863
Interest expense	886	870
TOTAL EXPENSES	4,322,331	3,853,666
CHANGE IN NET POSITION	222,502	1,085,236
NET POSITION, JULY 1	25,312,344	24,227,108
NET POSITION, JUNE 30	$ 25,534,846	$ 25,312,344

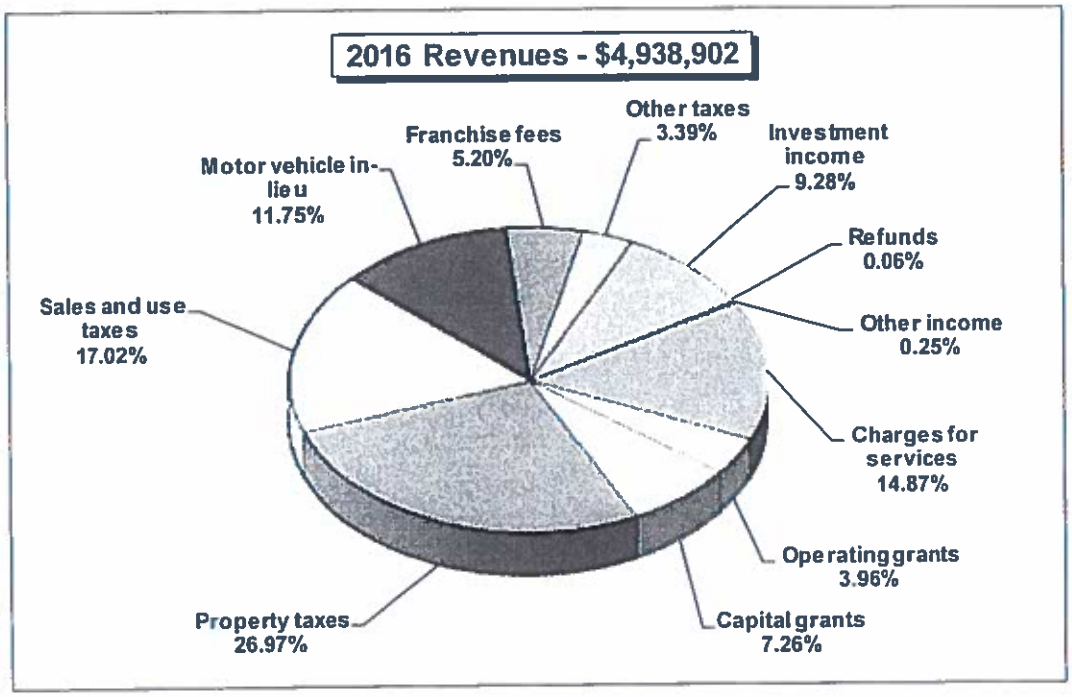
Highlights of the change in net position for the fiscal year ended June 30, 2017 were as follows:

- Charges for service decreased by $297,098.
- Sales tax revenues increased by $289,136.
- Investment income decreased by $332,378.
- Overall, the total governmental activities revenues decreased by $394,069.

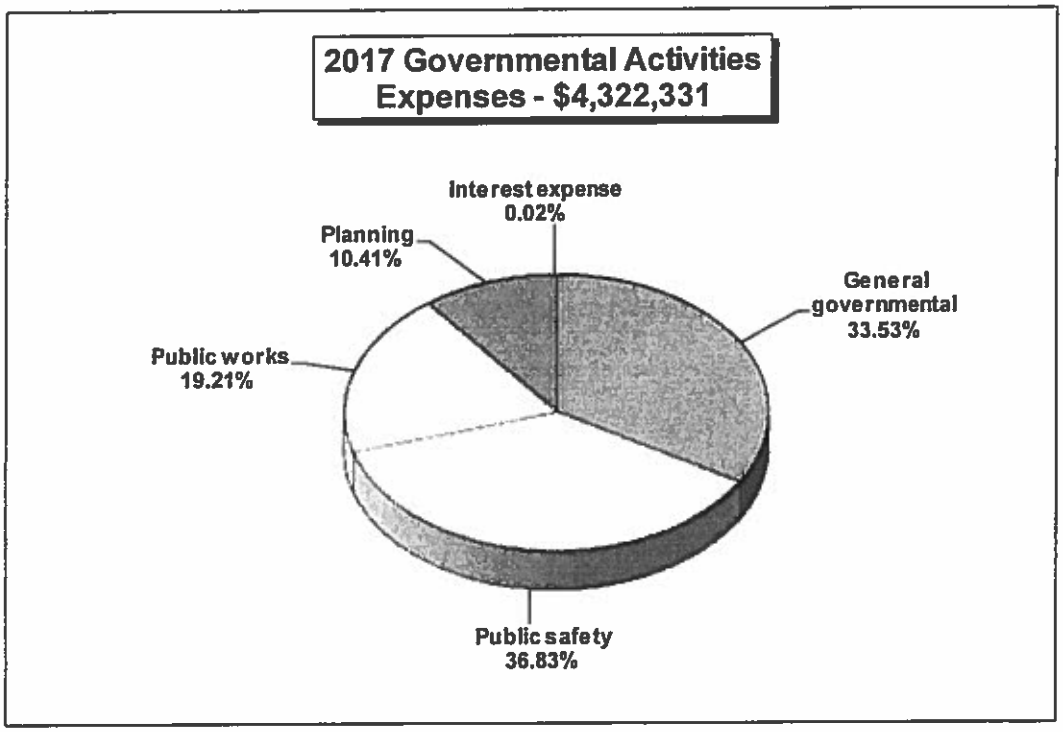
The fiscal year ended June 30, 2017 revenues are reflected graphically as follows:



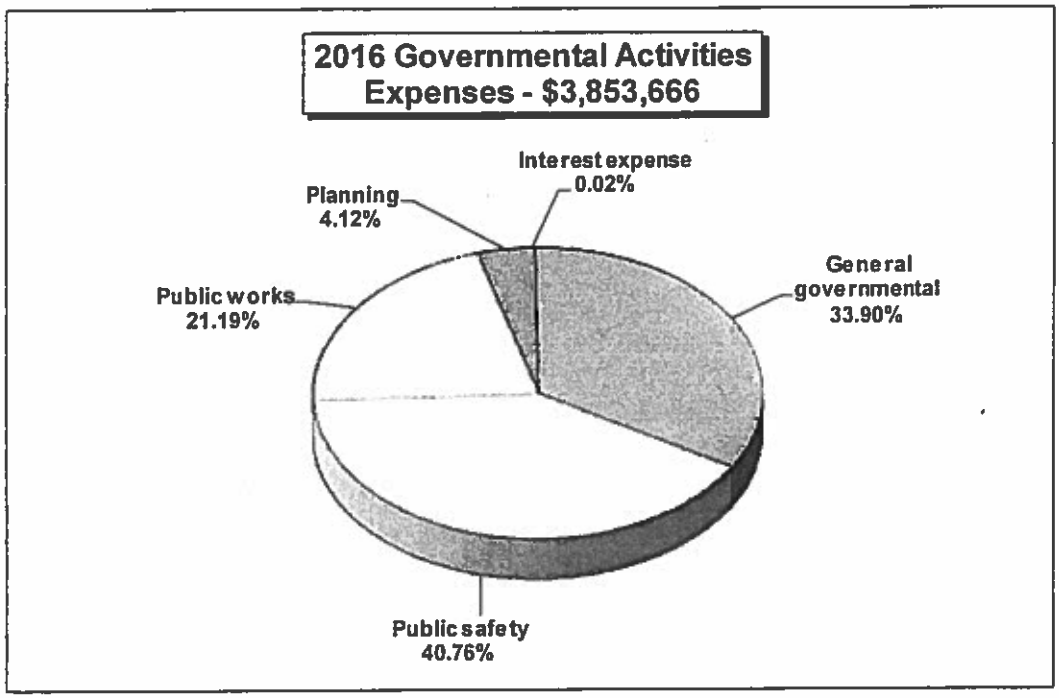
The fiscal year ended June 30, 2016 revenues are reflected graphically as follows:



The fiscal year ended June 30, 2017 expenses are reflected graphically as follows:



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



The table shows the cost of each of the Town's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. For the fiscal year ended June 30, 2017 the net cost is as follows:

NET COST OF MAJOR PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Total cost of services	Charges for services	Grants		Net revenue (cost) of services
			Operating	Capital	
General governmental	$ 1,449,366	$ 25,292	$ -	$ -	$ (1,424,074)
Public safety	1,591,988	3,198	129,324	-	(1,459,466)
Public works	830,172	327,978	66,107	335,823	(100,264)
Planning	449,919	80,784	-	-	(369,135)
Interest expense	886	-	-	-	(886)
	$ 4,322,331	$ 437,252	$ 195,431	$ 335,823	$ (3,353,825)

For the fiscal year ended June 30, 2016 the net cost is as follows:

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

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

Financial Analysis of Government funds

General Fund: Fund balance was $4,547,799 and $4,363,739 (as restated) for the fiscal year ended 2017 and 2016, respectively. Because the Town generally does not finance through debt, the General Fund is strong. Total fund balance is 98.0% and 81.1% of total assets for 2017 and 2016, respectively. For each dollar of liabilities, there is $45.00 of cash and receivables, which shows that the General Fund can easily pay its obligations as they come due. For 2017, General Fund revenues exceeded expenditures by $184,060. Expenditures and transfers out were 94.68% of total General fund revenues for 2017. For 2016, General Fund revenues exceeded expenditures by $604,359. Expenditures and transfers out were 82.2% of total General fund revenues.

Streets and Roads Special Revenue Fund: Fund deficit is $(50,391) and $(770,847) for 2017 and 2016, respectively. This fund reports revenues received from Placer County and the State for use on building and maintaining road and transportation systems. Because the Town's road needs exceed the funds provided by the County and the State, funds were allocated from the gas tax funds and the General Fund.

Low Income Density Special Revenue Fund: This fund accounts for the Town's low income loan program's receipts and disbursement. Revenues exceeded expenditures by $(6,341) and $26,956 for the years ended June 30, 2017 and 2016, respectively.

Maintenance Districts Special Revenue Fund: This fund accounts for the maintenance fees collected through the property tax rolls for the various districts within the Town. Revenues exceeded expenditures by $147,634 for the year ended June 30, 2017. Revenues exceeded expenditures by $207,593 for the year ended June 30, 2016.

Road Circulation Capital Projects Fund: This fund accounts for the revenues received for new road construction or improvements. Revenues exceeded expenditures by $105,862 and $303,189 for the years ended June 30, 2017 and 2016, respectively.

Nonmajor Governmental Funds: The combined fund balances of all nonmajor governmental funds totaled $2,341,556 and $2,383,949 for 2017 and 2016, respectively.

Overall, the year had a net decrease in combined fund balances of the nonmajor governmental funds of $(42,393) for 2017 and an increase of $308,524 for 2016. The nonmajor governmental funds' fund balances are 89.67% and 85.49% of total nonmajor governmental funds' assets for 2017 and 2016, respectively.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund, Page 24, shows the difference between the budgeted revenues and expenditures and the actual amounts received and expended. In total for the fiscal year ended June 30, 2017, revenues were over budget by 6.73% and expenditures under budget by 0.25%. In total for the fiscal year ended June 30, 2016, revenues were over budget by 10.93% and expenditures under budget by 7.56%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital assets include police services and public works equipment, vehicles, buildings and roads. Net capital assets of the governmental activities totaled $12.8 million and $12.2 million at June 30, 2017 and 2016, respectively. Depreciation on capital assets is recognized in the Government-Wide Statement of Activities.

	2017	2016
Capital assets, not being depreciated:		
Land	$ 2,424,686	$ 2,424,686
Construction in progress	568,224	137,440
Depreciable capital assets:		
Office equipment	8,241	15,335
Tools and equipment	57,268	63,903
Vehicles	92,493	108,295
Land improvements	135,037	115,293
Infrastructure	8,099,936	7,861,710
Buildings and improvements	1,010,976	1,058,383
Corp yard improvements	354,714	378,428
TOTAL	$ 12,751,575	$ 12,163,473

Major capital asset improvements and additions during the fiscal year ended June 30, 2017 included the following:

- Installed ten-foot-tall letters spelling LOOMIS onto the fencing on the Horseshoe Bar Road overpass over Interstate 80, creating an "Interstate Entryway" into Loomis.
- Reconstructed Webb Street, a popular connector street between Taylor Road and King Road.
- Began implementation of the Downtown Master Plan. This phase includes the following on Taylor Road between Horseshoe Bar Road and Oak Street:
  - Reconstructing the sidewalks and landscaping.
  - Installing new street lights.
  - Installing safety lighted crosswalks and texturing the asphalt to give it a brick-like look.
  - Repaving the road.
  - Installing ceramic replicas of local fruit labels into the sidewalks and adding fruit label murals to buildings to create a historical self-guided "Art Walk."

Debt administration

The Town's liabilities included compensated absences due after one year which had a balance of $85,471 as of June 30, 2017, an increase of $8,297 over the prior year. The Town has obligations under capital lease for copier leases with a balance at year-end of $8,644.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

While home construction has slowed slightly, this is mostly due to lack of buildable lots. The average resale price of homes has increased by 7% over the last year. South Placer Municipal Utility District (SPMUD) has begun working on a new sewer line which will allow for more development on the south-east side of Interstate 80.

Two major planning projects are currently under way. A new commercial and residential development, The Village, has been proposed for the center of Town. As proposed, this development would bring up to 450 new homes, plus commercial and office space, to the Town. The environmental review has been complete and the Planning commission is working through the proposed project documents. We expect the Planning commission will make a recommendation to the Town Council early in 2018. That recommendation can be one of three things: approve the project as proposed; approve the project with conditions; or deny the project. While residential development increases the Town's property tax revenues, such development usually creates an equal amount of cost necessary to service it, like additional police, fire, road and park maintenance, and planning costs.

A second project is also under review. COSTCO has proposed locating one of its stores in the Town limits. The company has options to buy property and has submitted a proposed project, which is currently in the environmental review stage. Such a store, if indeed constructed, would likely generate $1 million or more in sales tax revenue for the Town each year.

The Town has good financial reserves, but they are dwindling. Revenues dedicated to road maintenance, storm drainage, and other projects are never sufficient to complete the projects. When revenues exceed expenditures, these excess funds are set aside as reserves for capital projects. The Town Council and Staff have been very frugal over the years, and decent reserves have been set aside, but the streets, roads, bridges and storm drains are getting old and maintenance and replacement needs are constantly drawing down those funds. Over $750,000 of reserves are earmarked to complete the current phase of the Downtown Master Plan during the 2017-18 budget year.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

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

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BASIC FINANCIAL STATEMENTS

TOWN OF LOOMIS, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

ASSETS:	
CURRENT ASSETS:	
Cash and investments	$ 13,446,523
Receivables:	
Accounts receivable	60,521
Due from other governments	22,347
Interest receivable	82,028
Assessments receivable	57,007
Due from employees	2,527
Loans receivable	525,639
TOTAL CURRENT ASSETS	14,196,592
NONCURRENT ASSETS:	
Nondepreciable capital assets	2,992,910
Depreciable capital assets, net	9,758,665
TOTAL NONCURRENT ASSETS	12,751,575
TOTAL ASSETS	26,948,167
DEFERRED OUTFLOWS OF RESOURCES:	
Pension and other post employment benefits payments	479,190
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 27,427,357
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable and other accrued expenses	$ 514,702
Accrued payroll liabilities	21,042
Obligations under capital lease, due within one year	6,431
TOTAL CURRENT LIABILITIES	542,175
NONCURRENT LIABILITIES, due after one year	
Net pension liability	1,013,576
Compensated absences	85,307
Obligations under capital lease, due after one year	2,214
TOTAL NONCURRENT LIABILITIES	1,101,097
TOTAL LIABILITIES	$ 1,643,272
DEFERRED INFLOWS OF RESOURCES:	
Pension receipts	$ 249,239
NET POSITION:	
Invested in capital assets, net of related debt	$ 12,742,930
Restricted for:	
Maintenance projects	2,679,762
Capital project funds	5,500,121
Unrestricted	4,612,033
TOTAL NET POSITION	$ 25,534,846

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

TOWN OF LOOMIS, CALIFORNIA

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

		Program Revenues			Net (expense) revenue -
		Charges for	Grants and contributions		Governmental
	Expenses	Services	Operating	Capital	Activities
GOVERNMENTAL ACTIVITIES:					
General government	$ 1,449,366	$ 25,292	$ -		$ (1,424,074)
Public safety	1,591,988	3,198	129,324	-	(1,459,466)
Public works	830,172	327,978	66,107	335,823	(100,264)
Planning	449,919	80,784	-	-	(369,135)
Interest expense	886	-	-	-	(886)
TOTAL GOVERNMENTAL ACTIVITIES	$ 4,322,331	$ 437,252	$ 195,431	$ 335,823	(3,353,825)

GENERAL REVENUES:	
Property taxes	1,266,392
Other taxes	168,908
Sales and use taxes	1,129,825
Peoprty tax in-lieu of vehicle license fees	615,410
Franchise fees	262,999
Investment income	126,178
Other income	6,615
TOTAL GENERAL REVENUES	3,576,327
CHANGE IN NET POSITION	222,502
NET POSITION, JULY 1	25,312,344
NET POSITION, JUNE 30	$ 25,534,846

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

TOWN OF LOOMIS, CALIFORNIA

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2017

	Major Funds				
		Special Revenue Funds			Capital Projects Fund
	General Fund	Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Circulation Fund
ASSETS					
ASSETS:					
Cash and investments	$ 4,067,195	$ 83,864	$ 464,732	$2,674,010	$ 3,796,819
Receivables:					
Accounts receivable	56,878	-	-	-	-
Due from other governments	6,488	-	-	-	-
Interest receivable	82,028	-	-	-	-
Assessments receivable	51,155	-	-	5,852	-
Due from employees	2,527	-	-	-	-
Loans receivable	-	-	525,639	-	-
Due from other funds	376,287	-	-	-	75,388
TOTAL ASSETS	$ 4,642,558	$ 83,864	$ 990,371	$2,679,862	$ 3,872,207

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

Nonmajor Governmental Fund	TOTALS
$ 2,359,903	$13,446,523
3,643	60,521
15,859	22,347
-	82,028
-	57,007
-	2,527
-	525,639
-	451,675
$ 2,379,405	$14,648,267

(Continued)

TOWN OF LOOMIS, CALIFORNIA

BALANCE SHEET -
GOVERNMENTAL FUNDS (CONTINUED)
AS OF JUNE 30, 2017

	Major Funds				
		Special Revenue Funds			Capital Projects Fund
	General Fund	Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Circulation Fund
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued liabilities	$ 73,717	$ 434,849	$ -	$ 100	$ -
Accrued payroll liabilities	21,042	-	-	-	-
Due to other funds	-	419,862	-	-	-
TOTAL LIABILITIES	94,759	854,711	-	100	-
DEFERRED INFLOWS OF RESOURCES:					
Repayment of community development loans	-	-	525,639	-	-
TOTAL DEFERRED INFLOWS	-	-	525,639	-	-
FUND BALANCES:					
Restricted for:					
Maintenance districts	-	-	-	2,679,762	-
Capital projects	-	-	-	-	3,756,907
Committed to subsequent year's expenditure					
Special revenue funds	-	-	-	-	-
Capital project funds	-	-	-	-	115,300
Unassigned:					
General fund	4,547,799	-	-	-	-
Special revenue funds	-	(770,847)	464,732		-
TOTAL FUND BALANCES	4,547,799	(770,847)	464,732	2,679,762	3,872,207
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 4,642,558	$ 83,864	$ 990,371	$2,679,862	$ 3,872,207

Nonmajor Governmental Fund	TOTALS
$ 6,036	$ 514,702
-	21,042
31,813	451,675
37,849	987,419
-	525,639
-	525,639
-	2,679,762
1,627,914	5,384,821
10,094	10,094
-	115,300
-	4,547,799
703,548	397,433
2,341,556	13,135,209
$ 2,379,405	$14,648,267

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TOWN OF LOOMIS, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2017

TOTAL GOVERNMENTAL FUND BALANCES	$ 13,135,209
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	12,751,575
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
Pension and other postemployment benefits payments not available to pay for current period expenditures and, therefore are reported as deferred outlows in the governmental funds.	479,190
Pension liabilities in the general fund not due and payable in the current period and therefore are not reported in the general fund.	(1,262,815)
Compensated absences in the general fund are not due and payable in the current period and therefore are not reported in the general fund.	(85,471)
Long-term debt in the general fund are not due and payable in the current period and therefore are not reported in the general fund.	(8,645)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 25,534,682

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

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Major Funds				
		Special Revenue Funds			Capital Projects Fund
	General Fund	Streets and Roads Fund	Low Income Density Fund	Maintenance Districts Fund	Road Circulation Fund
REVENUES:					
Tax revenues	$ 2,268,892	$ -	$ -	$ 147,105	$ -
License, fees and permits	239,436	-	5,250	-	84,695
Franchise fees	262,999	-	-	-	-
Intergovernmental revenues	615,410	335,823	-	-	-
Fines, forfeitures and penalties	3,198	-	-	-	-
Use of money and property	65,519	994	3,254	18,473	21,167
Other income	6,615	-	-	-	-
TOTAL REVENUES	3,462,069	336,817	8,504	165,578	105,862
EXPENDITURES:					
Current:					
General government	798,043	-	-	2,423	-
Public safety	1,491,988	-	-	-	-
Public works	531,789	218,963	-	15,521	-
Planning	446,421	-	-	-	-
Debt service:					
Interest costs	581	-	-	-	-
Principal payments	6,127	-	-	-	-
Capital outlay	30,503	1,062,822	14,845	-	-
TOTAL EXPENDITURES	3,305,452	1,281,785	14,845	17,944	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	156,617	(944,968)	(6,341)	147,634	105,862
OTHER FINANCING SOURCES (USES):					
Transfers in	228,313	224,512	-	-	-
Transfers out	(200,870)	-	-	-	-
TOTAL OTHER FINANCING	27,443	224,512	-	-	-
NET CHANGE IN FUND BALANCES	184,060	(720,456)	(6,341)	147,634	105,862
FUND BALANCES (DEFICIT), JULY 1:	3,611,910	(50,391)	471,073	2,532,128	3,766,345
Prior period adjustment	751,829	-	-	-	-
As restated	4,363,739	(50,391)	471,073	2,532,128	3,766,345
FUND BALANCES (DEFICIT), JUNE 30	$ 4,547,799	$ (770,847)	$ 464,732	$2,679,762	$ 3,872,207

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

Nonmajor Governmental Funds	TOTALS
$ 149,128	$ 2,565,125
104,673	434,054
-	262,999
195,431	1,146,664
-	3,198
16,771	126,178
-	6,615
466,003	4,544,833
105,176	905,642
100,000	1,591,988
50,960	817,233
-	446,421
305	886
-	6,127
-	1,108,170
256,441	4,876,467
209,562	(331,634)
-	452,825
(251,955)	(452,825)
(251,955)	-
(42,393)	(331,634)
2,383,949	12,715,014
-	751,829
2,383,949	13,466,843
$ 2,341,556	$ 13,135,209

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TOWN OF LOOMIS, CALIFORNIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ (331,634)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the government wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	
Capital outlay expenditures	1,093,325
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:	
Principal payments on long-term debt	6,127
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditure in the governmental funds.	(505,223)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in compensated absences not reported in the General Fund	(8,461)
Change in the other postemployment benefits liability	(17,351)
Change in the net pension liability	(275,229)
Change in deferred outflows of resources related to the pension plan	217,374
Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognixed under the accrual basis in the statement of activities.	
Change in deferred inflows of resources related to the pension plan	43,410
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 222,338

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

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	General Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Tax revenues	$ 2,075,000	$ 2,075,000	$ 2,268,892	$ 193,892
License, fees and permits	238,000	238,000	239,436	1,436
Franchise fees	257,000	257,000	262,999	5,999
Intergovernmental	528,500	528,500	615,410	86,910
Fines, forfeitures and penalties	7,000	7,000	3,198	(3,802)
Use of money and property	113,152	113,152	65,519	(47,633)
Other	25,000	25,000	6,615	(18,385)
TOTAL REVENUES	3,243,652	3,243,652	3,462,069	218,417
EXPENDITURES:				
Current:				
General government	863,125	863,125	798,043	65,082
Public safety	1,503,955	1,503,955	1,491,988	11,967
Public works	639,540	639,540	531,789	107,751
Planning	233,900	233,900	446,421	(212,521)
Debt service:				
Interest costs	-	-	581	(581)
Principal payments	-	-	6,127	(6,127)
Capital outlay	73,300	73,300	30,503	42,797
TOTAL EXPENDITURES	3,313,820	3,313,820	3,305,452	8,368
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(70,168)	(70,168)	156,617	226,785
OTHER FINANCING SOURCES:				
Transfers in	-	-	228,313	228,313
Transfers out	(455,000)	(455,000)	(200,870)	254,130
TOTAL OTHER FINANCING	(455,000)	(455,000)	27,443	482,443
NET CHANGE IN FUND BALANCES	(525,168)	(525,168)	184,060	709,228
FUND BALANCES (DEFICIT), JULY 1	3,611,910	3,611,910	3,611,910	-
FUND BALANCES (DEFICIT), JUNE 30	$ 3,086,742	$ 3,086,742	$ 4,547,799	$ 1,461,057

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

Streets and Roads Special Revenue Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
1,772,486	1,772,486	335,823	(1,436,663)
-	-	-	-
800	800	994	194
451,000	451,000	-	(451,000)
2,224,286	2,224,286	336,817	(1,887,469)
-	-	-	-
-	-	-	-
165,650	165,650	218,963	(53,313)
-	-	-	-
-	-	-	-
-	-	-	-
635,444	635,444	1,062,822	(427,378)
801,094	801,094	1,281,785	(480,691)
1,423,192	1,423,192	(944,968)	(2,368,160)
752,038	752,038	224,512	(527,526)
-	-	-	-
752,038	752,038	224,512	(527,526)
2,175,230	2,175,230	(720,456)	(2,895,686)
(50,391)	(50,391)	(50,391)	-
$2,124,839	$2,124,839	$ (770,847)	$ (2,895,686)

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Low Income Density Special Revenue Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Tax revenues	$ -	$ -	$ -	$ -
License, fees and permits	3,750	3,750	5,250	1,500
Investment income	7,500	7,500	3,254	(4,246)
TOTAL REVENUES	11,250	11,250	8,504	(2,746)
EXPENDITURES:				
Current:				
General government	40,000	40,000	-	40,000
Public works	-	-	-	-
Capital outlay	-	-	14,845	(14,845)
TOTAL EXPENDITURES	40,000	40,000	14,845	25,155
NET CHANGE IN FUND BALANCES	(28,750)	(28,750)	(6,341)	22,409
FUND BALANCES, JULY 1	471,073	471,073	471,073	-
FUND BALANCES, JUNE 30	$ 442,323	$ 442,323	$ 464,732	$ 22,409

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

Maintenance Districts Special Revenue Fund			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
$ 146,895	$ 146,895	$ 147,105	$ 210
-	-	-	-
48,300	48,300	18,473	(29,827)
195,195	195,195	165,578	(29,617)
1,450	1,450	2,423	(973)
58,567	58,567	15,521	43,046
-	-	-	-
60,017	60,017	17,944	42,073
135,178	135,178	147,634	12,456
2,532,128	2,532,128	2,532,128	-
$ 2,667,306	$2,667,306	$2,679,762	$ 12,456

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS
AS OF JUNE 30, 2017

ASSETS	
Cash and investments	$ 895,224
TOTAL ASSETS	$ 895,224

LIABILITIES	
Accounts payable	$ 19,852
Due to other agencies	875,372
TOTAL LIABILITIES	$ 895,224

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

These financial statements include:

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

Basis of Accounting - Government-Wide Financial Statements

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Reporting Entity

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

Fund Accounting

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

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

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

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

Governmental Funds

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

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

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

The Town reports the following major special revenue funds:

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

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

The Town reports the following major capital projects fund:

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

Fiduciary Funds

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

Cash and Cash Equivalents

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

Loans Receivable

The Town has various loans receivable from past community development block grant awards and for economic development. Generally, the block grant loans are due on change of title of the underlying property. The block grant receivable balances are offset by deferred revenue. The activity for the fiscal year ended June 30, 2017 is as follows:

	Balance at July 1, 2016	Additions	Deletions	Balance at June 30, 2017	Due within one year
General Fund:					
Due from employees	$ 3,438	$ 2,705	$ (3,616)	$ 2,527	$ 2,232
Low Income Density Special Revenue Fund	525,639	-	-	525,639	-
	$ 529,077	$ 2,705	$ (3,616)	$ 528,166	$ 2,232

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

The activity for the fiscal year ended June 30, 2016 is as follows:

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

Capital Assets and Depreciation

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

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

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

Improvements	30 years
Equipment and other improvements	5 to 20 years

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

Allowance for Doubtful Accounts

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

Interfund Transactions

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

Compensated Absences

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Town. Unused vacation time accrued is payable at 100% of the accrual at termination of employment. The unpaid vacation liability of the Town amounted to $18,818 and $31,779 as of June 30, 2017 and 2016, 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 $85,471 and $77,174 as of June 30, 2017 and 2016, respectively.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

- Non-spendable – includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.
- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action, i.e. – council resolution, of the highest level of decision making authority and does not lapse at year-end.
- Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the Town Manager or Department Heads with Town Council approval.
- Unassigned includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balance Type	Amount	Action
Subsequent year's expenditures:		
Major funds:		
Road Circulation Capital Projects Fund	$ 115,300	Council budget resolution
Non-major special revenue fund	10,094	Council budget resolution
TOTAL COMMITTED BALANCES	$ 125,394	

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

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

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

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

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

Budgetary Policy and Data

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

Estimates and Assumptions

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NOTE 2: CASH AND INVESTMENTS

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

	2017	2016
Cash on hand	$ 175	$ 175
Deposits with financial insitutions	475,944	592,558
Add: deposit in transit	295	-
Less: outstanding checks	(427,437)	(565,478)
Local agency investment fund	723,094	250,950
Total cash and cash equivalents	772,071	278,205
Certificates of deposit held with brokerage firm	3,548,410	2,442,223
U.S. Treasury obligations	-	100,066
Municipal obligations	1,792,918	1,862,148
Medium term corporate notes	3,507,508	3,728,211
Educational institutions	1,159,732	1,105,292
Other governmental units	3,561,108	3,366,539
Total debt instruments	10,021,266	10,162,256
Total investments	13,569,676	12,604,479
TOTAL CASH AND INVESTMENTS	$ 14,341,747	$ 12,882,684
Summary of cash and investments:		
Government-wide statement	$ 13,446,523	$ 12,851,700
Fiduciary funds	895,224	30,984
TOTAL	$ 14,341,747	$ 12,882,684

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

Investment policy: Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, §53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the Town by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The Town's investment policy provides for additional restrictions as to the investment type, maximum maturity, percentage of portfolio, and maximum in a single user. During the fiscal year ended June 30, 2017, the Town's permissible investments included the following instruments.

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

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

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

Information about the sensitivity of the fair value of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity at June 30, 2017:

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

		Remaining Maturity (in months)				
Type of Investment	Total	12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	$ 723,094	$ 723,094	$ -	$ -	$ -	$ -
Municipal obligations	1,792,918	69,624	735,052	501,503	346,475	140,264
Medium term corporate notes	3,507,508	102,105	528,282	-	2,186,392	690,729
Educational institutions	1,159,732	140,251	150,696	101,170	519,690	247,925
Other governmental units	3,561,108	140,122	506,996	1,403,848	1,009,930	500,212
TOTAL	$ 10,744,360	$ 1,175,196	$ 1,921,026	$ 2,006,521	$ 4,062,487	$ 1,579,130
Percentage of portfolio	100.00%	10.94%	17.88%	18.68%	37.81%	14.70%

The distribution of the Town's investments by maturity at June 30, 2016:

		Remaining Maturity (in months)				
Type of Investment	Total	12 months or less	13-23 months	24-36 months	36-48 months	48-60 months
Local agency investment fund	$ 250,950	$ 250,950	$ -	$ -	$ -	$ -
U.S. Treasury obligations	100,066	-	-	-	-	100,066
Municipal obligations	1,862,148	-	488,334	755,512	516,315	101,987
Medium term corporate notes	3,728,211	-	725,001	989,046	101,279	1,912,885
Educational institutions	1,105,292	-	586,504	154,523	103,975	260,290
Other governmental units	3,366,539		101,443	846,873	1,286,324	1,131,899
TOTAL	$ 10,413,206	$ 250,950	$ 1,901,282	$ 2,745,954	$ 2,007,893	$ 3,507,127
Percentage of portfolio	100.00%	2.41%	18.26%	26.37%	19.28%	33.68%

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, 2017:

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

	Type of Investment						
Credit risk	Local agency investment fund	US Treasury obligations	Municipal obligations	Commercial Paper	Educational Institutions	Other governmental units	Total
AAA	$ -	$ -	$ -	$ -	$ -	$ -	$ -
AA+	-	-	250,295	-	140,251	511,672	902,218
AA	-	-	876,699	-	400,491	656,850	1,934,040
AA-	-	-	249,825	101,054	349,096	404,598	1,104,573
A+	-	-	69,624	591,292	-	1,247,286	1,908,202
A	-	-	346,475	1,814,591	269,894	-	2,430,960
A-	-	-	-	898,466	-	700,597	1,599,063
BBB+	-	-	-	102,105	-	-	102,105
BBB-	-	-	-	-	-	40,105	40,105
No rating	723,094	-	-	-	-	-	723,094
TOTAL	$ 723,094	$ -	$ 1,792,918	$ 3,507,508	$ 1,159,732	$ 3,561,108	$ 10,744,360

The Town's actual ratings of the investments as of June 30, 2016:

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

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, 2017, 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

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

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

At June 30, 2017, the Town's account with Wells Fargo Bank had a total carrying amount of $48,801 with a bank balance of $475,944 of which $250,000 insured by the FDIC.

At June 30, 2016, the Town's account with Wells Fargo Bank had a total carrying amount of $24,881 with a bank balance of $590,359 of which $250,000 insured by the FDIC.

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

	2017	2016
Certificates of deposit held with brokerage firm	$ 3,548,410	$ 2,442,223
U.S. Treasury obligations	-	100,066
Municipal obligations	1,792,918	1,862,148
Medium term corporate notes	3,507,508	3,728,211
Educational institutions	1,159,732	1,105,292
Other governmental units	3,561,108	3,366,539
TOTAL INVESTMENTS	$ 13,569,676	$ 12,604,479

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.

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

	Balance as of June 30, 2017	Fair Value Measurements Using: Quoted prices in active markets for identicle assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Securities:				
Local agency investment fund	$ 723,094	$ 723,094	$ -	$ -
Municipal obligations	1,792,918	1,792,918	-	-
Medium term corporate notes	3,507,508	3,507,508	-	-
Educational institutions	1,159,732	1,159,732	-	-
Other governmental units	3,561,108	3,561,108	-	-
TOTAL INVESTMENTS BY FAIR VALUE LEVEL	$ 10,744,360	$ 10,744,360	$ -	$ -

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 $77,616,683,602 and $75,442,558,513 at June 30, 2017 and 2016, respectively. The fund is managed by the State Treasurer and consists of the following:

	As a percent of portfolio 2017	2016
Structured notes and medium-term asset backed securities	2.25%	1.55%
Short-term asset-backed commercial paper	0.64%	1.26%
All other investments	97.11%	97.19%
	100.00%	100.00%

The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based on the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The amortized cost of the pooled investments at June 30, 2017 was $77,621,442,814.

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

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, 2017 was as follows:

	Balance at July 1, 2016	Additions	Deletions	Transfers	Balance at June 30, 2017
Capital assets, not being depreciated					
Land	$ 2,424,686	$ -	$ -	$ -	$ 2,424,686
Construction in progress	137,439	568,224	-	(137,439)	568,224
	2,562,125	568,224	-	(137,439)	2,992,910
Depreciable capital assets:					
Office equipment	35,056	-	-	-	35,056
Equipment under capital lease	29,734	-	-	-	29,734
Tools and equipment	163,363	-	-	-	163,363
Vehicles	311,589	-	-	-	311,589
Land improvements	225,212	30,503	-	-	255,715
Infrastructure	10,939,189	494,598	-	137,439	11,571,226
Buildings and improvements	1,420,848	-	-	-	1,420,848
Corp yard improvements	716,135	-	-	-	716,135
	13,841,126	525,101	-	137,439	14,503,666
Less accumulated depreciation					
Office equipment	(31,615)	(1,147)	-	-	(32,762)
Equipment under capital lease	(17,841)	(5,947)	-	-	(23,788)
Tools and equipment	(99,460)	(6,634)	-	-	(106,094)
Vehicles	(203,292)	(15,803)	-	-	(219,095)
Land improvements	(109,919)	(10,759)	-	-	(120,678)
Infrastructure	(3,077,479)	(393,811)	-	-	(3,471,290)
Buildings and improvements	(362,465)	(47,407)	-	-	(409,872)
Corp yard improvements	(337,707)	(23,715)	-	-	(361,422)
	(4,239,778)	(505,223)	-	-	(4,745,001)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 12,163,473	$ 588,102	$ -	$ -	$ 12,751,575

The depreciation expense for the year ended June 30, 2017 of $505,223 is charged to the general government function.

NOTE 3: CAPITAL ASSETS AND DEPRECIATION (continued)

Capital asset activity for the year ended June 30, 2016 was as follows:

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

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

NOTE 4: JOINT VENTURE

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

NOTE 5: LONG-TERM LIABILTIES

The changes in long-term liabilities for the fiscal year ended June 30, 2017 were as follows:

	Balance at July 1, 2016	Incurred	Retired	Balance at June 30, 2017	Due within one year
GOVERNMENTAL ACTIVITIES:					
Compensated absences	$ 77,010	$ 8,297	$ -	$ 85,307	$ -
Obligations under capital lease	14,772	-	(6,127)	8,645	6,431
TOTAL	$ 91,782	$ 8,297	$ (6,127)	$ 93,952	$ 6,431

Obligations under capital lease:

Copier lease dated September 18, 2016, due in monthly payments of $559 including interest at 4.85% per annum through October, 2019. $ 8,644

The annual requirements are as follows:

Year Ended June 30,	Obligations under capital lease
2018	$ 6,708
2019	2,236
Total	8,944
Less: interest	(300)
TOTAL	$ 8,644

NOTE 5: LONG-TERM LIABILTIES (continued)

Assets under capital lease were as follows:

	Fiscal year ended June 30, 2017	Fiscal year ended June 30, 2016
Assets under capital lease:		
Office equipment	$ 29,734	$ 29,734
Less: accumulated amortization	(23,787)	(17,840)
TOTAL, NET	$ 5,947	$ 11,894

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

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

NOTE 6: EXCESS EXPENDITURES OVER APPROPRIATIONS

The following funds had excess expenditures over appropriations for the year ended June 30, 2017:

Fund	Expenditures and transfers	Budget	Deficit
Major funds:			
Streets and Roads Special Revenue Fund	$ 1,281,785	$ 801,094	$ (480,691)
Non-major funds:			
Bike Lane Special Revenue Fund*	34,337	-	(34,337)
State Disbility Assess Special Revenue Fund*	186	-	(186)

* Fund was not budgeted

NOTE 7: INTERFUND TRANSACTIONS

Interfund balances for operations as of June 30, 2017 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	$ 376,287	$ -
Special Revenue Funds:		
Streets and Roads Fund	-	419,862
Non-major funds	-	31,813
Capital Projects Fund:		
Road Circulation Fund	75,388	-
Total	$ 451,675	$ 451,675

Interfund transfers for operations as of June 30, 2017 were as follows:

Fund	Transfer In	Transfer Out
General Fund	$ 228,313	$ 200,870
Special Revenue Funds:		
Streets and Roads Fund	224,512	-
Non-major funds	-	251,955
Total	$ 452,825	$ 452,825

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

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

NOTE 7: INTERFUND TRANSACTIONS (continued)

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

Fund	Transfer In	Transfer Out
Special Revenue Funds:		
Non-major funds	$ 6,842	$ 6,842
Total	$ 6,842	$ 6,842

NOTE 8: FUND DEFICITS

The following funds had deficit fund balances as of June 30, 2017:

Fund	Deficit
Special Revenue Funds:	
Streets and Roads Fund	$ (770,847)
Non-major funds:	
Special revenue funds:	
Master Plan Fund	(31,537)

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

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

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates as a percent of annual payroll for the Town as of June 30, 2017 were as follows:

	Active employee contribution	Average employer contribution
Miscellaneous plan	7.000%	8.377%

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

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

Benefits provided. CalPERS provides retirement and disability benefits based on two different valuation plans; Classic and PEPRA. Classic members are those employees who were in the CalPERS retirement system before January 1, 2016. PEPRA members are employees who have been hired and added to the CalPERS system subsequent to December 31, 2013. Retirement benefits for Classic plan members are calculated as 3 percent of the member's highest 3-year average salary times the member's years of service. Plan members with 5 years of accumulated service are eligible to retire at age 60. Classic plan members may retire at any age after 30 years of service. PEPRA (Public Employees' Pension Reform Act) employees retirement benefits are calculated at 2% of the Plan members 3-highest years averaged salaries times the number of years of service and are eligible to retire at age 62. All plan members are eligible for non-duty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. A plan member who leaves Town service may withdraw his or her contributions, plus any accumulated interest.

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

Contributions. The Town of Loomis, California is required to contribute at the actuarially determined rate necessary to fund the benefits for it members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution for fiscal year ended June 30, 2017 was $52,323 and the employee contribution was $30,629. The amount of contributions paid by the Town totaled $82,952 for the year ended June 30, 2017.

PEPRA employees are required to pay no less than 50% of the actuarially determined cost of the retirement plan. For the fiscal year ending June 30, 2017, the total actuarially determined cost of retirement for PEPRA participants is 12.5% of payroll. PEPRA participants pay 6.25% of payroll into the plan.

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

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

Actuarial valuations. For the measurement period ending June 30, 2016 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. Both the June 30, 2014 total pension liability and the June 30, 2016 total pension liability were based on the following actuarial methods and assumptions:

Valuation date	June 30, 2015
Measurement date	June 30, 2016
Measurement period	July 1, 2015 to June 30, 2016
Actuarial cost method	Entry Age Normal
Asset valuation method	Acturial value of assets
Actuarial assumptions:	
Inflation rate	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50% net of pension plan investment and administrative expenses
Mortality rate table	The probabilities of mortality are based on the 2010 CalPRES Experience Study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.
Retirement age	The probabilities of retirement are based on the 2010 CalPRES Experience Study for the period from 1997 to 2007.

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

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

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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

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

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

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

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

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

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

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

	Discount Rate		
	1.00% Decrease (6.65%)	Current (7.65%)	1.00% Decrease (8.65%)
Plan's net pension liability:			
Miscellaneous plan	$1,735,696	$1,114,072	$ 600,332

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

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

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

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Pension expense and deferred outflows and deferred inflows. For the measurement period ended June 30, 2016 (the measurement date), the Town incurred a pension expense/(income) as follows:

	Risk pool total	City share Expense (Income)	% of total pool
Miscellaneous plan	$ 396,802,310	$ 90,312	0.02276%

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

As of June 30, 2016, the Town reports other amounts for the Plan as deferred outflows and deferred inflows of resources related to pensions as follows:

Measurement date:	June 30, 2015		June 30, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (37,662)	$ 2,758	$ (632)
Changes in assumptions	3,981	-	-	(26,097)
Net difference between projected and actual earnings on pension plan investments	-	(115,414)	218,765	(82,937)
Adjustment due to differences in proportions	10,632	-	-	-
TOTAL	$ 14,613	$ (153,076)	$ 221,523	$ (109,666)

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Measurement period ended June 30:	Town's Miscellaneous Plan
2016	$ 6,526
2017	9,119
2018	61,031
2019	35,181
2020	-
Thereafter	-

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

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/ (Asset)
MISCELLANEOUS PLANS:			
Balance at June 30, 2015, valuation date	$ 13,639,503,084	$ 10,896,036,068	$ 2,743,467,016
Changes recognized for the measurement period:			
Service cost	342,270,235	-	342,270,235
Interest on the total pension liability	1,032,800,538	-	1,032,800,538
Changes in benefit terms	1,070,612	-	1,070,612
Differences between expected and actual experience	(3,805,440)	-	(3,805,440)
Net plan to plan resource movement	-	23,835,877	(23,835,877)
Changes in assumptions	-	-	-
Contributions from the employers	-	406,781,720	(406,781,720)
Contributions from the employees	-	160,736,159	(160,736,159)
Net investment income	-	57,319,044	(57,319,044)
Benefit payments, including refunds of employee contributions	(614,485,499)	(614,485,499)	-
Administrative expenses	-	(6,747,082)	6,747,082
Net change for the year	757,850,446	27,440,219	730,410,227
Balance at June 30, 2016, measurement date	$ 14,397,353,530	$ 10,923,476,287	$ 3,473,877,243

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

			Increase (decrease) in pension expense arising from the recognition of the effects of changes in assumptions (Measurement Dates)				
Measurement date	Initial Changes of Assumptions	Remaining period (Years)	2016	2017	2018	2019	Thereafter
2014	$ -	-	$ -	$ -	$ -	$ -	$ -
2015	(242,065,946)	2.80	(63,701,565)	(63,701,565)	(50,961,251)	-	-
2016	-	-	-	-		-	-
Net increase (decrease) in pension expense			$ (63,701,565)	$ (63,701,565)	$ (50,961,251)	$ -	$ -

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

	Net increase (decrease) in pension expense (Measurement Periods)					
	2016	2017	2018	2019	2020	Thereafter
Changes in assumptions	$ (63,701,565)	$ (63,701,565)	$ (50,961,251)	$ -	$ -	$ -
Differences between expected and actual experience	5,704,614	5,704,614	4,357,991	(719,949)	-	-
Differences between projected and actual earnings on pension plan investments	86,669,644	86,669,644	86,669,643	268,869,055	154,573,554	-
GRAND TOTAL	$ 28,672,693	$ 28,672,693	$ 40,066,383	$ 268,149,106	$ 154,573,554	$ -

NOTE 10: POST-EMPLOYMENT HEALTH CARE BENEFITS

Plan Description

The Town's employees are eligible for post-retirement health benefits if they meet certain service year requirements and retire upon separation from the Town. The Town has computed the post-employment benefits using the alternative measurement method permitted under GASB No. 45. The Town has use information from the Town's payroll records to develop all significant assumptions and methods. The liability has not been funded nor has a trustee been appointed. The benefit provisions are to be established and may be amended by the Town Council. The plan currently does not issue stand-alone financial statements.

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

Basis of Accounting

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

Funding Policy

Future contribution requirements of plan members, if any, and the Town will be established and amended as needed by the Town Council. The required contribution will be based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined annually by the Council. For 2017 and 2016, the Town paid monthly premiums totaling $7,975 and $7,812, respectively. The projected liabilities were $183,813 and $206,576 for the year ended June 30, 2017 and 2016, respectively.

Annual OPEB Cost and Net OPEB Obligation

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

	2017	2016
Annual required contribution	$ 24,236	$ 46,483
Interest on net OPEB obligation	1,090	2,092
Payments made	(7,975)	(7,812)
Increase in net OPEB obligation	17,351	40,763
Net OPEB obligation, July 1	122,222	81,459
Net OPEB obligation, June 30	$ 139,573	$ 122,222

The ARC was determined as part of the June 30, 2017 alternative measurement method computation. The ARC rate was 3.45% and 7.23% of annual covered payroll for the fiscal years ended June 30, 2017 and 2016, respectively.

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

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

Year ended June 30,	Annual OPEB Cost	Percentage of annual OPEB cost contributed	Increase OPEB obligation
2015	$ 43,844	59.95%	$ 26,286
2016	48,575	83.92%	40,763
2017	25,326	68.51%	17,351

Funded Status and Funding Process

The funded status of the liability was as follows:

	2017	2016
Accrued liability (AL)	$ 183,813	$ 206,576
Value of plan assets contributed	-	-
Adjustment to prior plan assets	-	-
Unfunded accrued liability (UAL)	$ 183,813	$ 206,576
Funded ratio (value of plan assets/AL)	0.00%	0.00%
Covered payroll (active plan members)	$ 702,040	$ 642,524
UAL as a percentage of covered payroll	26.18%	32.15%

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

Actuarial Methods and Assumptions

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

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

In the June 30, 2016, the alternative measurement method was used. The assumptions included a 4.00% investment rate of return (net of administrative expenses), discount rate of 4.50% and average salary increases of 3.30%. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level percent of payroll over the participants' working lifetime. There are no plan assets as of June 30, 2017 and 2016. The unfunded actuarial accrued liability will be amortized using the flat dollar amount method over 25 years.

NOTE 11: COMMITMENTS

The Town has commitments for various town projects. As of June 30, 2017, the project balances were as follows:

	Contract Amount	Expended through June 30, 2017	Contract Balance
Loomis Town Center Implementation Plan	$ 2,422,911	$ 379,686	$ 2,802,597
Downtown Master Plan	150,000	55,180	205,180
TOTAL	$ 2,572,911	$ 434,866	$ 3,007,777

NOTE 11: PRIOR PERIOD ADJUSTMENT

For the fiscal year ended June 30, 2016, the other post-employment benefits liabilities, pension liabilities and related deferred inflows and outflows of resources that were long-term in nature were included in the fund statements of the Town. As a result, the General Fund liabilities and deferred inflows and outflows of resources were overstated with a corresponding understatement of fund equity as follows:

Deferred outflows of resources	
Pension payments	$ 261,816
Post-employment benefits liability	(122,222)
Net pension liability	(738,347)
Deferred inflows of resources:	
Pension receipts	(153,076)
TOTAL	$ (751,829)

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF LOOMIS, CALIFORNIA

SCHEDULE OF NET PENSION LIABILITY
AS OF JUNE 30, 2017

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

June 30, 2015			June 30, 2016		
Aggregate data	Town of Loomis	Percent of Town to Aggregate data	Aggregate data	Town of Loomis	Percent of Town to Aggregate data
$ 13,639,503,084	$ 4,470,893	0.03278%	$ 14,397,353,530	$ 4,617,231	0.03207%
(10,896,036,068)	(3,732,546)	0.03426%	(10,923,476,287)	(3,603,655)	0.03299%
$ 2,743,467,016	$ 738,347	0.02691%	$ 3,473,877,243	$ 1,013,576	0.02918%
$ 82,440,377	$ -		$ -	$ -	
$ 10,813,595,691	$ 3,732,546		$ 10,923,476,287	$ 3,603,655	
	$ 677,599			$ 666,518	
	108.97%			152.07%	
	83.49%			78.05%	

TOWN OF LOOMIS, CALIFORNIA

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2017
LAST TEN FISCAL YEARS*

	Measurement date: June 30, 2014					
	Plan total pension liability	Plan fiduciary net position	Plan net pension liability/ (asset)	Net position as a % of pension liability	Net position liability as a percentage of payroll	Plan total pension liability
MISCELLANEOUS PLAN:						
Valuation date	$ 4,138,907	$ 3,162,781	$ 976,126	23.58%	147.80%	$4,385,212
Measurement date	4,385,212	3,688,514	696,698	15.89%	105.49%	4,470,893
Net change for the year	$ 246,305	$ 525,733	$ (279,428)			$ 85,681
Percentages to total pool						
At the valuation date	0.033450%	0.034760%	-			0.032779%
At the measurement date	-	-	0.028190%			-
Covered employee payroll			$ 660,429			

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

Measurement date: June 30, 2015				Measurement date: June 30, 2016				
Plan fiduciary net position	Plan net pension liability/ (asset)	Net position as a % of pension liability	Net position liability as a percentage of payroll	Plan total pension liability	Plan fiduciary net position	Plan net pension liability/ (asset)	Net position as a % of pension liability	Net position liability as a percentage of payroll
$ 3,688,514	$ 696,698	15.89%	102.82%	$4,470,893	$3,732,546	$ 738,347	16.51%	110.78%
3,732,546	738,347	16.51%	108.97%	4,617,231	3,603,655	1,013,576	21.95%	152.07%
$ 44,032	$ 41,649			$ 146,338	$ (128,891)	$ 275,229		
0.034256%	-			0.032700%	0.032990%	-		
-	0.026913%					0.029177%		
	$ 677,599					$ 666,518		

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COMBINING FUND FINANCIAL STATEMENTS

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	TOTALS
ASSETS			
ASSETS:			
Cash and cash equivalents	$ 731,989	$ 1,627,914	$ 2,359,903
Receivables:			
Accounts receivable	3,643	-	3,643
Due from other governments	15,859	-	15,859
TOTAL ASSETS	$ 751,491	$ 1,627,914	$ 2,379,405
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities	$ 6,036	$ -	$ 6,036
Due to other funds	31,813	-	31,813
TOTAL LIABILITIES	37,849	-	37,849
FUND BALANCES:			
Restricted for capital projects	-	1,627,914	1,627,914
Committed to subsequent year's expenditure	10,094	-	10,094
Unassigned	703,548	-	703,548
TOTAL FUND BALANCES	713,642	1,627,914	2,341,556
TOTAL LIABILITIES AND FUND BALANCES	$ 751,491	$ 1,627,914	$ 2,379,405

TOWN OF LOOMIS, CALIFORNIA

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

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	TOTALS
REVENUES:			
Tax revenues	$ 149,128	$ -	$ 149,128
License, fees and permits	5,257	99,416	104,673
Intergovernmental revenues	195,431	-	195,431
Investment income	4,982	11,789	16,771
TOTAL REVENUES	354,798	111,205	466,003
EXPENDITURES:			
Current:			
General government	105,176	-	105,176
Public safety	100,000	-	100,000
Public works	50,960	-	50,960
Debt service:			
Interest costs	305	-	305
TOTAL EXPENDITURES	256,441	-	256,441
EXCESS OF REVENUES OVER EXPENDITURES	98,357	111,205	209,562
OTHER FINANCING USES:			
Transfers out	(23,642)	(228,313)	(251,955)
TOTAL OTHER FINANCING	(23,642)	(228,313)	(251,955)
NET CHANGE IN FUND BALANCES	74,715	(117,108)	(42,393)
FUND BALANCES, JULY 1	638,927	1,745,022	2,383,949
FUND BALANCES, JUNE 30	$ 713,642	$ 1,627,914	$ 2,341,556

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2017

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law En-forcement Fund
ASSETS					
Cash and investments	$ 81,691	$ 347,429	$ 219,895	$ -	$ 79,486
Receivables:					
Accounts receivable	-	-	3,643	-	-
Due from other governments	-	-	-	15,859	-
TOTAL ASSETS	$ 81,691	$ 347,429	$ 223,538	$ 15,859	$ 79,486
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	$ -	$ -	$ -	$ -	$ 6,025
Due to other funds	-	-	-	197	-
TOTAL LIABILITIES	-	-	-	197	6,025
FUND BALANCES (DEFICIT):					
Committed to subsequent year's expenditure	-	-	10,094	-	-
Unassigned	81,691	347,429	213,444	15,662	73,461
TOTAL FUND BALANCES	81,691	347,429	223,538	15,662	73,461
TOTAL LIABILITIES AND FUND BALANCES	$ 81,691	$ 347,429	$ 223,538	$ 15,859	$ 79,486

Bike Lane Fund	Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	TOTALS
$ -	$ 79	$ 1,137	$ 2,272	$ 731,989
-	-	-	-	3,643
-	-	-	-	15,859
$ -	$ 79	$ 1,137	$ 2,272	$ 751,491
$ -	$ -	$ -	$ 11	$ 6,036
-	31,616	-	-	31,813
-	31,616	-	11	37,849
-	-	-	-	10,094
-	(31,537)	1,137	2,261	703,548
-	(31,537)	1,137	2,261	713,642
$ -	$ 79	$ 1,137	$ 2,272	$ 751,491

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Gas Tax Funds	Tree Removal Fund	AB 939 Fund	Transit Fund	Supplemental Law Enforcement Fund
REVENUES:					
Tax revenues	$ 134,421	$ -	$ 14,707	$ -	$ -
License, fees and permits	-	4,640	-	-	-
Intergovernmental	-	-	-	66,107	129,324
Investment income	854	2,453	1,223		434
TOTAL REVENUES	135,275	7,093	15,930	66,107	129,758
EXPENDITURES:					
Current:					
General government	89,576	-	15,600	-	-
Public safety	-	-	-	-	100,000
Public works	-	-	-	50,774	-
Debt service:					
Interest costs	-	-	-	197	-
TOTAL EXPENDITURES	89,576	-	15,600	50,971	100,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,699	7,093	330	15,136	29,758
OTHER FINANCING USES:					
Transfers out	-	-	-	-	-
TOTAL OTHER FINANCING	-	-	-	-	-
NET CHANGE IN FUND BALANCES	45,699	7,093	330	15,136	29,758
FUND BALANCES (DEFICITS), JULY 1	35,992	340,336	223,208	526	43,703
FUND BALANCES (DEFICITS), JUNE 30	$ 81,691	$ 347,429	$ 223,538	$ 15,662	$ 73,461

Bike Lane Fund	Master Plan Fund	Westside Specific Plan Fund	State Disability Access Fund	TOTALS
$ -	$ -	$ -	$ -	$ 149,128
-	-	-	617	5,257
-	-	-	-	195,431
-	-	-	18	4,982
-	-	-	635	354,798
-	-	-	-	105,176
-	-	-	-	100,000
-	-	-	186	50,960
-	108	-	-	305
-	108	-	186	256,441
-	(108)	-	449	98,357
(23,642)	-	-	-	(23,642)
(23,642)	-	-	-	(23,642)
(23,642)	(108)	-	449	74,715
23,642	(31,429)	1,137	1,812	638,927
$ -	$ (31,537)	$ 1,137	$ 2,261	$ 713,642

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET
MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2017

	Hunters Crossing Fund	Loomis Maintenance District I Fund	Loomis Maintenance District II Fund	Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
ASSETS							
Cash and investments	$283,727	$4,959	$27,669	$343,027	$250,794	$125,428	$176,497
Receivables:							
Assessments receivable	-	25	52	-	-	136	250
TOTAL ASSETS	$283,727	$4,984	$27,721	$343,027	$250,794	$125,564	$176,747
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES:							
Restricted for maintenance districts	283,727	4,984	27,721	343,027	250,794	125,564	176,747
TOTAL LIABILITIES AND FUND BALANCES	$283,727	$4,984	$27,721	$343,027	$250,794	$125,564	$176,747

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 Mon-serat Fund	TOTALS
$ 99,286	$ 166,086	$ 22,075	$ 262,758	$ 3,000	$118,473	$ 265,851	$220,844	$ 303,536	$2,674,010
154	390	48	542	-	332	860	1,099	1,964	5,852
$ 99,440	$ 166,476	$ 22,123	$ 263,300	$ 3,000	$118,805	$ 266,711	$221,943	$ 305,500	$2,679,862
$ -	$ -	$ 100	$ -	$ -	$ -	$ -	$ -	$ -	$ 100
-	-	100	-	-	-	-	-	-	100
99,440	166,476	22,023	263,300	3,000	118,805	266,711	221,943	305,500	2,679,762
$ 99,440	$ 166,476	$ 22,123	$ 263,300	$ 3,000	$118,805	$ 266,711	$221,943	$ 305,500	$2,679,862

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR MAINTENANCE DISTRICTS SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Hunters Crossing Fund	Loomis Maintenance District I Fund	Loomis Maintenance District II Fund	Heather Heights Fund	Sunrise Loomis Fund	Live Oak Fund	Loomis Acres Fund
REVENUES:							
Tax revenues	$ 7,512	$ 500	$ 1,030	$ 8,802	$ 6,706	$ 9,793	$ 4,996
Investment income	1,975	-	193	2,384	1,745	867	1,231
TOTAL REVENUES	9,487	500	1,223	11,186	8,451	10,660	6,227
EXPENDITURES:							
Current:							
General government	803	5	10	88	67	96	50
Public works	-	23	-	-	-	-	-
TOTAL EXPENDITURES	803	28	10	88	67	96	50
NET CHANGE IN FUND BALANCES	8,684	472	1,213	11,098	8,384	10,564	6,177
FUND BALANCES, JULY 1	275,043	4,512	26,508	331,929	242,410	115,000	170,570
FUND BALANCES, JUNE 30	$ 283,727	$4,984	$27,721	$ 343,027	$250,794	$ 125,564	$176,747

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 Mon-serat Fund	TOTALS
$ 3,084	$ 7,802	$ 960	$ 10,836	$ -	$ 6,639	$ 17,195	$ 21,971	$ 39,279	$ 147,105
691	1,145	154	1,828	-	825	1,850	1,488	2,097	18,473
3,775	8,947	1,114	12,664	-	7,464	19,045	23,459	41,376	165,578
337	-	9	108	-	66	172	219	393	2,423
-	2,887	-	563	-	-	-	9,566	2,482	15,521
337	2,887	9	671	-	66	172	9,785	2,875	17,944
3,438	6,060	1,105	11,993	-	7,398	18,873	13,674	38,501	147,634
96,002	160,416	20,918	251,307	3,000	111,407	247,838	208,269	266,999	2,532,128
$ 99,440	$166,476	$22,023	$263,300	$ 3,000	$ 118,805	$266,711	$221,943	$305,500	$2,679,762

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
AS OF JUNE 30, 2017

	Drainage Fund	Community Facilities Capital Projects Fund	Park Fee Fund	TOTALS
ASSETS				
Cash and investments	$246,540	$ 717,430	$663,944	$1,627,914
TOTAL ASSETS	$246,540	$ 717,430	$663,944	$1,627,914
FUND BALANCES				
Restricted for capital projects	$246,540	$ 717,430	$663,944	$1,627,914
TOTAL FUND BALANCES	$246,540	$ 717,430	$663,944	$1,627,914

TOWN OF LOOMIS, CALIFORNIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Drainage Fund	Community Facilities Capital Projects Fund	Park Fee Fund	TOTALS
REVENUES:				
License, fees and permits	$ 6,076	$ 25,630	$ 67,710	$ 99,416
Investment income	1,754	5,048	4,987	11,789
TOTAL REVENUES	7,830	30,678	72,697	111,205
OTHER FINANCING USES:				
Transfers out	-	(228,313)	-	(228,313)
TOTAL OTHER FINANCING	-	(228,313)	-	(228,313)
NET CHANGE IN FUND BALANCES	7,830	(197,635)	72,697	(117,108)
FUND BALANCES, JULY 1	238,710	915,065	591,247	1,745,022
FUND BALANCES, JUNE 30	$ 246,540	$ 717,430	$ 663,944	$1,627,914

TOWN OF LOOMIS, CALIFORNIA

COMBINING BALANCE SHEET - AGENCY FUNDS
AS OF JUNE 30, 2017

	Revolving Funds	County Facilities Fees	Dry Creek Watershed Fees	TOTALS
ASSETS				
Cash and investments	$ 877,479	$ 16,516	$ 1,229	$ 895,224
TOTAL ASSETS	$ 877,479	$ 16,516	$ 1,229	$ 895,224
LIABILITIES				
Accounts payable and accrued liabilities	$ 15,176	$ 4,054	$ 622	$ 19,852
Due to other agencies	862,303	12,462	607	875,372
TOTAL LIABILITIES	$ 877,479	$ 16,516	$ 1,229	$ 895,224

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
REVOLVING FUNDS:				
ASSETS				
Cash and investments	$ -	$1,160,107	$ (282,628)	$ 877,479
Due from other governments or agencies	67,053	-	(67,053)	-
TOTAL ASSETS	$ 67,053	$1,160,107	$ (349,681)	$ 877,479
LIABILITIES				
Accounts payable and accrued liabilties	$ 24,462	$ 128,977	$ (138,263)	$ 15,176
Due to other Town funds	9,715	-	(9,715)	-
Due to other agencies	32,876	1,261,298	(431,871)	862,303
TOTAL LIABILITIES	$ 67,053	$1,390,275	$ (579,849)	$ 877,479
COUNTY FACILITIES FEE:				
ASSETS				
Cash and investments	$ 28,584	$ 26,590	$ (38,658)	$ 16,516
TOTAL ASSETS	$ 28,584	$ 26,590	$ (38,658)	$ 16,516
LIABILITIES				
Accounts payable and accrued liabilties	$ 17,748	$ 24,285	$ (37,979)	$ 4,054
Due to other agencies	10,836	26,590	(24,964)	12,462
TOTAL LIABILITIES	$ 28,584	$ 50,875	$ (62,943)	$ 16,516
DRY CREEK WATERSHED FEES:				
ASSETS				
Cash and investments	$ 2,400	$ 12,850	$ (14,021)	$ 1,229
TOTAL ASSETS	$ 2,400	$ 12,850	$ (14,021)	$ 1,229
LIABILITIES				
Accounts payable and accrued liabilties	$ 1,793	$ 12,850	$ (14,021)	$ 622
Due to other agencies	607	3,110	(3,110)	607
TOTAL LIABILITIES	$ 2,400	$ 15,960	$ (17,131)	$ 1,229

(Continued)

TOWN OF LOOMIS, CALIFORNIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
TOTAL ALL AGENCY FUNDS:				
ASSETS				
Cash and investments	$ 30,984	$1,199,547	$ (335,307)	$ 895,224
Due from other governments or agencies	67,053	-	(67,053)	-
TOTAL ASSETS	$ 98,037	$1,199,547	$ (402,360)	$ 895,224
LIABILITIES				
Accounts payable and accrued liabilties	$ 44,003	$ 166,112	$ (190,263)	$ 19,852
Due to other funds	9,715	-	(9,715)	-
Due to other agencies	44,319	1,290,998	(459,945)	875,372
TOTAL LIABILITIES	$ 98,037	$1,457,110	$ (659,923)	$ 895,224

OTHER REPORTS

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BOLER & ASSOCIATES

PROFESSIONAL ACCOUNTANCY CORPORATION
750 F STREET • DAVIS, CA 95616 (530) 756-1735

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

To the Town Council
Town of Loomis
Loomis, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California as of and for the year ended June 30, 2017, 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 October 30, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

October 30, 2017

Attachment B

TOWN OF LOOMIS, CALIFORNIA

REPORT ON AGREED-UPON PROCEDURES ON THE APPROPRIATIONS LIMIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

BOLER & ASSOCIATES

PROFESSIONAL ACCOUNTANCY CORPORATION
750 F STREET • DAVIS, CA 95616 (530) 756-1735

REPORT ON AGREED-UPON PROCEDURES ON THE APPROPRIATIONS LIMIT

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

We have applied the procedures enumerated below to the accompanying Appropriations Limit worksheet number 6 of the Town of Loomis for the year ended June 30, 2017. These procedures, which were agreed to by the League of California Cities and presented in their Article XIIIB Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 of Article XIIIB of the California Constitution. The Town of Loomis's management is responsible for the Appropriations Limit Worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Town of Loomis. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

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

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

2. For the accompanying Appropriations Limit Worksheet, we added line A, last year's limit, to line E, total adjustments, and agreed the resulting amount to line F, this year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other worksheets described in number 1 above.

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

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

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

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

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

October 30, 2017

Attachment A

TOWN OF LOOMIS, CALIFORNIA

APPROPRIATIONS LIMIT
WORKSHEET NUMBER 6
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	AMOUNT
A. *LAST YEAR'S LIMIT (APPROVED BY RESOLUTION NO. 15-10, Dated June 9, 2015)*	$ 6,610,916
B. *ADJUSTMENT FACTORS*	
1. Population percentage	100.96000%
2. Personal income percentage	105.37000%
Total Adjustment Percentage	106.38155%
C. *ANNUAL DOLLAR ADJUSTMENT*	421,880
D. *OTHER ADJUSTMENTS*	
Unreconciled difference	-
Transfer to private	-
Transfer to fees	-
Assumed responsibility	-
Rounding	(1)
Subtotal	(1)
E. *TOTAL ADJUSTMENTS*	421,879
F. *THIS YEAR'S LIMIT (APPROVED BY RESOLUTION NO. 16-19, Dated June 14, 2016)*	$ 7,032,795

Attachment C

TOWN OF LOOMIS, CALIFORNIA

COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

BOLER & ASSOCIATES

PROFESSIONAL ACCOUNTANCY CORPORATION
750 F STREET • DAVIS, CA 95616 (530) 756-1735

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Town Council
Town of Loomis, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Loomis, California for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 10, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Loomis, California are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Capital asset lives

Management's estimates of the expected lives of capital assets impacts the computation of the depreciation expense for the year. We evaluated the estimated useful lives of the capital assets for reasonableness and consistency. The resulting depreciation expense computations were reviewed for reasonableness in relation to the financial statements taken as a whole.

Deferred inflows (outflows) of Resources
Management's estimate of the deferred inflows (outflows) of resources is based evaluations as to whether the resources are available to pay current liabilities or if the Town had completed the earning process. We evaluated the key factors and assumptions used to develop the deferred inflows (outflows) of resources balances in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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

Management Representations
We have requested certain representations from management that are included in the management representation letter dated October 30, 2017.

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

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

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

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

Restriction on Use

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

October 30, 2017