



COMMISSIONERS

Joshua Alpine
Chair
(Special District)

Anthony DeMattei
(County)

Whitney Eklund
Vice Chair
(City)

Judy Friedman
(Special District)

Cindy Gustafson
(County)

Sean Lomen
(City)

Susan Rohan
(Public)

ALTERNATE COMMISSIONERS

Shanti Landon
(County)

Cherri Spriggs
(Public)

Scott Wilson
(Special District)

Stephanie
Youngblood
(City)

COUNSEL

Michael Walker
General Counsel

STAFF

Colette Santsche
Interim Executive
Officer

Amanda Ross
Acting Assistant
Executive Officer

Amy Engle
Commission
Clerk/Analyst

Wednesday, March 11, 2026, 4:00 PM

This meeting will be open to in-person and virtual attendance.

Commission members may attend the meeting in person or remotely.

Commissioner Friedman
905 North Lake Boulevard, Suite 103, Tahoe City, CA

Commissioner Wilson
611 Ocean Street, Santa Cruz, CA 95060

Placer County Administrative Building – Board of Supervisors’
Chambers
175 Fulweiler Avenue Auburn, CA 95603

To attend remotely via Zoom:

Online: <https://placer-ca-gov.zoom.us/j/95142854847>

By telephone: +1 888 788 0099 (Toll Free) or 877 853 5247 (Toll Free)

Webinar ID: 951 4285 4847

AGENDA

1. CALL TO ORDER AND SALUTE TO THE FLAG
2. ROLL CALL
3. REPORTS FROM STAFF
 - A. Commissioner Terms Update and Selection Process
 - B. Updates to Commissioner Requirements
 - C. CALAFCO 2026 Events
4. CHANGES AND APPROVAL OF THE AGENDA

5. PUBLIC COMMENTS

This is an opportunity for the public to speak to the Commission on any subject within its jurisdiction that is not on today's agenda. You *may* (but are not required to) submit a speaker card before the first speaker is called, and comments are limited to 3 minutes. Items from the public will be considered without discussion by the Commission and may be referred to staff.

6. CONSENT ITEMS

- A. Minutes from the meeting of February 11, 2026
- B. Financial Report January 2026
- C. **Planwest Partners Inc. Contract Amendment.** The Commission will consider an amendment to the contract with Planwest Partners Inc. for continued Interim Executive Officer duties.
- D. **Norman Dowler LLP Contract Amendment.** The Commission will consider an amendment to the contract with Norman Dowler LLP for continued legal support.

7. BUSINESS ITEMS

- A. **LAFCO Financial Audit Report on Fiscal Years 2023 and 2024.** The FY 2022-2023 and 2023-2024 audit report conducted by James Marta & Company LLP and accompanying management letter will be presented to the Commission for formal acceptance and filing.
- B. **Draft Disadvantaged Unincorporated Communities (DUC) Mapping.** The Commission will receive draft disadvantaged unincorporated communities (DUC) mapping prepared by RSG, Inc. and open an agency review period before the maps return to the Commission in final form for formal acceptance.
- C. Executive Officer's Report.

8. CLOSED SESSION ATTENDANCE

The Commission will determine whether the alternate commissioners have an "essential role to play" in the following closed session items and thus may attend the closed sessions.

9. CLOSED SESSION

PUBLIC EMPLOYMENT (Gov. Code § 54954.5(e))
Title: Executive Officer

10. COMMISSIONER COMMENTS

This is an opportunity for Commissioners to comment on issues not listed on the agenda, if the subject matter falls within the Commission's jurisdiction. No discussion or action may take place unless the item is scheduled for a future meeting and approved by the majority of the Commission.

11. ADJOURNMENT

The next Commission meeting is scheduled for Wednesday, April 8, 2026, at 4:00 PM.

PUBLIC ACCESS AND PUBLIC COMMENTS INSTRUCTIONS

Materials related to an item on this agenda are available for public inspection at the LAFCO office, 110 Maple Street, Auburn, CA, during regular business hours and on LAFCO's website at <https://www.placerlafcocca.gov/>

LAFCO regular meetings are held in person and virtually. Meeting recordings are posted online within a week following the LAFCO meeting.

Members of the public may submit their comments in written form to the Commission via U.S. mail to Placer LAFCO's office or via email to lafco@placer.ca.gov. Please indicate the agenda item number, if any. If you want your comments read into the record, please indicate so in the subject line and limit the comments to no more than 500 words. For public hearings, the Chair will announce the opening and closing of the public hearing. The Chair will call for oral public comments. Please limit your comments to 3 minutes.

AMERICAN DISABILITY ACT COMPLIANCE

In compliance with the Americans with Disabilities Act, if you are a disabled person and need a disability-related modification or accommodation to participate in this meeting fully, please contact Amy Engle, Commission Clerk, at (530) 889-4602 or aengle@placer.ca.gov. Requests must be made as early as possible and at least two business days before the start of the meeting.

CAMPAIGN CONTRIBUTION DISCLOSURE

If you wish to participate in any proceeding involving a change of organization, reorganization, or other entitlement, you are prohibited from making a campaign contribution of more than \$500 to any Commissioner or Alternate Commissioner as described in Government Code section 84308. This prohibition begins on the date you begin to actively support or oppose an application pending before LAFCO and continues for 12 months after LAFCO renders a final decision. No Commissioner or

Alternate Commissioner may solicit or accept a campaign contribution of more than \$500 from you or your agent during this period if the Commission or Alternate Commissioner knows or has reason to know that you will participate in the proceeding. If you or your agent have contributed more than \$500 to any Commissioner or Alternate Commissioner during the 12 months preceding the decision, that Commissioner or Alternate Commissioner must disqualify himself or herself from the proceeding. However, disqualification is not required if the Commissioner or Alternate Commissioner returns the campaign contribution within 30 days from the time the Commissioner or Alternate Commissioner makes any decision, or knows, or should have known, about the contribution and the proceeding, whichever comes last.



STAFF REPORT

COMMISSIONERS

Joshua Alpine
Chair
(Special District)

DATE: March 11, 2026

Anthony DeMattei
(County)

TO: Chair Alpine and members of the Commission

Whitney Eklund
Vice Chair
(City)

FROM: Amy Engle, Commission Clerk/Analyst
Colette Santsche, Interim Executive Officer

Judy Friedman
(Special District)

SUBJECT: Commissioner Terms Update and Selection Process
Status

Cindy Gustafson
(County)

Sean Lomen
(City)

Susan Rohan
(Public)

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SUMMARY

The following information updates the "Commissioner Terms for 2026" staff report presented at the January 21, 2026, LAFCO meeting to provide corrected term expiration dates and a status update on the active Special District nomination process.

BACKGROUND

Placer LAFCO's Commission consists of seven regular members and four alternates. Pursuant to Government Code section 56334, members typically serve four-year terms.

As clarified during the January 21, 2026, Commission meeting, the Public Member seat currently held by Susan Rohan expires in 2027, not 2026. Therefore, only the following seats are scheduled for transition or recruitment in May 2026.

- Special District Member: Currently held by Commissioner Judy Friedman.
- City Member: Currently held by Commissioner Sean Lomen (Colfax).
- Alternate City Member: Currently held by Commissioner Stephanie Youngblood (Loomis).

DISCUSSION

Special District Member Selection

The Independent Special District Selection Committee, which is composed of the presiding officers of the 37 independent special districts, is currently in the process of filling the seat held by Commissioner Friedman.

A "Call for Nominations" was issued on February 10, 2026, with the nominations due to LAFCO by March 17, 2026, by 4 PM. If only one valid nomination is received by the deadline, that nominee will be deemed appointed and seated at the May meeting. However, if more than one candidate is nominated, a mail-ballot election will be conducted between March 20 and May 4, 2026. For such an election to be valid, LAFCO must receive at least 19 votes, representing a quorum of the 37 independent special districts in Placer County.

City Member Rotation and Loomis Tenure

The City Selection Committee, which is comprised of the mayors of each city and town in Placer County, utilizes a regional rotation system to ensure balanced representation between larger western cities and smaller eastern cities.

- Primary Representative One: Colfax's term (2022–2026) is expiring
 - Loomis is scheduled for the 2026–2030 term.
- Alternate Representative: Loomis's alternate term (2022–2026) is expiring
 - Rocklin is scheduled for the 2026–2028 term.

The Town of Loomis is scheduled to have an eight-year presence on LAFCO because of the transition from an alphabetical rotation to the current regional system for city members. The City Selection Committee authorized a one-time strategy whereby the Town of Loomis serves as the Alternate Representative (2022–2026) and then immediately rotates into a voting Primary Representative seat (2026–2030). This structure ensures that a representative from each geographic category (small/east and large/west) is always present as a voting member on the Commission.

STAFF RECOMMENDATION

Staff recommend the Commission receive and file this report.

ATTACHMENTS

- A. Updated Placer County LAFCO Membership and Terms
- B. Special District Call for Nominations
- C. Administrative Rules & Regulations of the City Selection Committee of Placer County



Placer County Local Agency Formation Commission
110 Maple Street Auburn, CA 95603 | (530) 889-4097

Placer County LAFCO Membership and Terms Through May 2026

Member	Committee(s)	Designation	Representative	Term Expiration
Anthony DeMattei	Personnel	Regular	County/District 3	Annual Appointment
Cindy Gustafson	Budget	Regular	County/District 5	Annual Appointment
Shanti Landon		Alternate	County/District 2	Annual Appointment
Whitney Eklund (Vice-Chair)	Personnel	Regular	City/Lincoln	05/2028
Sean Lomen	Budget	Regular	City/Colfax	05/2026
Stephanie Youngblood		Alternate	City/Loomis	05/2026
Susan Rohan	Budget/ Personnel	Regular	Public Member	05/2027
Cherri Spriggs	Personnel	Alternate	Public Member	05/2027
Joshua Alpine (Chair)	Personnel	Regular	Special District/Placer County Water Agency	05/2028
Judy Friedman	Budget	Regular	Special District/Tahoe City Public Utility District	05/2026
Scott Wilson		Alternate	Special District/Tahoe Truckee Sanitation Agency	05/2028



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Electronic Transmittal

February 10, 2026

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Executive Officer*

Amy Engle
*Commission
Clerk/Analyst*

TO: Independent Special Districts of Placer County, Presiding Officer
c/o District Clerk

FROM: Colette Santsche, Interim Executive Officer

**SUBJECT: Call for Nominations: Special District Appointment to
Placer LAFCO**

Dear Presiding Officer,

The term of office for one of the regular Special District Representatives on the Placer County Local Agency Formation Commission (LAFCO), currently held by Commissioner Judy Friedman, is scheduled to expire in May 2026. Pursuant to Government Code §56332, the Independent Special District Selection Committee serves as the appointing authority to select a representative for the upcoming four-year term, which will run from May 2026 to May 2030.

You are hereby invited to submit a nomination for this seat. The presiding officer (Board Chair/President) of each independent special district may nominate any director currently serving on an independent special district board within Placer County. Formal board action to nominate a candidate is not required under the statute, but districts may choose to confirm nominations through board minutes if desired.

About Placer LAFCO

Regular Commission meetings are typically held on the second Wednesday of each month at 4:00 PM in the Placer County Board of Supervisors' Chambers, located at 175 Fulweiler Avenue, Auburn, CA. Commissioners are reimbursed for mileage and receive a stipend of \$150 for attending LAFCO meetings. Additional information about Placer LAFCO is available at: <https://www.placerlafcoa.gov>.

Nomination Guidelines and Requirements:

1. **Authorized Signature:** The nomination form must be signed by the district's presiding officer, or the presiding officer's alternate as designated by the governing body. While a formal board action to nominate a candidate is not required under the statute, the signature of the presiding officer or alternate is mandatory.
2. **Designation of Alternate:** If an alternate has been designated by the governing body, please include a copy of the official meeting minutes or minute order documenting this designation.
3. **Statement of Qualifications (Optional):** Providing a "Statement of Qualifications" is at the discretion of the district and is not a requirement for nomination. If submitted, the statement must be limited to one-page and will be distributed to all districts with the ballot package.
4. **Submission Deadline:** The nomination period begins on **Tuesday, February 10, 2026**, and will close on **Tuesday, March 17, 2026, at 4:00 PM**.

Next Steps: Once the nomination period concludes, LAFCO staff will review all nominations for completeness and eligibility. If only one valid nomination is received, that nominee will be deemed appointed. If more than one nomination is received, a mail-ballot election will be conducted. A ballot package—including the statements of qualifications and voting instructions—will be emailed to all 37 independent special districts.

Please submit the completed nomination form and if you choose to provide one, one-page statement of qualifications via email to lafco@placer.ca.gov **no later than 4:00 PM on Tuesday, March 17, 2026**.

Thank you for your commitment to ensuring that independent special districts remain effectively represented on the Commission. Should you have any questions, please contact our office at (530) 889-4097.

Sincerely,



Colette Santsche

Interim Executive Officer Placer LAFCO

lafco@placer.ca.gov

ADMINISTRATIVE RULES & REGULATIONS OF THE CITY SELECTION COMMITTEE OF PLACER COUNTY

RULE I

COMMITTEE MEMBERS

SECTION 1: The Membership of the City Selection Committee of Placer County shall consist of the Mayor of each City/Town within the County.

SECTION 2: The Mayor of each City/Town may designate a member of the City's/Town's Council to attend and vote in his/her absence.

SECTION 3: A majority of the committee members shall constitute a quorum, and no business may be conducted unless a quorum is present. Whenever a quorum is not present, the meeting shall be postponed or adjourned to a subsequent time and place as determined by the Chairman. Action requires the affirmative vote of a majority of the membership then present.

RULE II

OFFICERS

SECTION 1: The Committee shall select a Chairman and Vice Chairman. The Chairman will serve a one year term, with the Vice Chairman automatically succeeding the Chairman the following year. Chairman and Vice Chairman will serve in alphabetical rotation (by city name): Auburn, Colfax, Lincoln, Loomis, Rocklin, Roseville. The Clerk of the Placer County Board of Supervisors, or designee, shall serve as the secretary to the Committee.

SECTION 2: The Chairman may appoint such Committees as he deems necessary.

RULE III

MEETINGS

SECTION 1: Regular meetings of the Committee shall be held the Fourth Thursday of January and May at 5:30 p.m. at the Placer County Administrative Center at 175 Fulweiler Avenue, Auburn, CA. Such regular meetings may be adjourned from day to day, or to any day prior to the next regular meeting day until the business before such Committee is disposed of.

SECTION 2: The Secretary shall give reasonable Notice to each Committee Member of the time, date and place at which a meeting of the Committee is continued.

RULE IV

CONDUCT OF BUSINESS

SECTION 1: All meetings shall be conducted by the Chairman or Vice Chairman.

SECTION 2: The Secretary shall attend all meetings of the Committee, and shall record in writing, all votes and action taken by the Committee, and shall include the name of each member voting and how he/she voted.

SECTION 3: The regular order of business of the Committee shall be:

- A. Roll Call
- D. Public Comment
- C. Adjournment

SECTION 4: The Agenda shall be prepared by the Secretary for each meeting of the Committee, and an abstract of all matters requiring action shall be set forth therein.

SECTION 5: Unless otherwise provided by law, any Rule may be amended, or repealed, at any time, by a majority vote of the entire membership.

SECTION 6: Unless otherwise provided by these Rules, all proceedings before the Committee shall be conducted with and pursuant to the Parliamentary Rules of Procedure, as prescribed in "Roberts Rules of Order", a copy of which is on file in the Office of the Clerk of the Board of Supervisors.

RULE V

PROCEDURE FOR NOMINATING CITY REPRESENTATIVES

TO A COMMITTEE/COMMISSION

SECTION 1: City Representative(s) shall be selected from nominations submitted by the mayors of each City.

SECTION 2: The City selection Committee shall appoint one alternate member in the same manner as it appoints a regular member. If one of the regular city members is absent from a commission meeting, or is disqualified from participating in a meeting, the alternate member may serve and vote in place of that regular city member for that meeting.

If the office of a regular city member becomes vacant, the alternate member may serve and vote in place of the former regular city member until the appointment and qualification of a regular city member to the vacancy.

SECTION 3: The City Representative to the Placer County Local Agency Formation Commission should be selected under the following rotations:

Primary Representative One

Colfax 2022-26
Loomis 2026-30
Auburn 2030-34
Colfax 2034-38

Primary Representative Two

Lincoln 2024-28
Rocklin 2028-32
Roseville 2032-36
Lincoln 2036-40

Alternate Representative

Loomis 2022-26
Rocklin 2026-28
Auburn 2028-30
Roseville 2030-32
Colfax 2032-34
Lincoln 2034-36
Loomis 2036-38

Thereafter the rotation shall restart from above.

SECTION 4: The City Representative to the Remote Access Network Board should be selected under the following rotations:

2025 Loomis
2026 Rocklin
2027 Roseville
2028 Auburn
2029 Colfax
2030 Lincoln
2031 Loomis
2032 Rocklin

Only the Mayor of the representative City may serve on this Board.

SECTION 5: The City Representative to the Truckee Tahoe Airport Land Use Commission should be selected under the following rotations:

Year	Representatives	Alternates
2025	Lincoln	Auburn
2026	Auburn	Lincoln
2027	Lincoln	Auburn
2028	Auburn	Lincoln
2029	Lincoln	Auburn
2030	Auburn	Lincoln
2031	Lincoln	Auburn
2032	Auburn	Lincoln



Placer County Local Agency Formation Commission
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DATE: March 11, 2026
TO: Chair Alpine and members of the Commission
FROM: Amy Engle, Commission Clerk/Analyst
Colette Santsche, Interim Executive Officer
SUBJECT: Updates to Commissioner Requirements: Brown Act,
Form 700, and Training Mandates

SUMMARY

Effective January 1, 2026, newly enacted legislation (SB 707 and SB 827) establishes several new requirements that LAFCO Commissioners must adhere to, including a requirement that Placer LAFCO provide a copy of the Brown Act to newly elected or appointed Commissioners and Alternate Commissioners, a new two-hour fiscal and financial training requirement, and a shortened deadline for certain new members to complete their initial ethics training. The information in this report is presented to the Commission to receive and file.

BACKGROUND

The Political Reform Act (Government Code §§ 81000–91015) requires local government officials to disclose personal assets and income and to disqualify themselves from participating in government decisions that may affect their financial interests. The Fair Political Practices Commission (FPPC) administers these requirements through the Statement of Economic Interests (Form 700).

In 2005, Assembly Bill 1234 (AB 1234) was enacted, requiring local agency officials to complete ethics training within one year of assuming office and every two years thereafter.

Effective January 1, 2026, Senate Bill 827 (SB 827, Chapter 661, Statutes of 2025) expands training requirements for local agency officials, including LAFCO Commissioners and Alternate Commissioners, to include fiscal and financial training. These

requirements are in addition to the existing AB 1234 ethics training and Form 700 filing obligations.

Senate Bill 707 (SB 707) was signed into law on October 3, 2025. It mandates that a local agency must provide a copy of the Brown Act to any person who is elected or appointed to serve as a member of the legislative body of the agency.

DISCUSSION

Form 700 – Statement of Economic Interests

Upon appointment or election, and annually thereafter, Commissioners must file a Form 700 (Statement of Economic Interests). Placer County, which serves as Placer LAFCO's filing officer, has recently transitioned to the NetFile platform for submitting the annual Statement of Economic Interests (Form 700).

- **Deadlines:** Annual filings are due by April 1.
- **Filing Portal:** Filers should access the system at <https://netfile.com/filer>.
- **Access:** Forms are retained by LAFCO and made available to the public upon request.

In addition to the annual filing, Commissioners and Alternate Commissioners may also be required to file assuming office and leaving office statements, depending on when they begin or end service. Staff will provide filing instructions and deadlines as applicable.

Ethics Training (AB 1234)

Commissioners and Alternate Commissioners are required to complete ethics training within one year of assuming office (six months for officials assuming office on or after January 1, 2026), and every two years thereafter.

- The FPPC offers an online ethics training course at:

<https://www.fppc.ca.gov/learn/public-officials-and-employees-rules-/ethics-training.html>

The course takes approximately 2.5 hours, may be completed in multiple sessions, and includes short quizzes following each section. Upon completion, Commissioners must save and submit the completion certificate to the Commission Clerk.

Fiscal Training (SB 827)

SB 827 establishes additional requirements applicable to Commissioners and Alternate Commissioners beginning in 2026:

- **Accelerated Ethics Training Timeline:** For officials who commenced service before January 1, 2026, the existing ethics training cycle remains in effect. For Commissioners and Alternates Commissioners commencing service on or after

January 1, 2026, the initial ethics training must be completed within six months of assuming office, and every two years thereafter.

- **Fiscal and Financial Training:** Commissioners and Alternate Commissioners must complete at least two hours of fiscal and financial training every two years, covering topics such as budgeting, financial reporting, fiscal oversight, revenues, and stewardship of public resources. Commissioners and Alternate Commissioners serving as of January 1, 2026, must complete the new fiscal and financial training by January 1, 2028, unless their term ends before January 9, 2028. Commissioners and Alternate Commissioners beginning service on or after January 1, 2026, must complete the training within six months of assuming office.

Brown Act Distribution (SB 707)

Under SB 707, the agency must provide a copy of the Brown Act to any person elected or appointed to serve on the Commission.

- The current version of the Brown Act can be found on the Placer LAFCO website at: <https://www.placerlafcoa.gov/the-brown-act>.

To support compliance with the above listed changes, staff will maintain training and filing records, provide Commissioners and Alternate Commissioners with applicable deadlines and training resources, and coordinate record retention and public access requirements consistent with state law.

STAFF RECOMMENDATION

Staff recommend the Commission receive and file this report.



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Amy Engle
Commission
Clerk/Analyst

DATE: March 11, 2026
TO: Chair Alpine and members of the Commission
FROM: Colette Santsche, Interim Executive Officer
Amy Engle, Commission Clerk/Analyst
SUBJECT: CALAFCO 2026 Training and Events

SUMMARY

The CALAFCO 2026 event calendar includes several webinars and in-person events designed to help both Commissioners and staff stay current on LAFCO laws and best practices. These sessions range from foundational training to advanced professional development.

- February 25: CALAFCO-U LAFCO 101
- April 22: CALAFCO-U LAFCO 201
- May 6-8: CALAFCO Workshop (staff)
- TBD: Future CALAFCO-U Sessions
- October 21-23: CALAFCO Conference (Commissioners and staff)

BACKGROUND

CALAFCO-U Training Sessions

The first webinar of the year, LAFCO 101, was held on Wednesday, February 25, 2026. This session provided a practical introduction to LAFCO's legal foundations, authority, and planning roles for new staff and commissioners. Once the session is posted to the CALAFCO website, Commissioners can watch the recording directly at their convenience.

The training series continues with **LAFCO 201: Applying Judgment in Complex Decisions** (Attachment A), scheduled for Wednesday, April 22, 2026, from 10:00 to 11:30 a.m. This advanced session covers

analytical tools for reviewing challenging proposals and strategic perspectives on Municipal Service Reviews (MSRs) and Sphere of Influence (SOI) planning. The webinar is free for all CALAFCO Members. While more training sessions are expected this year, no additional dates have been scheduled yet. The Commission will be notified as sessions are added.

Commissioners may register for any CALAFCO-U training sessions directly on the CALAFCO website at www.calafco.org or by notifying the clerk, who will handle the registration.

Annual Events

Placer LAFCO staff will attend the CALAFCO Staff Workshop from May 6–8 in Pismo Beach to engage in technical training and peer networking (Attachment B).

For the full Commission, the Annual CALAFCO Conference will take place in Sacramento from October 21–23. More information regarding conference sessions and attendance will be provided closer to the dates.

STAFF RECOMMENDATION

Staff recommend the Commission receive and file this report.

ATTACHMENTS

- A. CALAFCO-U LAFCO 201 Flyer
- B. CALAFCO Staff Workshop Announcement

Sign Up Today!

CALAFCO-U Training Series

LAFCO 201

Applying Judgment in Complex Decisions

Wednesday, April 22, 2026
10:00-11:30 a.m.

Includes
Live Q&A



Building on the strong engagement in LAFCO 101, CALAFCO-U continues its 2026 training series with an advanced, practitioner-led session designed for commissioners and staff ready to move beyond foundational knowledge to confident, applied decision-making.

Complex proposals demand careful statutory interpretation, thoughtful application of local policy and sound judgment. Join us for LAFCO 201, 90 minutes of focused discussion, practical insights and interactive Q&A with legal counsel and experienced Executive Officers.

What Participants Will Gain

- ✓ Clearer Interpretation of LAFCO Statutes and Trends
- ✓ Analytical Tools for Reviewing Challenging Proposals
- ✓ Strategic Perspective on Municipal Service Reviews and Sphere Planning
- ✓ Governance Practices that Strengthen Commission Deliberations

Cost

Free to CALAFCO Members*

Non-members: \$125**

Registration

Sign-up through www.calafco.org

Questions?

Contact CALAFCO at info@calafco.org

Instructors



Paula de Sousa — Partner, Best Best & Krieger LLP. Paula is a statewide expert in LAFCO law, legal counsel for several LAFCOs and CALAFCO, and lead author of multiple CALAFCO white papers.



Joe Serrano — Executive Officer, Santa Cruz LAFCO & Deputy Executive Officer, CALAFCO. Joe brings 18 years of hands-on LAFCO experience across several counties.



Brian Spaunhurst — Executive Officer, Fresno LAFCO. Brian has been involved with leadership and teamwork skill development for 24 years.

*CALAFCO Members include Member LAFCOs (staff and commissioners) and Associate Members. **Registration for non-members is limited to California local and state agency representatives.



Early Registration now open until WEDNESDAY, APRIL 1, 2026.



2026 Staff Workshop

May 6–8, 2026

Hosted by San Luis Obispo LAFCO

The Cliffs Hotel & Spa,
2757 Shell Beach Road, Pismo Beach, CA



Join us for a series of special sessions with a focus on key issues relevant to California's Local Agency Formation Commissions (LAFCOs) and the communities they serve.



Content Rich Sessions

Participants will explore emerging topics, share practical insights, and engage in discussions designed to strengthen their understanding of LAFCO roles, responsibilities, and best practices.

Final topics and presenters will be announced as the program is confirmed.



Valuable Networking Opportunities

- ◆ Roundtable Discussions
- ◆ Luncheon & Dinner
- ◆ Networking Breakfasts
- ◆ Special Events



Special Highlights: Mobile Workshop

Wednesday, May 6 | 8:30 a.m. – 1 p.m.

We invite you for a pre-conference mobile workshop and guided visit to City Farm SLO, a nonprofit urban farm in the heart of San Luis Obispo, SLO Ranch Public Market, and a special discussion with the City of San Luis Obispo's Community Development Director.

Early registration – \$100 or standard – \$115. Limited availability. Includes transportation, lunch, and programming.



Register Today! Visit www.calafco.org to register now and find more details including lodging.

Additional program details will be posted on the CALAFCO website when available. Event registration ends **Monday, April 13, 2026**. For questions, please contact: Jeni Tickler Threadgill at jtickler@calafco.org

Hotel Reservations



The Cliffs Hotel & Spa, located at 2757 Shell Beach Road, Pismo Beach, CA 93449. Make your hotel reservations by scanning the QR code, visiting <https://bit.ly/3M5Ts4c> or calling **805-773-5000** and mention CALAFCO Staff Workshop to receive the discounted event rate, and reduced rates for the days before or after the event. Price includes high-speed Wi-Fi, beach front access onsite and other amenities. Price excludes taxes and fees. **Hotel registration closes Friday, April 3, 2026.**



The Cliffs Hotel & Spa is an exceptional coastal retreat offering the perfect blend of inspiration and relaxation. Perched on the cliffs above the Shell Beach Area of Pismo Beach, the hotel delivers laid-back luxury with breathtaking views, fire-pit evenings on the lawn and a tranquil seaside setting that invites thoughtful conversation and meaningful connection. The Cliffs offers an ideal environment to engage with colleagues, spark new ideas and return to work refreshed. We're looking forward to bringing our team together in this inspiring setting.



Placer County Local Agency Formation Commission
110 Maple Street Auburn, CA 95603 | (530) 889-4097

COMMISSIONERS

Joshua Alpine
Chair
(Special District)

Anthony DeMattei
(County)

Whitney Eklund
Vice Chair
(City)

Judy Friedman
(Special District)

Cindy Gustafson
(County)

Sean Lomen
(City)

Susan Rohan
(Public)

**ALTERNATE
COMMISSIONERS**

Shanti Landon
(County)

Cherri Spriggs
(Public)

Scott Wilson
(Special District)

Stephanie
Youngblood
(City)

COUNSEL

Michael Walker
General Counsel

STAFF

Colette Santsche
Interim Executive
Officer

Amanda Ross
Acting Assistant
Executive Officer

Amy Engle
Commission
Clerk/Analyst

MINUTES OF THE
LOCAL AGENCY FORMATION COMMISSION
OF PLACER COUNTY

Wednesday, February 11, 2026

PLACER COUNTY ADMINISTRATIVE BUILDING
BOARD OF SUPERVISORS' CHAMBERS
AND VIA REMOTE CALL-IN

175 Fulweiler Avenue
Auburn, CA 95603

AGENDA

1. CALL TO ORDER AND SALUTE TO THE FLAG

Chair Alpine opened the meeting and led a salute to the flag at 4:00 PM.

2. ROLL CALL

Present Commissioners: Joshua Alpine, Anthony DeMattei, Whitney Eklund, Judy Friedman, Sean Lomen, and Susan Rohan

Present Alternate Commissioners: Shanti Landon (voting as County member), Cherri Spriggs, Scott Wilson, and Stephanie Youngblood

Absent: Commissioner Cindy Gustafson

Present Staff: Amy Engle, Commission Clerk/Analyst; Amanda Ross, Acting Assistant Executive Officer; Colette Santsche, Interim Executive Officer (remote); and Michael Walker, Legal Counsel (remote)

3. REPORTS FROM STAFF

CALAFCO U-LAFCO 101 Webinar February 25, 2026

Commission Clerk/Analyst Amy Engle provided the Commission with information about the CALAFCO Webinar: LAFCO 101.

4. CHANGES AND APPROVAL OF THE AGENDA

Acting Assistant Executive Officer Amanda Ross requested the following corrections to the agenda:

Location	Description	Original Entry	Corrected Entry
Page 2	Date of Minutes	January 21, 2025	January 21, 2026
Page 26	Newcastle Board Vote for Resolution to Initiate Reorganization	Newcastle Board Vote (4-0)	Newcastle Board Vote (5-0)
Page 30	Measure A Special Tax amount per parcel	\$220.00 per parcel	\$220.02 per parcel
Page 37	First entry of government code	(GC § 46425(e)(1))	(GC § 56425(e)(1)), starts with a 5
Page 49	Date of Staff Report for LAFCO Project No. 2024-04 (Cemetery Districts)	February 11, 2025	February 11, 2026
Page 49	Acronym for Fire Protection District (within Project 2022-05 summary)	Placer Hills PFD	Placer Hills FPD
Page 50	Newcastle Board Vote for Joint Resolution of Application	Newcastle Board Vote (4-0)	Newcastle Board Vote (5-0)

Chair Alpine proposed that Item 9 Closed Session Attendance and Item 10 Closed Session be stricken from the agenda.

ACTION

Commissioner Lomen motioned to approve the February 11, 2026, agenda as amended, second by Commissioner Rohan.

The motion passed unanimously. (7,0,1,0)

Yes: Alpine, DeMattei, Eklund, Friedman, Landon, Lomen, Rohan
 No: None
 Absent: Gustafson
 Abstain: None

5. PUBLIC COMMENTS

There were no public comments.

6. CONSENT ITEMS

A. Minutes from the meeting of January 21, 2026

B. Financial Report January 2026

C. **LAFCO Project No. 2024-06 Eastern Placer County Fire and EMS Study–Contract Amendment.** The Commission will consider a contract amendment with Emergency Services Consulting International to complete additional scope requirements.

D. **LAFCO Project No. 2024-04 Placer County Cemetery Districts Municipal Service Review and Sphere of Influence Update–Contract Amendment.** The Commission will consider an amendment to the contract with RSG, Inc. for services related to this project.

There were no Commissioner or public comments.

ACTION

Commissioner DeMattei motioned to approve the February 11, 2026, consent items, second by Commissioner Rohan.

The motion passed unanimously. (7,0,1,0)

Yes: Alpine, DeMattei, Eklund, Friedman, Landon, Lomen, Rohan

No: None

Absent: Gustafson

Abstain: None

7. PUBLIC HEARING

Resolution 26-01

A. **LAFCO Project 2022-05 Reorganization of Placer Hills and Newcastle Fire Protection Districts–Sphere of Influence Update.** The Commission will consider approving a sphere of influence (SOI) update for the Placer Hills Fire Protection District (Placer Hills FPD) as a first step toward the reorganization of the Placer Hills FPD and the Newcastle Fire Protection District. CEQA Lead Agency: Placer County LAFCO; Exempt pursuant to State CEQA Guidelines section 15061(b)(3) (Cal. Code Regs., tit. 14, § 15061(b)(3)).

Acting Assistant Executive Officer Amanda Ross provided the Commission with an overview of the project with a PowerPoint presentation.

There were no Commissioner comments.

Chair Alpine opened the public hearing.

The following speakers provided public comments:

- Danielle Hardesty, Vice-Chair of Penryn FPD
- Judi D’Innocenti, Newcastle Resident
- Spencer, Newcastle Resident
- Patty Neifer via Zoom

Chair Alpine closed the public hearing.

ACTION

Commissioner DeMattei motioned to approve **Resolution 26-01** adopting the sphere of influence update for Placer Hills Fire Protection District, second by Commissioner Friedman.

The motion passed unanimously by roll call vote. (7,0,1,0)

Yes: Alpine, DeMattei, Eklund, Friedman, Landon, Lomen, Rohan
No: None
Absent: Gustafson
Abstain: None

Resolution 26-02

B. LAFCO Project 2022-05 Reorganization of Placer Hills and Newcastle Fire Protection Districts. The Commission will hold a public hearing to consider approval of a reorganization initiated by a joint resolution of application from the Placer Hills Fire Protection District (Placer Hills FPD) and the Newcastle Fire Protection District (Newcastle FPD). The proposed reorganization consists of the dissolution of Newcastle FPD and the concurrent annexation of its jurisdictional territory to Placer Hills FPD, which would serve as the successor agency for the provision of fire protection and emergency services. CEQA Lead Agency: Placer Hills FPD; Exempt pursuant to State CEQA Guidelines section 15320 (Cal. Code Regs., tit. 14, § 15320).

Acting Assistant Executive Officer Amanda Ross provided the Commission with a PowerPoint presentation of the project.

Legal Counsel Michael Walker provided comments.

Commissioner DeMattei asked a question and received an answer from Interim Executive Officer Colette Santsche.

The following speakers provided public comments:

- Mark D'Ambrogi, Placer Hills FPD Chief Officer Fire Marshall
- Alex Harvey, Placer Hills FPD President
- Judi D'Innocenti, Newcastle Resident
- Spencer, Newcastle Resident
- Jennifer Wight, Newcastle Resident
- Brian Myers, Placer Citizens for Neighborhood Rights

Chair Alpine closed the public hearing.

Commissioners Eklund, Landon, and Rohan provided comments.

Ms. Ross and Ms. Santsche provided comments.

ACTION

Commissioner Friedman motioned to adopt **Resolution 26-02** approving the Reorganization of the Newcastle and Placer Hills Fire Protection Districts, second by Commissioner DeMattei.

Ms. Ross and Mr. Walker provided comments.

The motion passed unanimously by roll-call vote. (7,0,1,0)

Yes: Alpine, DeMattei, Eklund, Friedman, Landon, Lomen, Rohan
No: None
Absent: Gustafson
Abstain: None

8. BUSINESS ITEMS

A. Executive Officer's Report

Interim Executive Officer Colette Santsche gave the Commission an update of the Executive Officer recruitment, projects and administrative tasks.

9. CLOSED SESSION ATTENDANCE

This item was removed from the agenda during the "Changes and Approval of the Agenda" portion of the meeting.

10. CLOSED SESSION

This item was removed from the agenda during the "Changes and Approval of the Agenda" portion of the meeting.

11. CORRESPONDENCE

Chair Alpine provided comments.

12. COMMISSIONER COMMENTS

Chair Alpine and Vice-Chair Eklund provided comments.

13. ADJOURNMENT

ACTION

Commissioner Lomen motioned to adjourn at 5:15 PM, second by Commissioner DeMattei.

The motion passed unanimously. (7,0,1,0)

Yes: Alpine, DeMattei, Eklund, Friedman, Landon, Lomen, Rohan
No: None
Absent: Gustafson
Abstain: None

The next Commission meeting is scheduled for Wednesday, March 11, 2026, at 4:00 PM.

A complete video recording of this meeting is posted to:
<https://www.placerlafcocga.gov/lafco-meetings>

Submitted by:

Amy Engle
Commission Clerk/Analyst

Company: CO100 County of Placer
 Budget Structure: Special District Budget - Detail Level
 Period: FY2026 - Jan
 Time Period: Current Period YTD
 Cost Center(s): CC72000 Local Agency Formation Commission
 Ignore Commitments: No
 Fund(s): FD30154 Local Agency Formation Commission
 Program: PG720000 Local Agency Formation Commission

Account Set	Budget	Commitments	Obligations	Actuals	Balance	Percentage of Budget
Total Revenue	(1,304,728.00)	0	0	(834,850.55)	(\$469,877.45)	63.99%
42010:Investment Income	(26,557.00)	0	0	(19,633.89)	(\$6,923.11)	73.93%
46360:Other Fees and Charges	(1,278,171.00)	0	0	(815,216.66)	(\$462,954.34)	63.78%
Total Expenses	1,304,728.00	0.00	246,650.60	7,376.54	\$1,050,700.86	19.47%
Total Capital Assets	0	0	0	0	0.00	0.00%
Total Expenses (Non Capital Assets)	1,304,728.00	0.00	246,650.60	7,376.54	\$1,050,700.86	19.47%
51010:Salaries and Wages	494,684.00	0	0	160,390.49	\$334,293.51	32.42%
51040:Overtime and Call Back	0	0	0	714.73	(\$714.73)	0.00%
51080:Accrued Compensated Leave	0	0	0	(56,906.00)	\$56,906.00	0.00%
51090:Cafeteria Plans (Non-PERS)	24,468.00	0	0	1,825.27	\$22,642.73	7.46%
51210:Retirement	166,413.00	0	0	43,151.65	\$123,261.35	25.93%
51220:Payroll Tax	34,889.00	0	0	9,400.85	\$25,488.15	26.95%
51240:Other Postemployment Benefits (OPEB)	4,079.00	0	0	921.11	\$3,157.89	22.58%
51270:PERS Pension Expense	0	0	0	(590,276.00)	\$590,276.00	0.00%
51280:OPEB Expense	4,078.00	0	0	46,966.00	(\$42,888.00)	1,151.69%
51290:401 (k) Employer Match	1,500.00	0	0	0	\$1,500.00	0.00%
51310:Employee Group Insurance	117,250.00	0	0	24,758.18	\$92,491.82	21.12%
51360:Workers Comp Insurance	2,633.00	0	0	324.26	\$2,308.74	12.32%
52040:Communication Services Expense	4,092.00	0	0	0	\$4,092.00	0.00%
52060:Janitorial Supplies	0	0.00	0.00	20.38	(\$20.38)	0.00%
52080:Insurance	4,532.00	0	0	4,754.00	(\$222.00)	104.90%
52240:Professional / Membership Dues	12,200.00	0	0	12,528.00	(\$328.00)	102.69%
52250:Services and Supplies	409.00	0	0	0	\$409.00	0.00%
52260:Misc Expense	0	0	0	124.60	(\$124.60)	0.00%
52320:Printing	2,626.00	0	0	554.58	\$2,071.42	21.12%
52330:Other Supplies	6,990.00	0.00	0.00	1,872.76	\$5,117.24	26.79%
52340:Postage	2,995.00	0	0	1,613.33	\$1,381.67	53.87%

Account Set	Budget	Commitments	Obligations	Actuals		Balance	Percentage of Budget
52360:Professional and Special Services - General	185,625.00	0	246,912.10	218,426.88		(\$279,713.98)	250.69%
52370:Professional and Special Services - Legal	48,400.00	0	(261.50)	30,083.73		\$18,577.77	61.62%
52390:Professional and Special Services - County	8,314.00	0	0	6,036.51		\$2,277.49	72.61%
52400:Professional and Special Services - Information Technology	20,445.00	0	0	16,428.15		\$4,016.85	80.35%
52450:Short-Term Rents and Leases - Buildings & Improvements	31,384.00	0	0	29,106.70		\$2,277.30	92.74%
52470:Employee Benefits Systems	2,448.00	0	0	1,842.96		\$605.04	75.28%
52480:PC Acquisition	8,980.00	0	0	0		\$8,980.00	0.00%
52510:Commissioner's Fees	33,470.00	0	0	13,500.00		\$19,970.00	40.33%
52570:Advertising	5,829.00	0	0	359.28		\$5,469.72	6.16%
52580:Special Department Expense	18,414.00	0	0	12,420.00		\$5,994.00	67.45%
52630:Project Costs	1,452.00	0	0	50.00		\$1,402.00	3.44%
52790:Transportation and Travel	11,083.00	0	0	9,824.64		\$1,258.36	88.65%
53170:Contingencies - Judgement and Damages	36,300.00	0	0	0		\$36,300.00	0.00%
53390:Cost Plan Allocation Exp (A-87)	8,746.00	0	0	6,559.50		\$2,186.50	75.00%
Facilities and Administration Cost Revenue and Expense	0	0	0	0		0.00	0.00%
42840:Facilities and Administration Cost Revenue	0	0	0	0		0.00	0.00%
52840:Facilities and Administrative Costs Expense	0	0	0	0		0.00	0.00%



STAFF REPORT

COMMISSIONERS

Joshua Alpine
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Vice Chair
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Stephanie
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COUNSEL

Michael Walker
General Counsel

STAFF

Colette Santsche
Interim Executive
Officer

Amanda Ross
Acting Assistant
Executive Officer

Amy Engle
Commission
Clerk/Analyst

DATE: March 11, 2026
TO: Chair Alpine and members of the Commission
FROM: Amy Engle, Commission Clerk/Analyst
Colette Santsche, Interim Executive Officer
SUBJECT: Amendment to Planwest Partners, Inc. Consulting Services Agreement

Placer LAFCO and Planwest Partners, Inc. entered into a Consulting Services Agreement on September 23, 2025. The Agreement engaged Colette Santsche to serve as the Interim Executive Officer and provide staffing support services following the resignation of the previous Executive Officer. The original term of the Agreement was for six months, commencing on September 15, 2025, and ending on March 15, 2026. The total contract amount was established as a not-to-exceed total of \$125,000.

Placer LAFCO recently initiated the recruitment process for a permanent Executive Officer. To ensure continuity of operations and provide the time to complete a successful recruitment and transition, Planwest Partners, Inc. (Colette Santsche) will need to continue providing interim duties longer than originally anticipated.

The proposed Amendment No. 1 (Attachment A) would extend the final completion date of the Agreement from March 15, 2026, to June 30, 2026. This extension will provide the Commission with the administrative and staffing support required to finalize the hiring process and onboard the permanent Executive Officer. All other terms and conditions of the original 2025 Agreement, including the hourly rate schedule and the total contract amount, will remain in effect.

STAFF RECOMMENDATION

Staff recommends that the Commission authorize the Chair to enter into Amendment No. 1 to the Consulting Services Agreement with Planwest Partners Inc., which extends the contract end date from March 15, 2026 to June 30, 2026.

ATTACHMENT

- A. Consulting Services Agreement – Amendment 1

**PLACER LAFCO
CONSULTING SERVICES AGREEMENT – AMENDMENT 1**

Name of Consultant:	Planwest Partners, Inc.						
Project Name:	Interim Executive Officer and Staffing Support Services						
Final Completion Date:	June 30, 2026						
Total Contract Amount:	Not to Exceed \$125,000						
Payment Schedule	<input checked="" type="checkbox"/>	Monthly Billing	<table border="1"> <tr> <td align="center"><input type="checkbox"/></td> <td>Payment Upon Completion</td> <td align="center"><input type="checkbox"/></td> <td>Other</td> </tr> </table>	<input type="checkbox"/>	Payment Upon Completion	<input type="checkbox"/>	Other
<input type="checkbox"/>	Payment Upon Completion	<input type="checkbox"/>	Other				

Contract SCN108477 Executed on September 23, 2025

The Placer County Local Agency Formation Commission and Planwest Partners, Inc. hereby amend the Consulting Services Agreement executed on September 2025, as follows:

1. The final completion date is amended from March 15, 2026 to June 30, 2026.

By signing below, each party agrees to be bound by the terms and conditions set forth in this Consulting Services Agreement – Amendment 1.

CONSULTANT: Planwest Partners, Inc.

Address: P.O. Box 4581
Arcata, CA 95518

Contact Person: Colette Santsche

Phone: (707) 825-8260

E-mail: colettes@planwestpartners.com

By: _____
Colette Santsche, Partner

Dated: _____

PLACER LOCAL AGENCY FORMATION COMMISSION

Address: 110 Maple Street
Auburn, CA 95603

Phone: 530-889-4014

E-mail: lafco@placer.ca.gov

By: _____
Joshua Alpine, Chair

Dated: _____



STAFF REPORT

COMMISSIONERS

Joshua Alpine
Chair
(Special District)

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COUNSEL

Michael Walker
General Counsel

STAFF

Colette Santsche
Interim Executive Officer

Amanda Ross
Acting Assistant Executive Officer

Amy Engle
Commission Clerk/Analyst

DATE: March 11, 2026
TO: Chair Alpine and members of the Commission
FROM: Amy Engle, Commission Clerk/Analyst
Colette Santsche, Interim Executive Officer
SUBJECT: Amendment No. 1 to Legal Services Agreement – Norman Dowler LLP

LAFCO and Norman Dowler LLP entered into a Legal Services Agreement on October 12, 2022. The Agreement established a maximum compensation amount of \$40,000 per fiscal year for legal services.

Shortly after the start of the current 2025-2026 fiscal year, LAFCO's Executive Officer announced her resignation. The transition period has created a need for legal services beyond those typically required historically by LAFCO during a standard fiscal year. Based on the current work plan and future applications, staff anticipate a sustained need for increased legal support in future years.

The proposed Amendment No. 1 (Attachment A) would increase the not-to-exceed amount to \$70,000 for the current 2025-2026 fiscal year. To ensure adequate coverage for ongoing and future legal needs, this amendment establishes the \$70,000 maximum for each subsequent fiscal year thereafter. All other terms and conditions of the original 2022 Agreement will remain in effect.

STAFF RECOMMENDATION

Staff recommends that the Commission:

- Authorize the Interim Executive Officer to enter into Amendment No. 1 to the Legal Services Agreement with Norman Dowler LLP.
- Increase the maximum contract amount by \$30,000 for the 2025-2026 fiscal year and each fiscal year thereafter, to a total not-to-exceed amount of \$70,000.

ATTACHMENT

- A. Amendment No. 1 to Legal Services Agreement

**AMENDMENT NO. 1 TO
LEGAL SERVICES AGREEMENT**

This Amendment No. 1 to Legal Services Agreement, dated _____, 2026, for reference purposes, is made by and between the Placer County Local Agency Formation Commission (“LAFCO”) and Norman Dowler LLP (“Firm”).

Recitals

A. LAFCO and Firm entered into a Legal Services Agreement (“Agreement”) dated October 12, 2022. Section 4 of Exhibit B to the Agreement provides that the maximum amount of the Agreement is \$40,000 per fiscal year.

B. Shortly after the commencement of the current fiscal year, LAFCO’s executive officer announced her resignation. This created a need for legal services in addition to those regularly needed by LAFCO during a fiscal year, requiring an increase in the Agreement’s maximum amount for the current fiscal year.

C. Moreover, based on the current work plan and other upcoming matters, LAFCO anticipates the need for increased legal services in future fiscal years as well.

Amendment

Accordingly, LAFCO and Firm agree as follows:

1. The maximum amount of the Agreement for the current fiscal year, 2025-2026, and in each fiscal year thereafter shall be \$70,000.
2. All other terms and conditions of the Agreement shall remain in full force and effect.

Dated: _____

PLACER COUNTY LOCAL AGENCY
FORMATION COMMISSION

By _____

Colette Santsche
Interim Executive Officer

NORMAN DOWLER LLP

By _____

Michael G. Walker



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Colette Santsche
Interim Executive Officer

Amanda Ross
Acting Assistant Executive Officer

Amy Engle
Commission Clerk/Analyst

STAFF REPORT

DATE: March 11, 2026
TO: Chair Alpine and members of the Commission
FROM: Amanda Ross, Acting Assistant Executive Officer
Colette Santsche, Interim Executive Officer
SUBJECT: **Audit Report on Fiscal Years 2023 and 2024**

SUMMARY

The first biennial audit FY 2022-2023 and 2023-2024 conducted by James Marta & Company LLP concludes all tested transactions were accompanied by sufficient documentation and no material weaknesses were identified. The audit report and accompanying management letter are presented to the Commission for formal acceptance and filing and any direction to staff on related matters moving forward.

BACKGROUND

On June 12, 2024, the Placer County Local Agency Formation Commission (LAFCO) approved its annual work plan and fiscal year (FY) 2024-2025 budget. The work plan included a biennial financial audit as a high-priority item (Item 23) covering FY 2022-2023 and 2023-2024. The Commission’s last financial audit covered FY 2021-2022, which was Placer LAFCO’s first audit.

On February 19, 2025, Placer LAFCO authorized the Executive Officer to enter into a contract with James Marta & Company LLP for the Commission’s successive three biennial financial audits covering FY 2022-2023 and 2023-2024, 2024-2025 and 2025-2026, and 2026-2027 and 2027-2028.

Placer LAFCO’s financial transactions are managed by the Executive Officer through accounts maintained by the County of Placer Auditor-Controller’s Office. County accounts serve as the primary depository for the fund balance and are used for all receivable and payable transactions.

DISCUSSION

This item is for Placer LAFCO to receive the FY 2022-2023 and 2023-2024 audit prepared by James Marta & Company LLP. The audit is accompanied by a management letter addressed to the Commission summarizing James Marta & Company LLP's findings with respect to compliance and internal controls. An outline of key items drawn from the audit follows and is further detailed in the management's discussion and analysis section included in the report.

- The Commission ended FY 2024 with a net position of \$63,659, which includes all pension, post-employment liabilities. This amount represents an overall increase of \$92,667 from the June 30, 2023, fiscal year total of (\$29,008).
- The General Fund ended FY 2024 with an unassigned fund balance of \$548,167, an increase of \$121,441 from FY 2023.
- Charges for services remained similar in FY 2024 compared to FY 2023, reflecting a steady level of application-related activity across both fiscal years.
- Total expenses increased by \$404,219 in FY 2024 compared to FY 2023, led primarily by employee services and professional services.
- Long-term obligations remain significant, particularly the net pension liability and compensated absences.
- After year-end, the Commission experienced an executive leadership transition and has relied on consultant and interim support while recruiting a permanent Executive Officer.

ANALYSIS

Commission Focus – SP24-28+

Through LAFCO's Strategic Plan 2024-2028+ (SP 24-28+), the Commission has identified a number of goals and objectives. Goal 6 of the SP 24-28+ is to Uphold Financial Stability and Transparency. The Commission has adopted several objectives to achieve this goal, including conducting biennial financial audits to ensure transparency and accountability. Therefore, the acceptance and filing of the FY 2022-2023 and 2023-2024 audit aligns with the Commission's priorities as outlined in the strategic plan and with the direction established in the annual work plan.

STAFF RECOMMENDATION

Staff recommends that the Commission formally receive and accept the FY 2022-2023 and 2023-2024 audit and associated management letter and provide any direction to staff moving forward. This recommendation is provided as Alternative One in the following section.

Alternatives for Action

The following alternatives are available to Placer LAFCO through a single motion:

Alternative One (recommended): Accept and file the audit report and accompanying management letter for FY 2022-2023 and 2023-2024 with any related direction going forward.

Alternative Two: Continue the item to the next regular meeting and provide direction to staff for additional information as needed.

PROCEDURES

This item has been placed on the agenda for action as part of Placer LAFCO's business calendar. The following procedures, accordingly, are recommended.

1. Receive an oral report from staff and/or the consultant unless waived.
2. Commission discussion and public comment.
3. Consider the staff recommendation.

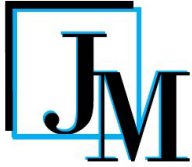
On behalf of the Interim Executive Officer,

Amanda Ross
Acting Assistant Executive Officer

ATTACHMENTS

A – Audit Management Letter

B – FY 2022-2023 and 2023-2024 Audit



James Marta & Company LLP
Certified Public Accountants
Accounting, Auditing, Consulting, and Tax

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

March 6, 2026

Commissioners
Placer Local Agency Formation Commission
Auburn, California

We have audited the financial statements of Placer Local Agency Formation Commission (the Commission) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements and have issued our report thereon March 6, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated February 10, 2025, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

James Marta & Company LLP
Certified Public Accountants

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year audited. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. However, there are upcoming Governmental Accounting Standards that we have listed in Attachment I.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most significant accounting estimates affecting the financial statements are the Commission's proportionate share of net pension liability. The estimate of the Commission's proportionate share of net pension liability is based on an actuarial study. We evaluated key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We did not identify any disclosures that involve significant sensitive discretion.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements identified as a result of our audit procedures.

James Marta & Company LLP
Certified Public Accountants

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. In the current year, no uncorrected misstatements were identified as a result of our audit procedures. All adjustments were presented to us by management. These adjustments are summarized in Attachment II.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter March 6, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

This report is intended solely for the information and use of the Commissioners and management of Placer Local Agency Formation Commission and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 6, 2026

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the Commission in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the Commission. For the complete text of these and other GASB standards, visit www.gasb.org and click on the “Standards & Guidance” tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 101, Compensated Absences
Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

The Commission is currently assessing the financial statement impact of GASB 101.

GASB Statement No. 102, Certain Risk Disclosures
Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints.

We do not expect this standard to have any significant impact on the Commission.

GASB Statement No. 103, Financial Reporting Model Improvements
Effective for the fiscal year ending June 30, 2026

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues.

We do not expect this standard to have any significant impact on the Commission.

Adjusting Journal Entries

None.

Reclassifying Journal Entries

None.

Proposed Journal Entries

None.



Placer County Local Agency Formation Commission
110 Maple Street Auburn, CA 95603 | (530) 889-4097

March 6, 2026

COMMISSIONERS

Joshua Alpine
Chair
(Special District)
Anthony DeMattel
(County)

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

Whitney Eklund
Vice Chair
(City)
Judy Friedman
(Special District)
Cindy Gustafson
(County)
Sean Lomen
(City)
Susan Rohan
(Public)

This representation letter is provided in connection with your audit of the governmental activities, the general fund of Placer Local Agency Formation Commission as of June 30, 2024 and 2023 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Placer Local Agency Formation Commission in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

ALTERNATE COMMISSIONERS

Shanti Landon
(County)
Cheri Spriggs
(Public)
Scott Wilson
(Special District)
Stephanie Youngblood
(City)

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

COUNSEL

Michael Walker
General Counsel

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 6, 2026.

STAFF

Colette Santsche
Interim Executive Officer
Amanda Ross
Acting Assistant Executive Officer
Amy Engle
Commission Clerk/Analyst

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 10, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that

are free from material misstatement, whether due to fraud or error.

- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.

- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation,

- meeting minutes, and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Placer Local Agency Formation Commission has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Placer Local Agency Formation Commission is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within

the range.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Placer Local Agency Formation Commission has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Pension and Postretirement Benefits

- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.
- We are unable to determine the possibility of a withdrawal liability in a multiemployer benefit plan.

Required Supplementary Information

- With respect to the required supplementary information accompanying the financial statements:
- We acknowledge our responsibility for the presentation of the required

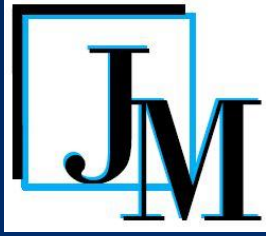
supplementary information in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards.

- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with accounting principles generally accepted in the United States of America and Governmental Accounting Standards.
- The methods of measurement or presentation have not changed from those used in the prior period.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Interim Executive Officer



JAMES MARTA & COMPANY LLP

**LOCAL AGENCY FORMATION COMMISSION
OF PLACER COUNTY**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2024 AND 2023**

WWW.JPMCPCOM.COM

701 HOWE AVENUE, E3
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PLACER LOCAL AGENCY FORMATION COMMISSION

JUNE 30, 2024 AND 2023

COMMISSION MEMBERS

City/Town Members

Whitney Eklund Vice Chair
Lincoln City Councilmember

Sean Lomen
City of Colfax Mayor

Stephanie Youngblood Alternate
Loomis Town Councilmember

County Members

Cindy Gustafson
Supervisor for District 5

Shanti Landon Alternate
Supervisor for District 2

Anthony Demattei
Supervisor for District 3

Public Members

Susan Rohan
Public Member

Cherri Spriggs
Alternate Public Member

Special District Members

Joshua Alpine Chair
Placer County Water Agency Director

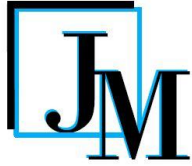
Judy Friedman
Tahoe City Public Utility District Chair

Scott Wilson
Alternate Special District Member

PLACER LOCAL AGENCY FORMATION COMMISSION

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Placer Local Agency Formation Commission
Auburn, California

Opinions

We have audited the financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Placer Local Agency Formation Commission (the Commission), as of and for the years ended June 30, 2024 and 2023, and the related Statement of Governmental Fund Revenues, Expenses and Changes in Fund Balance and Statement of Activities and notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Commission as of June 30, 2024 and 2023, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

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

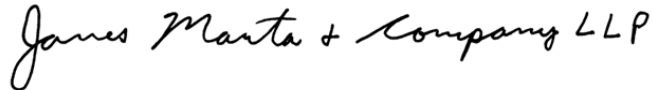
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion, and Analysis, Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund 2024 and 2023, Schedule of Commission's Proportionate Share of Net Pension Liability, Schedule of Pension Contributions and Schedule of Changes in Net OPEB Liability/(Asset) and Related Ratios 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026 on our consideration of the Commission'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 solely 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 effectiveness of 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 the Commission's internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 6, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

PLACER LOCAL AGENCY FORMATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

This section of basic financial statements presents management's overview and analysis of the financial activities of the Placer County Local Agency Formation Commission (LAFCO or the Commission) for the fiscal years ended June 30, 2024, and June 30, 2023. The discussion should be read in conjunction with the accompanying basic financial statements, notes, and required supplementary information.

FINANCIAL HIGHLIGHTS

- The Commission ended FY 2024 with a net position of \$63,659, which includes all pension and post-employment liabilities. This amount represents an overall increase of \$92,667 from the June 30, 2023, fiscal year total of (\$29,008).
- The General Fund ended FY 2024 with an unassigned fund balance of \$548,167, an increase of \$121,441 from FY 2023.
- Charges for services remained similar in FY 2024 compared to FY 2023, reflecting a steady level of application related activity.
- Total expenses increased by \$404,219 in FY 2024 compared to FY 2023, led primarily by employee services and professional services
- Long-term obligations remain significant, particularly the net pension liability and compensated absences.
- After year-end, the Commission experienced an executive leadership transition and has relied on consultants and interim support while recruiting a permanent Executive Officer.

OVERVIEW OF THE FINANCIAL STATEMENTS

The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities, present the Commission as a whole using the accrual basis of accounting. These statements report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses, regardless of when cash is received or paid.

The fund financial statements focus on the General Fund and report near-term inflows, outflows, and balances of spendable resources using the modified accrual basis of accounting. As a result, the fund statements provide information that differs from the government-wide statements, particularly for long-term items such as pension-related balances, OPEB-related balances, compensated absences, depreciation or amortization, and lease activity.

The notes to the financial statements provide additional detail needed to understand the amounts presented in the government-wide and fund financial statements. The required supplementary information includes budgetary schedules and pension and OPEB trend information.

PLACER LOCAL AGENCY FORMATION COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

Comparative Financial Information

The following table provides a summary of the Statement of Net Position for the fiscal years ended June 30, 2024, June 30, 2023, and June 30, 2022:

Description	FY 2024	FY 2023	FY 2022	Change
Current and other assets	\$656,459	\$480,090	\$436,199	\$176,369
Capital and lease-related assets, net	\$0	\$9,055	\$27,171	(\$9,055)
Total assets	\$656,459	\$489,145	\$463,370	\$167,314
Deferred outflows of resources	\$221,115	\$246,657	\$125,042	(\$25,542)
Current liabilities	\$81,062	\$50,860	\$67,287	\$30,202
Long-term liabilities	\$693,345	\$654,738	\$511,209	\$38,607
Total liabilities	\$774,407	\$705,598	\$578,496	\$68,809
Deferred inflows of resources	\$39,508	\$59,212	\$233,033	(\$19,704)
Unrestricted net position	\$63,659	(\$29,008)	\$(233,117)	\$92,667
Total net position	\$63,659	(\$29,008)	\$(233,117)	\$92,667

Total net position increased by \$92,667 in FY 2024. Total assets increased primarily because of higher cash and investment balances and a larger net OPEB asset, while deferred outflows of resources declined. Total liabilities increased mainly because the net pension liability and compensated absences both increased during the year.

The following table provides a summary of the Changes in Net Position for the fiscal years ended June 30, 2024, June 30, 2023, and June 30, 2022:

Description	FY 2024	FY 2023	FY 2022	Change
Apportionment	\$981,552	\$689,819	\$392,823	\$29,733
Charges for Services	\$21,500	\$24,099	\$0	(2,599)
Interest Income	\$26,557	\$10,588	\$1,362	\$15,969
Total Revenues	\$1,029,609	\$724,506	\$394,185	\$305,103
Total Expenses	\$934,616	\$530,397	\$441,168	\$404,219
Net program expenses	\$913,116	\$506,298	\$441,168	\$406,818
Loss on lease termination	(\$2,326)	\$0	\$0	(\$2,326)
Total general revenues	\$1,005,783	\$700,407	\$392,823	\$305,376
Change in net position	\$92,667	\$194,109	\$(46,983)	(\$101,442)
Beginning net position	(\$29,008)	(\$223,117)	\$(176,134)	\$194,109
Ending net position	\$63,659	(\$29,008)	\$(223,117)	\$92,667

In FY 2024, charges for services decreased slightly to \$21,500 from \$24,099 in FY 2023. Total general revenues increased to \$1,005,783 from \$700,407 in FY 2023 due to the increase in the apportionment of \$29,733 between the two fiscal years. Total expenses increased, rising to \$934,616 from \$530,397, with the largest changes in employee services and professional services. Even with the higher cost structure, program revenues exceeded expenses in FY 2024, and interest income further contributed to the positive change in net position.

PLACER LOCAL AGENCY FORMATION COMMISSION

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

ANALYSIS OF OVERALL FINANCIAL POSITION AND RESULTS OF OPERATIONS

Net position increased by \$92,667 in FY 2024, compared with an increase of \$194,109 in FY 2023. The FY 2024 increase reflects higher service and application-related revenues together with favorable interest earnings, partially offset by materially higher operating costs.

Total expenses increased by \$404,219. Employee services increased by \$226,016 and professional services increased by \$156,047. Those increases were the primary reasons the FY 2024 increase in net position was smaller than the FY 2023 increase.

At June 30, 2024, total assets were \$656,459 and deferred outflows of resources were \$221,115. Deferred outflows are presented separately from assets under GASB reporting standards and primarily relate to pension and OPEB items.

At June 30, 2024, total liabilities were \$774,407 and deferred inflows of resources were \$39,508. Deferred inflows are presented separately from liabilities and, in this case, also relate primarily to pension and OPEB items.

The largest long-term balance remained the net pension liability of \$647,900. Compensated absences also increased during FY 2024, while the net OPEB asset increased to \$27,230.

ANALYSIS OF THE GOVERNMENTAL FUNDS

The following table provides a summary of the Governmental Funds for the fiscal years ended June 30, 2024, June 30, 2023, and June 30, 2022:

Description	FY 2024	FY 2023	FY 2022	Change
Total revenues	\$1,029,609	\$724,506	\$394,185	\$305,103
Total expenditures	\$908,168	\$607,859	\$441,168	\$300,309
Net change in fund balance	\$121,441	\$116,647	\$(48,467)	\$4,794
Ending fund balance	\$548,167	\$426,726	\$310,079	\$121,441

The Governmental Funds ended FY 2024 with an unassigned fund balance of \$548,167, compared with \$426,726 at June 30, 2023. The \$121,441 increase reflects the extent to which current-year revenues exceeded current-year expenditures on the modified accrual basis.

The increase in fund balance differs from the \$92,667 increase in government-wide net position because the government-wide statements also recognize long-term and noncurrent items. For FY 2024, those reconciling items included depreciation or amortization expense, changes in the net pension liability, changes in the net OPEB asset, the elimination of lease liability balances shown in prior-year governmental activities reporting, and changes in compensated absences.

PLACER LOCAL AGENCY FORMATION COMMISSION

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

BUDGETARY HIGHLIGHTS

FY 2024 Budget Highlights

- Actual revenues exceeded the final budget by \$46,737, consisting of \$21,500 in higher-than-budgeted charges for services and \$25,237 in higher-than-budgeted interest income.
- Actual expenditures were \$45,931 below the final budget. Salaries and benefits were \$1,522 below budget, and services and supplies were \$44,409 below budget.
- The result was a favorable operating variance of \$92,668 for the year.

FY 2023 Budget Highlights

- Actual revenues exceeded the final budget by \$33,487, including \$24,099 in higher-than-budgeted charges for services and \$9,388 in higher-than-budgeted interest income.
- Actual expenditures were \$160,622 below the final budget. The most significant favorable variance was in services and supplies, which came in \$144,606 below budget.
- The result was a favorable operating variance of \$194,109 for the year.

LONG-TERM LIABILITIES

The following table provides a summary of the Long-Term Liabilities for the fiscal years ended June 30, 2024, June 30, 2023, and June 30, 2022:

Description	June 30, 2024	June 30, 2023	June 30, 2022	Change
Net pension liability	\$647,900	\$623,668	\$482,355	\$24,232
Net OPEB asset	(\$27,230)	(\$11,321)	\$(79,289)	(\$15,909)
Lease liability	\$0	\$8,817	\$(27,639)	(\$8,817)
Compensated absences	\$45,445	\$31,070	\$(21,671)	\$14,375

The Commission reported no capital or lease-related asset balance at June 30, 2024 because the prior right-of-use asset had been fully amortized. In FY 2023, the Commission reported a \$9,055 lease-related asset balance.

The net pension liability increased by \$24,232 during FY 2024, and compensated absences increased by \$14,375. The net OPEB asset increased by \$15,909, which improved the Commission's overall government-wide position.

This section is intentionally narrower than a note disclosure and is meant to summarize only the more significant year-over-year changes that affect the Commission's overall financial position.

PLACER LOCAL AGENCY FORMATION COMMISSION

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2024 AND 2023

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

LAFCO is responsible under statute to annually review its organizational needs and adopt an operating budget accordingly with mandatory funding drawn from local agencies. State law also specifies that the operating budget shall be equal to the budget adopted for the previous year unless LAFCO formally finds any reduced costs will allow the Commission to nonetheless meet its prescribed regulatory and planning duties. These statutory provisions in Government Code Section 56381, provide LAFCO full discretion in setting up and collecting local agency apportionments to meet budgeted expenses with the latter aligned to support annual workplans.

Near-term annual workplans will continue to focus LAFCO resources in preparing municipal service reviews and associated sphere of influence updates for cities and special districts in Placer County. The resignation of the Executive Officer on November 14, 2025, has required the Commission to rely heavily on consultant and interim support for day-to-day LAFCO operations while recruiting a permanent replacement. At the date of this draft MD&A, management expects staffing decisions, consultant support costs, and workload demands to affect operations in the near term.

Contacting the Commission’s Financial Management:

The basic financial statements are intended provide citizens, local funding agencies, and creditors with a general overview of the LAFCO’s finances and accountability. If you have questions about this report or need additional financial information, contact the Executive Officer at 110 Maple Street, Auburn, CA 95603, or 530-889-4097.

Additional financial information – including past fiscal year audits – are available online at www.placerlafcoa.gov.

BASIC FINANCIAL STATEMENTS

PLACER LOCAL AGENCY FORMATION COMMISSION

STATEMENT OF NET POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and investments	\$ 627,266	\$ 467,656
Interest Receivable	1,963	1,113
Capital Assets	-	9,055
Net OPEB Asset	<u>27,230</u>	<u>11,321</u>
Total Assets	<u>656,459</u>	<u>489,145</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions (note 5)	181,164	181,530
Deferred outflows of resources related to OPEB (note 6)	<u>39,951</u>	<u>65,127</u>
Total Deferred Outflows	<u>221,115</u>	<u>246,657</u>
LIABILITIES		
Accounts payable and accrued expenses	51,562	16,343
Lease Liability	-	8,817
Unearned revenue	29,500	25,700
Compensated absences	45,445	31,070
Net pension liability	<u>647,900</u>	<u>623,668</u>
Total Liabilities	<u>774,407</u>	<u>705,598</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions (note 5)	2,935	4,929
Deferred inflows of resources related to OPEB (note 6)	<u>36,573</u>	<u>54,283</u>
Total Deferred Inflows	<u>39,508</u>	<u>59,212</u>
NET POSITION		
Unrestricted	<u>63,659</u>	<u>(29,008)</u>
Total Net Position	<u>\$ 63,659</u>	<u>\$ (29,008)</u>

See accompanying notes to the basic financial statements.

PLACER LOCAL AGENCY FORMATION COMMISSION

STATEMENT OF NET ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
EXPENSES:		
Employee Services	\$ 566,420	\$ 340,404
Professional Services	295,103	139,056
Rent Expense	13,485	-
Non Capitalized expense	3,501	-
Supplies	16,906	16,525
Insurance	4,048	3,746
Amortization expense	9,055	18,116
Interest Expense	105	624
Communication	4,355	3,359
Travel	20,330	8,023
Miscellaneous	1,308	544
	<u>934,616</u>	<u>530,397</u>
Program revenues:		
Charges for services	<u>21,500</u>	<u>24,099</u>
Net program expenses	<u>913,116</u>	<u>506,298</u>
General revenues		
Apportionment	981,552	689,819
Interest Income	26,557	10,588
Loss on Lease Termination	<u>(2,326)</u>	<u>-</u>
	<u>1,005,783</u>	<u>700,407</u>
Change in net position	<u>92,667</u>	<u>194,109</u>
Net position beginning	<u>(29,008)</u>	<u>(223,117)</u>
Net position - ending	<u>\$ 63,659</u>	<u>\$ (29,008)</u>

See accompanying notes to the basic financial statements.

PLACER LOCAL AGENCY FORMATION COMMISSION

GOVERNMENTAL FUND BALANCE SHEET

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and investments	\$ 627,266	\$ 467,656
Interest Receivable	<u>1,963</u>	<u>1,113</u>
Total Assets	<u>\$ 629,229</u>	<u>\$ 468,769</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 51,562	\$ 16,343
Unearned revenue	<u>29,500</u>	<u>25,700</u>
Total Liabilities	<u>81,062</u>	<u>42,043</u>
FUND BALANCE		
Unassigned	<u>548,167</u>	<u>426,726</u>
Total fund balance	<u>548,167</u>	<u>426,726</u>
Total Liabilities and Fund Balances	<u>\$ 629,229</u>	<u>\$ 468,769</u>

See accompanying notes to the basic financial statements.

PLACER LOCAL AGENCY FORMATION COMMISSION

**RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF NET POSITION**

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Total fund balances - governmental funds	\$ 548,167	\$ 426,726
<p>Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:</p>		
<p>Capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the LAFCO as a whole.</p>		
Capital assets	45,287	45,287
Accumulated depreciation	(45,287)	(36,232)
<p>Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:</p>		
Net pension liability	(647,900)	(623,668)
Net OPEB asset	27,230	11,321
Compensated absences payable	(45,445)	(31,070)
Lease Liability	-	(8,817)
<p>Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are:</p>		
Deferred outflows of resources related to pensions	181,164	181,530
Deferred outflows of resources related to OPEB	39,951	65,127
Deferred inflows of resources related to pensions	(2,935)	(4,929)
Deferred inflows of resources related to OPEB	<u>(36,573)</u>	<u>(54,283)</u>
Total net position, governmental activities:	<u>\$ 63,659</u>	<u>\$ (29,008)</u>

See accompanying notes to the basic financial statements.

PLACER LOCAL AGENCY FORMATION COMMISSION

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE**

GOVERNMENTAL FUNDS

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES:		
Charges for Services	\$ 21,500	\$ 24,099
Apportionment	981,552	689,819
Interest Income	26,557	10,588
Total revenues	<u>1,029,609</u>	<u>724,506</u>
EXPENSES:		
Employee Services	537,884	417,160
Professional Services	295,103	139,056
Rent Expense	24,733	19,446
Non Capitalized expense	3,501	-
Supplies	16,906	16,525
Insurance	4,048	3,746
Communication	4,355	3,359
Travel	20,330	8,023
Miscellaneous	1,308	544
Total expenditures/expenses	<u>908,168</u>	<u>607,859</u>
Excess/ (deficiency) of revenues over/ (under) expenditures	121,441	116,647
FUND BALANCES:		
Beginning of the Year	<u>426,726</u>	<u>310,079</u>
Ending of the Year	<u>\$ 548,167</u>	<u>\$ 426,726</u>

See accompanying notes to the basic financial statements.

PLACER LOCAL AGENCY FORMATION COMMISSION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE
STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
Total net change in fund balance - governmental funds	\$ 121,441	\$ 116,647
<p>Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:</p> <p>Capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the LAFCO as a whole.</p>		
Depreciation expense	(9,055)	(18,116)
<p>Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Longterm liabilities relating to governmental activities consist of:</p>		
Net change in net pension liability	(22,604)	72,208
Net change in net OPEB obligation	8,443	13,947
Net change in lease liability	8,817	18,822
<p>Compensated absences in governmental funds are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:</p>		
Net change in compensated absences	(14,375)	(9,399)
Total change in net position - governmental activities	\$ 92,667	\$ 194,109

See accompanying notes to the basic financial statements.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

Local Agency Formation Commission of Placer County (The Commission) was established by state law, "The Knox-Nisbet Act of 1963", to discourage urban sprawl and encourage the orderly formation and development of local government agencies. The Commission is responsible for coordinating logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporation of cities, formation of special districts as well as consolidations, mergers, and dissolutions of districts, among others.

The Commission is governed by Commissioners composed of two public members: three members from the County Board of Supervisors, three city representatives, and three special district representatives. Since implementation of the Cortese-Knox-Hertzberg Local Government Reorganization Act in 2001, the Commission has operated as a legally separate and independent entity from the County government. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name.

The accompanying financial statements reflect the financial activities of the Commission. The Commission has no component units.

B. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

The basic financial statements of the Commission are composed of the following:

- a) Government-wide financial statements
- b) Fund financial statements
- c) Notes to the basic financial statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the Commission.

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 function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Assessments, investment income, and other items not properly included among program revenues are reported instead as general revenues.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resource's measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues,

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Commission.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

The net position reported on the Statement of Net Position in the government-wide financial statements consist of the following categories:

Net Investment in Capital Assets – This component of net position is not available for spending as it represents net assets already invested in capital assets less than related debt and accumulated depreciation.

Restricted Net Position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by laws through constitutional provisions or enabling legislation. There is no Restricted Net Position at June 30, 2024 or 2023.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of “net investment in capital assets” or “restricted”.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements

In the fund financial statements, governmental funds are presented using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Commission uses an availability period of 60 days for all 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 to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received from the government.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Governmental Fund Balance

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance

Nonspendable Fund Balance – this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Spendable Fund Balance

Restricted Fund Balance – this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Commission action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance – this includes amounts that can be used only for the specific purposes determined by a formal action of the Commission. It includes legislation (Commission action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Commission action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The Commission considers a resolution, to constitute a formal action of the Board of Commissioners for the purposes of establishing committed fund balance.

Assigned Fund Balance – this includes amounts that are designated or expressed by the Commission but does not require a formal action like a resolution or ordinance. The Commission may delegate the ability of an employee or committee to assign uses of specific funds for specific purposes. Such

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

delegation of authority has not yet been granted.

Unassigned Fund Balance – this includes the remaining spendable amounts which are not included in one of the other classifications.

Fund Balance Flow Assumption – Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned, fund balance in the governmental fund financial statements flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as a separate column in the fund financial statements.

The Commission reports the following major governmental fund:

The General Fund is used to account for resources traditionally associated with the organization, which are not required legally or by sound financial management to be accounted for in another fund.

C. CASH AND INVESTMENTS

The Commission considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

D. FAIR VALUE MEASUREMENT

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Commission's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Commission's own data.

E. CAPITAL ASSETS

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements.

Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. Estimated useful lives of the capital assets is five years.

F. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission reports deferred outflows related to the pension and OPEB liabilities resulting from actuarial calculations and pension and OPEB contributions made subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission reports deferred inflows related to the pension and OPEB liabilities resulting from actuarial calculations.

G. COMPENSATED ABSENCES

Permanent Commission employees earn from approximately 10 to 25 vacation days a year and approximately 12 sick days a year, depending on their length of employment. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave and 50% of unused sick leave, up to the maximum hours specified in individual employment contracts.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

H. PENSION

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS's website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

For the fiscal year June 30, 2024	
Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2022 to June 30, 2023

For the fiscal year June 30, 2023	
Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

I. OTHER POST – EMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Commission's plan (Plan) additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

J. USE OF ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from the estimates.

For the fiscal year June 30, 2024	
Valuation Date (VD)	June 30, 2023
Measurement Date (MD)	June 30, 2023
Measurement Period (MP)	July 1, 2023 to June 30, 2024

For the fiscal year June 30, 2023	
Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2022 to June 30, 2023

K. LEASES

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures in Note 7 Leases.

At the commencement of the lease, LAFCO initially measures the lease payable at the present value of payments expected to be made during the lease term. Subsequently, the lease payable is reduced by the principal portion of lease payments made. The deferred outflow of resources are initially measured as the initial amount of the lease payable, adjusted for lease payments made at or before the lease commencement date.

Subsequently, the deferred outflows of resources are recognized as revenue over the life of the lease term.

Key estimates and judgments include how LAFCO determines the discount rate it uses to discount the expected lease receipts to present value, lease term and lease receipts.

LAFCO used the estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payable included in the measurement of the lease payable is composed of fixed payments from the lessee.

LAFCO monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease payable and deferred outflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 and 2023 consist of the following;

	<u>2024</u>	<u>2023</u>
Cash in County Treasury	<u>\$ 627,266</u>	<u>\$ 467,656</u>

Investments Authorized by California Government Code and the Commission’s Investment Policy

The Placer Local Agency Formation Commission (Commission) has the authority to invest surplus funds required for the immediate needs of the Commission. The Commission has delegated its Executive Officer the authority to invest such funds in the following Investment Funds:

Placer County Treasury Pooled Investment Funds, which is administered by the County Treasurer as delegated by the County Board of Supervisors.

Investments that are not consistent with this Investment Policy are prohibited. The Commission shall not engage in leveraged investing, including but not limited to margin accounts, hedging, or any form of borrowing for the purpose of investing.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As of June 30, 2024 and 2023, the Commission's funds are held as short-term deposits in the Placer County Treasury Pool.

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Placer County Treasury Pool is not rated.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk is the risk that the Commission will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails.

Fair Value Measurement

The Placer County Treasury Pool is a pooled investment fund program governed by the Placer County Board of Supervisors and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

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amounted to \$627,266 and \$467,656 as of June 30, 2024 and 2023, respectively. This investment is not required to be categorized within the fair value hierarchy.

2. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 and June 30, 2023 are as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Capital assets:				
Right of Use - Lease	\$ 45,287	\$ -	\$ -	\$ 45,287
Total capital assets	<u>45,287</u>	<u>-</u>	<u>-</u>	<u>45,287</u>
Less accumulated depreciation for:				
Right of Use - Lease	36,232	9,055	-	45,287
Total accumulated depreciation	<u>36,232</u>	<u>9,055</u>	<u>-</u>	<u>45,287</u>
Total capital assets, net	<u>\$ 9,055</u>	<u>\$ (9,055)</u>	<u>\$ -</u>	<u>\$ -</u>
	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets:				
Right of Use - Lease	\$ 45,287	\$ -	\$ -	\$ 45,287
Total capital assets	<u>45,287</u>	<u>-</u>	<u>-</u>	<u>45,287</u>
Less accumulated depreciation for:				
Right of Use - Lease	18,116	18,116	-	36,232
Total accumulated depreciation	<u>18,116</u>	<u>18,116</u>	<u>-</u>	<u>36,232</u>
Total capital assets, net	<u>\$ 27,171</u>	<u>\$ (18,116)</u>	<u>\$ -</u>	<u>\$ 9,055</u>

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

3. LONG-TERM OBLIGATIONS

The commission has long-term liabilities for compensated absences and net pension liabilities. The summaries for June 30, 2024 and 2023 are as follows:

	Balance			Balance	Balance Due
	June 30, 2023	Additions	Deletions	June 30, 2024	In One Year
Net pension liability	\$ 623,668	\$ 24,232	\$ -	\$ 647,900	\$ -
Net OPEB asset	(11,321)	(15,909)	-	(27,230)	-
Lease Liability	8,817	-	8,817	-	-
Compensated Absences	31,070	14,375	-	45,445	-
	<u>31,070</u>	<u>14,375</u>	<u>-</u>	<u>45,445</u>	<u>-</u>
Totals	<u>\$ 652,234</u>	<u>\$ 22,698</u>	<u>\$ 8,817</u>	<u>\$ 666,115</u>	<u>\$ -</u>

	Balance			Balance	Balance Due
	June 30, 2022	Additions	Deletions	June 30, 2023	In One Year
Net pension liability	\$ 482,355	\$ 141,313	\$ -	\$ 623,668	\$ -
Net OPEB asset	(79,289)	-	(67,968)	(11,321)	-
Lease Liability	27,639	-	18,822	8,817	-
Compensated Absences	21,671	9,399	-	31,070	-
	<u>21,671</u>	<u>9,399</u>	<u>-</u>	<u>31,070</u>	<u>-</u>
Totals	<u>\$ 452,376</u>	<u>\$ 150,712</u>	<u>\$ (49,146)</u>	<u>\$ 652,234</u>	<u>\$ -</u>

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

4. OPERATING LEASES

The Commission entered into a 5-year lease as lessee for the use of office space located at 110 Maple Street, Auburn, California. As of June 30, 2024, the value of the lease liability is \$9,455. The Commission is required to make quarterly fixed payments of \$4,529. The lease has an interest rate of 3 percent. The building’s estimated useful life was 60 months as of the contract commencement.

The annual debt service requirements for the lease outstanding at June 30, 2024 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30, 2024	\$ 9,350	\$ 105	\$ 9,455
Total	\$ 9,350	\$ 105	\$ 9,455

During the fiscal year ended June 30, 2024, the District entered into a new lease agreement for office facilities following the expiration of a prior five-year lease on December 31, 2023. The new lease term extends through June 30, 2029 and requires annual rent payments in advance beginning July 1, 2024. Rent for the period January through June 2024 is payable separately and is not included in the lease liability.

Total rent expense for the years ended June 30, 2024 and 2023 was \$19,446 and \$24,733, respectively.

5. EMPLOYEE RETIREMENT PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in Placer Local Agency Formation Commission’s cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Placer Local Agency Formation Commission resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT PLAN (continued)

The Plans' provisions and benefits in effect as of June 30, 2024 and 2023, respectively, are summarized as follows:

	June 30, 2024		June 30, 2023	
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire Date				
Benefit formula	2.7% @ 55	2.7% @ 62	2.7% @ 55	2.7% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67	50 - 55	50 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.00%	8.25%	7.00%	7.25%
Required employer contribution rates	16.87%	8.00%	14.90%	7.76%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2024 and 2023, the contributions recognized as part of pension expense for the Plan were as follows:

	Miscellaneous	
	June 30, 2024	June 30, 2023
Contributions -employer	\$ 94,276	\$ 79,224

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

As of June 30, 2024 and 2023, the Placer Local Agency Formation Commission reported net pension liabilities for its proportionate share of the net pension liability of:

	Proportionate Share of Net Pension Liability (Asset)	
	June 30, 2024	June 30, 2023
Miscellaneous	\$ 647,900	\$ 623,668

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT PLAN (continued)

Placer Local Agency Formation Commission’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2022 using standard update procedures. Placer Local Agency Formation Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Commission’s proportionate share of the net pension liability for the Plan as of June 30, 2024 and 2023 was as follows:

Proportion - June 30, 2023	0.1085%
Proportion - June 30, 2024	<u>0.1107%</u>
Change - Increase/(Decrease)	<u>0.0022%</u>

Placer Local Agency Formation Commission’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2021 using standard update procedures. Placer Local Agency Formation Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Commission’s proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022 was as follows:

Proportion - June 30, 2022	0.1282%
Proportion - June 30, 2023	<u>0.1085%</u>
Change - Increase/(Decrease)	<u>-0.0197%</u>

For the years ended June 30, 2024 and 2023, the Commission recognized pension expense of \$(22,604) and \$72,208, respectively. The Commission’s reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30, 2024		June 30, 2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 22,682	\$ -	\$ 38,097	\$ -
Differences between Expected and Actual Experience	9,849	(2,935)	5,382	(4,929)
Net differences between Projected and Actual Earnings on Pension Plan Investment	54,357	-	56,457	-
Pension Contributions Made Subsequent to Measurement Date	94,276	-	81,594	-
	<u>\$ 181,164</u>	<u>\$ (2,935)</u>	<u>\$ 181,530</u>	<u>\$ (4,929)</u>

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT PLAN (continued)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	June 30, 2024		Year Ended June 30	June 30, 2023	
	Deferred Outflows/(Inflows) of Resources			Deferred Outflows/(Inflows) of Resources	
2025	\$	28,441	2024	\$	26,943
2026		14,744	2025		22,724
2027		39,346	2026		9,305
2028		1,421	2027		36,013
2029		-	2028		-
Thereafter		-	Thereafter		-
	\$	<u>83,953</u>		\$	<u>94,985</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 and 2022 actuarial valuations were determined using the following actuarial assumptions:

	June 30, 2023	June 30, 2022
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry Age Normal Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions		
Discount Rate	6.90%	6.90%
Inflation	2.50%	2.50%
Payroll Growth	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	7.00%	7.00%
Mortality	Derived using CalPERS' Membership Data for All Funds	

⁽¹⁾ Compounded annually, net of administrative and investment expenses

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 6.90% (7.15% for 2022) for the Plan. 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 6.90% (7.15% for 2022) percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 6.90% (7.15% for 2022) percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 6.90% (7.15% for 2022) 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 6.90% (7.15% for 2022) percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The tables below reflect the long-term expected real rate of return by asset class as of June 30, 2024 and 2023, respectively. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	June 30, 2024 and 2023		
	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Infrastructure and Forestland	0.00%	0.00%	0.00%
Liquidity	1.00%	0.00%	-0.92%
	<u>100%</u>		

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

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

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

5. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

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

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

	June 30, 2024		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	5.90%	6.90%	7.90%
Plan's Net Pension Liability	\$ 883,526	\$ 647,900	\$ 452,090

	June 30, 2023		
	Discount Rate -1%	Current Discount Rate	Discount Rate +1%
	5.90%	6.90%	7.90%
Plan's Net Pension Liability	\$ 849,135	\$ 623,668	\$ 436,474

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

The Commission had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

6. OTHER POST EMPLOYMENT BENEFITS PLAN

Plan Description

Employees of the Commission, through the County of Placer, participate in an agent multiple-employer defined benefit post-employment healthcare plan (OPEB Plan). Benefit provisions are established and amended through the County and the various bargaining units. The County provides retiree medical benefits for eligible retirees enrolled in County sponsored plans in the form of monthly County contributions toward the retiree’s medical premium.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

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JUNE 30, 2024 AND 2023

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

Employees Covered

The following employee statistics as of June 30, 2024 and 2023, were used in the actuarial valuation:

	2024	2023
Active Employees	2	2
Inactive – receiving benefit	0	0
Inactive – not receiving benefit	0	0
Total Participants	2	2

Contributions

Contribution requirements of the Commission are established by the County of Placer. The Commission’s required contribution rate is an actuarially determined amount that is expected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed fifteen years. Contributions to the OPEB plan from the Commission were \$15,276 and \$6,075 for the fiscal years ended June 30, 2024, and 2023, respectively. Currently, contributions are not required from plan members.

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

Actuarial Methods and Assumptions Used to Determine OPEB Liability

The June 30, 2024, and 2023 OPEB liabilities were based on the following actuarial methods and assumptions:

	2024	2023
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.25%	6.80%
Inflation	2.50%	2.50%
Payroll Increase	2.75%	2.75%
Mortality Table	Based on assumptions for Public Agency Miscellaneous and Police members published in the 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2020.	
Healthcare cost trend rate	7.0% (pre-Medicare) and 6.00% (Medicare) for FY2024, gradually decreasing over several decades to an ultimate rate of 3.94% in FY2080 and later years.	6.8% for FY2023, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

A discount rate of 7.25% and 6.80% was used in the valuation for the fiscal year ended June 30, 2024, and 2023, respectively. GASB 75 requires that the liability discount rate be the single rate that reflects the following:

The long-term expected rate of return on OPEB plan investments used to finance the payment of benefits, to the extent that (1) the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and (2) OPEB plan assets are expected to be invested using a strategy to achieve that return; and A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale), to the extent that the conditions in A. are not met.

Allocation of Net OPEB Liability and OPEB Expense to Individual Employers

The following table shows the Commission’s proportionate share of the net OPEB liability over the measurement period:

	Increase /(Decrease) Net OPEB Liability (Asset)
Balance at June 30, 2023	\$ (11,321)
Balance at June 30, 2024	(27,230)
Net Changes during 2023-2024	<u>\$ (15,909)</u>

	Increase /(Decrease) Net OPEB Liability (Asset)
Balance at June 30, 2022	\$ (79,289)
Balance at June 30, 2023	\$ (11,321)
Net Changes during 2022-2023	<u>\$ 67,968</u>

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

The Commission’s net OPEB liability for the plan is measured as the proportionate share of the Plan’s net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2023 and 2022, and the net OPEB liability for the plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2023 and 2022. The Commission’s proportion of the net OPEB liability was based on a projection of the Commission’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The Commission’s proportionate share of the net OPEB liability for the plan as of June 30, 2023 and 2022 was as follows:

	OPEB Plan
Proportion - June 30, 2023	0.0969%
Proportion - June 30, 2024	0.0625%
Change - Increase/(Decrease)	-0.0344%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plan as of the Measurement Date June 30, 2023 and 2022, calculated using the discount rate of 7.25 percent and 6.80 percent, respectively, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net OPEB Liability/(Asset) as at June 30, 2024	\$ (4,394)	\$ (27,230)	\$ (59,186)

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
Net OPEB Liability/(Asset) as at June 30, 2023	\$ 36,515	\$ (11,321)	\$ (51,576)

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

The following presents the net OPEB liability of the Plan as of the Measurement Date, calculated using the changes in the healthcare cost trend rate as well as what the net OPEB liability would be if it were calculated using the healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	1% Decrease 6.25%	Current Trend Rate 7.25%	1% Increase 8.25%
Net OPEB Liability/(Asset) as at June 30, 2024	\$ (62,012)	\$ (27,230)	\$ (383)

	1% Decrease 5.80%	Current Trend Rate 6.80%	1% Increase 7.80%
Net OPEB Liability/(Asset) as at June 30, 2023	\$ (57,057)	\$ (11,321)	\$ 44,172

Amortization of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first amortized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows and deferred outflows to be recognized in future OPEB expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARSL)

LOCAL AGENCY FORMATION COMMISSION OF PLACER COUNTY

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

6. OTHER POST EMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2024, and 2023, the Commission recognized an expense of \$(8,443) and \$(13,947), respectively for the OPEB Plan. At June 30, 2024 and 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan as follows:

	<u>As at June 30, 2024</u>		<u>As at June 30, 2023</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 5,690	\$ (9,128)	\$ 9,971	\$ 29,892
Differences between actual and expected experience	1,507	(27,445)	11,158	24,391
Net differences between projected and actual earnings on plan investments	17,477	-	37,922	-
Contributions subsequent to the measurement date (including implied subsidy)	15,276	-	6,075	-
Total	<u>\$ 39,951</u>	<u>\$ (36,573)</u>	<u>\$ 65,127</u>	<u>\$ 54,283</u>

The Commission reported \$15,276 and \$7,287 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2025 and 2024, respectively. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>As at June 30, 2024</u>		<u>As at June 30, 2023</u>	
<u>Fiscal Year Ending June 30</u>	<u>Amount</u>	<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2025	(5,160)	2024	(7,257)
2026	(7,257)	2025	(1,565)
2027	7,028	2026	(4,813)
2028	(3,446)	2027	17,314
2029	(3,064)	2028	1,090
Thereafter	-	Thereafter	-
Total	<u>(11,898)</u>	Total	<u>4,769</u>

7. SUBSEQUENT EVENTS

Management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2024, through March 6, 2026, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
Charges for services	\$ 981,552	\$ 1,003,052	\$ 21,500
Interest income	1,320	26,557	25,237
Total Revenues	<u>982,872</u>	<u>1,029,609</u>	<u>46,737</u>
EXPENSES:			
Salaries and benefits	567,942	566,420	1,522
Services and supplies	414,931	370,522	44,409
Total Expenses	<u>982,873</u>	<u>936,942</u>	<u>45,931</u>
Excess/ (deficiency) of revenues over/ (under) expenditures	(1)	92,667	92,668
Beginning fund balance	258,922	(29,008)	(287,930)
Ending fund balance	<u>\$ 258,921</u>	<u>\$ 63,659</u>	<u>\$ (195,262)</u>

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Budget Variance Favorable (Unfavorable)
REVENUES:			
Charges for services	\$ 689,819	\$ 713,918	\$ 24,099
Interest income	1,200	10,588	9,388
Total Revenues	<u>691,019</u>	<u>724,506</u>	<u>33,487</u>
EXPENSES:			
Salaries and benefits	356,420	340,404	16,016
Services and supplies	334,599	189,993	144,606
Total Expenses	<u>691,019</u>	<u>530,397</u>	<u>160,622</u>
Excess/ (deficiency) of revenues over/ (under) expenditures	-	194,109	194,109
Beginning fund balance	258,922	(223,117)	(482,039)
Ending fund balance	<u>\$ 258,922</u>	<u>\$ (29,008)</u>	<u>\$ (287,930)</u>

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

**SCHEDULE OF COMMISSIONS PROPORTIONATE SHARE
OF NET PENSION LIABILITY**

FOR THE YEAR ENDING JUNE 30, 2024 AND 2023

	<u>June 30, 2022</u> ⁽¹⁾	<u>June 30, 2023</u> ⁽¹⁾	<u>June 30, 2024</u> ⁽¹⁾
Proportion of the net pension liability	0.1282%	0.1107%	0.1085%
Proportionate share of the net pension liability (asset)	\$ 482,355	\$ 623,668	\$ 647,900
Covered-employee payroll ⁽²⁾	\$ 200,247	\$ 229,562	\$ 293,746
Proportionate Share of the net pension liability as percentage of covered-employee payroll	240.88%	271.68%	220.56%
Plan's fiduciary net position as a percentage of the total pension liability	75.33%	64.55%	65.28%
Proportionate share of aggregate employer contributions ⁽³⁾	70,145	79,224	94,276

(1) Historical information is required only for measurement period for which GASB 68 is applicable. Fiscal year 2022 was the first year LAFCO received an audit, therefore shown from FY 2022.

(2) Covered employee payroll represented above is based on pensionable earning provided by the employer.

(3) The plans proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDING JUNE 30, 2024 AND 2023

	Fiscal Year ⁽¹⁾		
	2021-22	2022-23	2023-24
Actuarially Determined Contribution ⁽²⁾	\$ 82,503	\$ 81,616	\$ 94,276
Contributions in relation to the actuarially determined contributions	(82,503)	(81,616)	(94,276)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll ⁽³⁾	\$ 200,247	\$ 229,562	\$ 293,746
Contributions as a percentage of covered-employee payroll ⁽³⁾	41.201%	35.553%	32.094%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable. Fiscal year 2022 was the first year LAFCO received an audit, therefore shown from FY 2022.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contributions). However, some employers may choose to make additional contributions towards their site fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB, therefore are not considered separately financed specific liabilities.

(3) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

**SCHEDULE OF CHANGES IN THE LAFCO'S
NET OPEB LIABILITY AND RELATED RATIOS**

FOR THE YEAR ENDING JUNE 30, 2024 AND 2023

Fiscal Year Ending June 30,	2024*	2023*	2022*
Proportion of the Collective Net OPEB Liability	0.06254%	0.0969%	0.0664%
Proportionate Share of the Collective Net OPEB Liability (Asset)	\$ (27,230)	\$ (11,321)	\$ (79,289)
Covered-Employee Payroll	\$ 293,746	\$ 229,562	\$ 200,247
Proportionate Share of the Collective Net OPEB Liability as percentage of covered-employee payroll	-9.27%	-4.93%	-39.60%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	110.42%	102.72%	129.44%

* Fiscal year 2022 was the first year LAFCO received an audit, therefore only shown from fiscal year 2022.

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDING JUNE 30, 2024 AND 2023

PURPOSE OF SCHEDULES

A - Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual - General Fund

The Commission employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B - Schedule of Proportionate Share of the Net Pension Liability

Changes in Assumptions

There were no changes in assumptions.

Changes in Benefit Terms

There were no changes to benefit terms that applied to all members of the Public Agency Pool.

C - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2022 was the first year of implementation, therefore only three years are shown.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Valuation Date	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2023	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	6.90%	7.15%
Inflation	2.30%	2.50%
Payroll Growth Rate	2.75%	2.75%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	6.80%	7.15%

Mortality Derived using CalPERS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

PLACER LOCAL AGENCY FORMATION COMMISSION ORGANIZATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDING JUNE 30, 2024 AND 2023

D - Schedule of the Changes in the LAFCO's Net OPEB Liability and Related Ratios

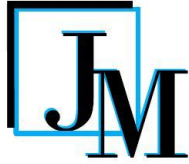
Benefit changes. There were no changes to benefits.

Changes of assumptions. The discount rate assumption increased from 6.80% to 7.25%.

Fiscal year 2022 was the first year of implementation, therefore only three years are shown.

	<u>2024</u>	<u>2023</u>
Actuarial Cost Method	Individual Entry Age Normal	Individual Entry Age Normal
Actuarial Assumptions:		
Discount Rate	7.25%	6.80%
Inflation	2.50%	2.50%
Payroll Increase	2.75%	2.75%
Mortality Table	Based on assumptions for Public Agency Miscellaneous and Police members published in the 2021 CalPERS Experience Study. These tables include generational mortality improvement using 80% of scale MP-2020.	
Healthcare cost trend rate	7.0% (pre-Medicare) and 6.00% (Medicare) for FY2024, gradually decreasing over several decades to an ultimate rate of 3.94% in FY2080 and later years.	6.8% for FY2023, gradually decreasing over several decades to an ultimate rate of 3.9% in FY2076 and later years.

OTHER REPORTS



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**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***

INDEPENDENT AUDITOR'S REPORT

To the Commissioners of
Placer Local Agency Formation Commission
Auburn, California 94533

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 governmental activities and major fund of Placer Local Agency Formation Commission, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Placer Local Agency Formation Commission's basic financial statements, and have issued our report thereon dated March 6, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Placer Local Agency Formation Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Placer Local Agency Formation Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Placer Local Agency Formation Commission'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 a 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.

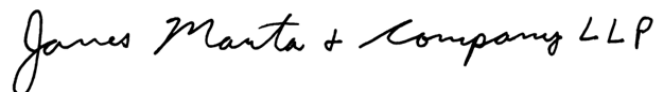
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Placer Local Agency Formation Commission'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 financial statements. 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 or other matters 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.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
March 6, 2026



Placer County Local Agency Formation Commission
110 Maple Street Auburn, CA 95603 | (530) 889-4097

COMMISSIONERS STAFF REPORT

Joshua Alpine
Chair
(Special District)

DATE: March 11, 2026

Anthony DeMattei
(County)

TO: Chair Alpine and members of the Commission

Whitney Eklund
Vice Chair
(City)

FROM: Amanda Ross, Acting Assistant Executive Officer
Colette Santsche, Interim Executive Officer

Judy Friedman
(Special District)

**SUBJECT: 2025-02 Draft Disadvantaged Unincorporated
Communities (DUC) Mapping**

Cindy Gustafson
(County)

Sean Lomen
(City)

Susan Rohan
(Public)

**ALTERNATE
COMMISSIONERS**

Shanti Landon
(County)

Cherri Spriggs
(Public)

Scott Wilson
(Special District)

Stephanie
Youngblood
(City)

COUNSEL

Michael Walker
General Counsel

STAFF

Colette Santsche
Interim Executive
Officer

Amanda Ross
Acting Assistant
Executive Officer

Amy Engle
Commission
Clerk/Analyst

SUMMARY

The Commission will receive draft disadvantaged unincorporated communities (DUC) mapping prepared by RSG, Inc. and, consistent with Policy 1.17.4.c, open an agency review period before the maps return to the Commission in final form for formal acceptance. The draft maps provide a countywide baseline for future municipal service reviews (MSRs), sphere of influence (SOI) updates, and annexation screening.

BACKGROUND

LAFCO adopted the Strategic Plan 2024-2028 (SP 28+) in October 2024, which outlines six goals and several objectives to achieve those goals. Goal 2 is to “Guide Orderly and Reasonable Formation and Development of Local Government Agencies.” One objective to meet Goal 2 is to “create a comprehensive list of current islands and unincorporated disadvantaged communities and identify options to provide more efficient services.”

The Commission approved its 2025-2026 Workplan on June 11, 2025, which includes Project No. 2025-02 for DUC mapping. At that same meeting, the Commission authorized an amendment to an existing contract with RSG to produce maps of DUCs in Placer County. This project to map the DUCs is the first step in identifying these communities in unincorporated Placer County. The draft mapping prepared by RSG is intended to provide a countywide baseline for identifying DUCs in unincorporated Placer County.

DISCUSSION

DUC mapping functions as both a statutory compliance tool and a broader planning resource. Senate Bill (SB) 244 (2012) was enacted to improve planning for the provision of basic municipal services to DUCs, assigning complementary responsibilities to LAFCOs, cities, and counties to identify these communities and consider service needs in boundary and land use planning.

For LAFCOs, SB 244 primarily affects the way municipal services and boundary changes are evaluated. A DUC is defined as an “inhabited territory” (with 12 or more registered voters) with an annual median household income less than 80 percent of the statewide annual median household income (Government Code § 56033.5; Water Code § [79505.5](#)). SB 244 requires LAFCO to identify DUCs during MSR and consider the service needs of these communities when updating SOIs for cities and special districts. In addition, the statute generally prohibits approval of an annexation greater than 10 acres that is contiguous to a DUC unless the annexation also includes the DUC (specific exemptions to this requirement may apply).

DUC mapping is used in three primary ways:

1. Municipal Service Reviews (Government Code § 56430): to identify DUCs within or contiguous to SOIs and evaluate the adequacy of municipal services available to those communities;
2. Sphere of Influence Updates (Government Code § 56425(e)(5)): to inform written determinations regarding the present and probable need for public facilities and services, including water, wastewater, and structural fire protection services in DUCs; and
3. Annexation Review (Government Code § 56375(a)): to screen city annexation proposals exceeding 10 acres to determine whether a contiguous DUC must also be annexed, unless a statutory exception applies.

Because DUCs often occur at city edges, unincorporated islands, or legacy communities adjacent to multiple service boundaries, a countywide mapping effort allows LAFCO to apply a consistent methodology across jurisdictions rather than relying on project-by-project analysis. This improves the defensibility of future service reviews, SOI updates, and annexation analyses while also providing information that can assist cities and the County in broader land use and infrastructure planning efforts.

Draft Mapping Methodology and Results

In support of the Strategic Plan and Policy 1.17, Placer LAFCO contracted with RSG, Inc. to prepare updated draft DUC mapping for Placer County. The mapping analysis used unincorporated area boundaries, 2023 American Community Survey (ACS) five-year median household income data, and registered voter data to identify inhabited territory consistent with the statutory definition of a DUC. For the 2023 ACS five-year dataset, 80 percent of statewide median household income was \$95,521, which served as the threshold for identifying disadvantaged areas.

The analysis included the following steps:

- Identified all unincorporated areas within Placer County.
- Identified geographical areas under 80% Median Household Income (MHI) threshold based on 2023 ACS 5-year estimates.
- Identified inhabited territory using registered voter data.
- Identified DUCs resulting from the above analysis.
- Identified and removed unpopulated slivers resulting from the data overlay process.

The resulting draft maps provide a baseline screening tool showing where DUCs may exist within unincorporated Placer County. Using this methodology, RSG identified six draft DUC areas: one located north of the City of Lincoln, one southwest of the City of Auburn, three north and northwest of the City of Auburn, and one adjacent to the Town of Colfax. Countywide and individual area maps are included in Attachment A.

The countywide map is intended to serve as a planning and screening baseline, rather than the final determination of DUC status. Additional agency input, local knowledge, and future MSR/SOI updates will help validate service conditions, adjacency relationships, and the implications of each mapped area for water, wastewater, structural fire protection, and annexation review. This step is particularly important because DUC mapping often overlaps with communities that may also be evaluated through state drinking water and wastewater planning programs, which rely on the same Water Code income definition, as well as city and county Housing Element and infrastructure planning efforts that address the availability of services to disadvantaged communities.

Policy 1.17 establishes a five-year update cycle for DUC mapping in coordination with new MSR and SOI rounds. As a best practice, staff should also review the countywide DUC layer when updated ACS five-year data become available and prior to major countywide studies involving water, wastewater, fire protection, or city-edge annexations if new information suggests the baseline should be refined.

Following formal acceptance by the Commission, the maps should be incorporated into relevant MSRs, SOI updates, and annexation screening processes, may inform city and county Housing Element updates and related infrastructure planning efforts, and include outreach to affected DUC residents tied to the particular proceedings as contemplated by Policy 1.17.5.c.

ANALYSIS

Commission Focus - Policy 1.17, Strategic Plan Goal 2, and Implementation

The Commission has identified Policy 1.17 as the Commission's Disadvantaged Unincorporated Communities Program. Policy 1.17.3 states that the Commission shall establish and update DUC maps for all cities and special districts under LAFCO authority in Placer County. The policy also requires DUC maps to be updated every five

years in conjunction with commencing a new round of Service Reviews and Sphere of Influence updates under Government Code sections 56430 and 56425.

The draft maps are consistent with Policy 1.17 as they establish a countywide DUC baseline, use recent five-year ACS data, and are being released for agency review before being returned to the Commission in final form. The recommended review step is outlined by Policy 1.17.4.c and is appropriate because local agencies may provide information on community boundaries, service providers, and existing or planned infrastructure improvements that could help refine the final DUC maps.

The draft maps also advance Strategic Plan Goal 2, which calls for developing a comprehensive inventory of current unincorporated islands and disadvantaged unincorporated communities and identifying opportunities to provide more efficient municipal services. Establishing a consistent countywide DUC screening layer supports this objective and gives staff a Placer County-specific analytical tool to inform future MSRs and SOI updates.

From a policy standpoint, acceptance of the maps does not constitute a determination that any mapped area currently lacks adequate municipal services or that annexation is warranted. Rather, the maps are intended to help the Commission consistently identify where additional analysis is required under Government Code sections 56430, 56425, and 56375(a).

As future MSR and SOI updates occur, Policy 1.17.5.c also anticipates outreach to affected DUC residents so that potentially affected communities are reasonably aware of related proceedings and have an opportunity to comment prior to Commission action.

Opening a review period is therefore a reasonable intermediate step. It allows the Commission to vet the methodology and local accuracy of the mapping while establishing a countywide baseline that can be formally accepted and updated on the policy-required five-year cycle.

STAFF RECOMMENDATION

Per Placer LAFCO Policy 1.17.4.c, staff recommends that the Commission receive the draft DUC maps prepared by RSG, Inc., open an agency review period, and direct staff to return to the Commission with final maps for formal acceptance following completion of the review process.

Alternatives For Action

The following alternatives are available to Placer LAFCO through a single motion:

Alternative One (recommended): Receive the draft DUC maps, open the agency comment period, and direct staff to return with final maps for formal acceptance.

Alternative Two: Continue the item to a date certain and direct staff and/or RSG to provide additional information on methodology, mapped areas, or outreach before releasing the draft maps for review.

PROCEDURES

This item has been placed on the agenda for action as part of Placer LAFCO's business calendar. The following procedures, accordingly, are recommended.

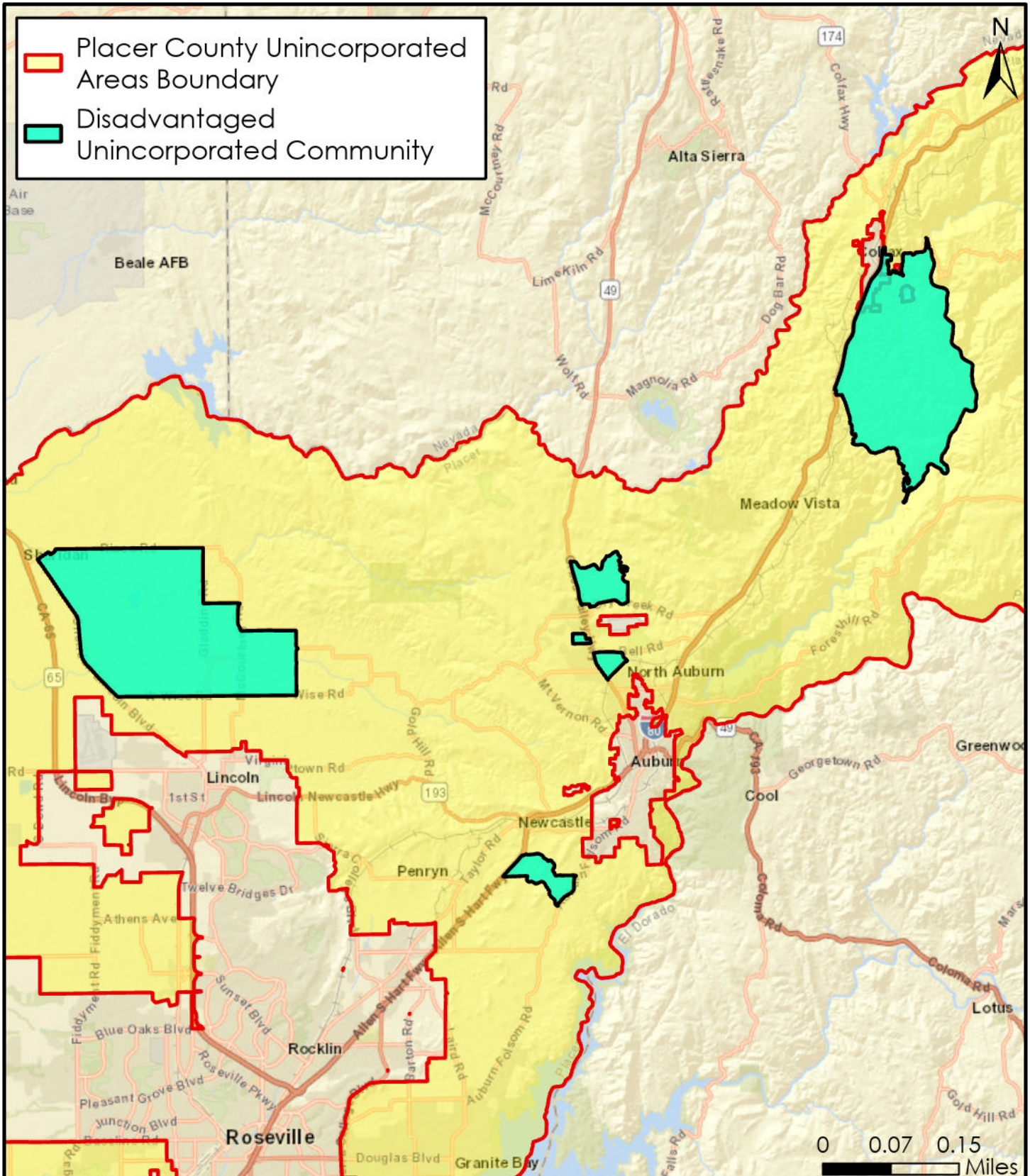
1. Receive an oral report from staff and/or the consultant unless waived.
2. Commission discussion and public comment.
3. Consider the staff recommendation and provide direction as appropriate.

On behalf of the Interim Executive Officer,

Amanda Ross
Acting Assistant Executive Officer

ATTACHMENTS

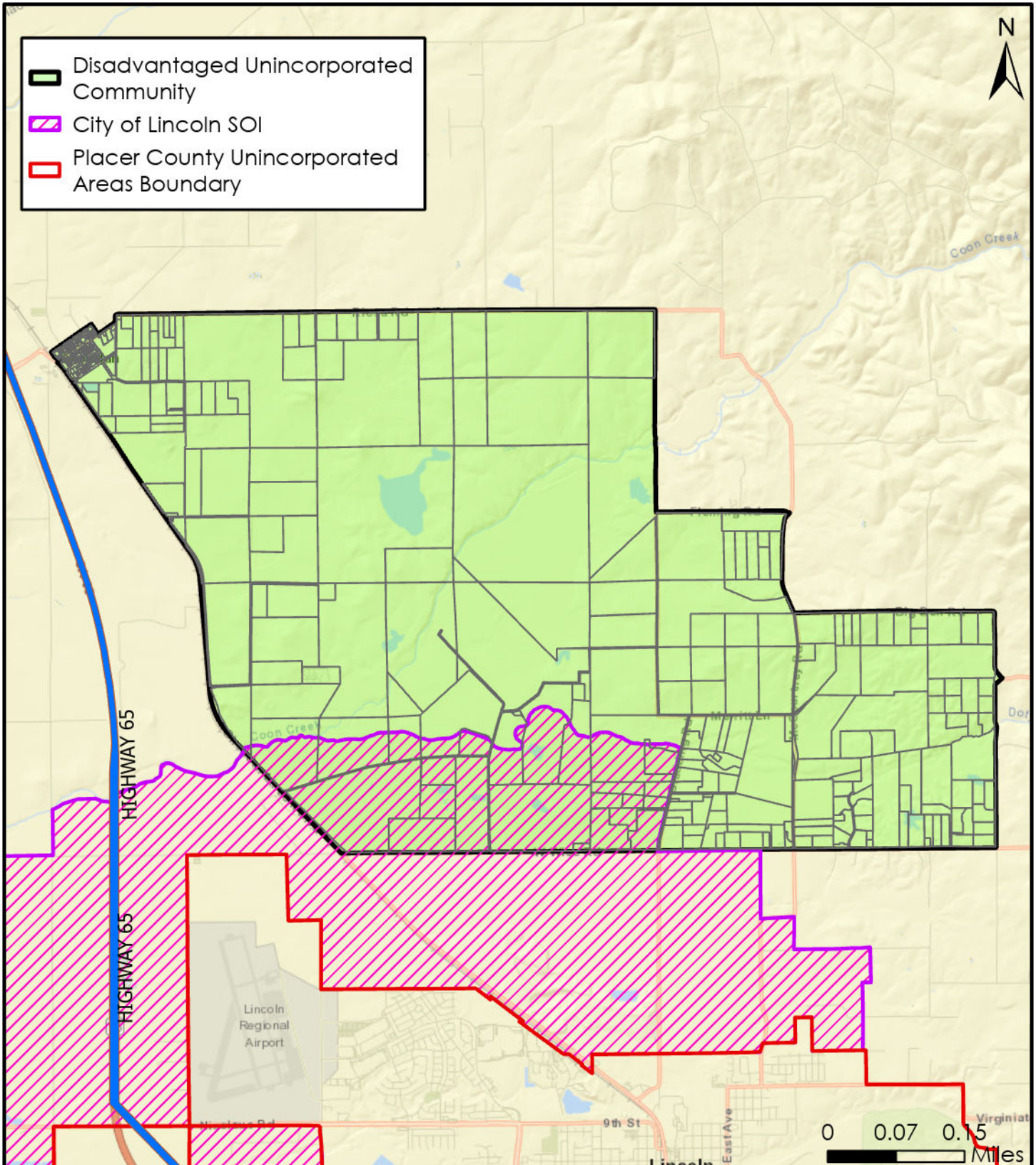
A – Draft DUC Maps (Countywide and Individual Area Maps)



Placer County Disadvantaged Unincorporated Community Map



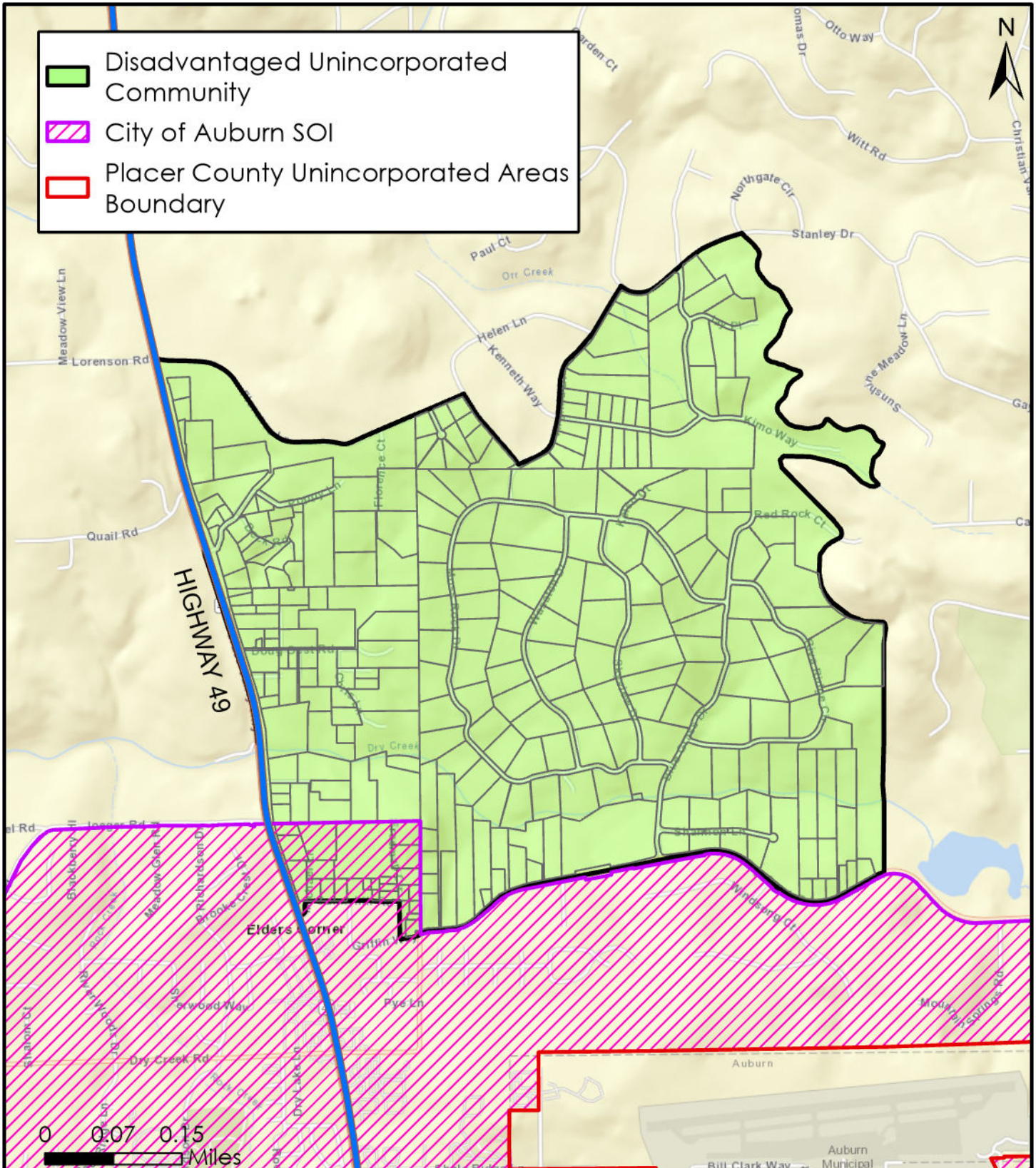
Source: RSG Inc., ESRI, Placer County LAFCO



Placer County Disadvantaged Unincorporated Community Map (1)



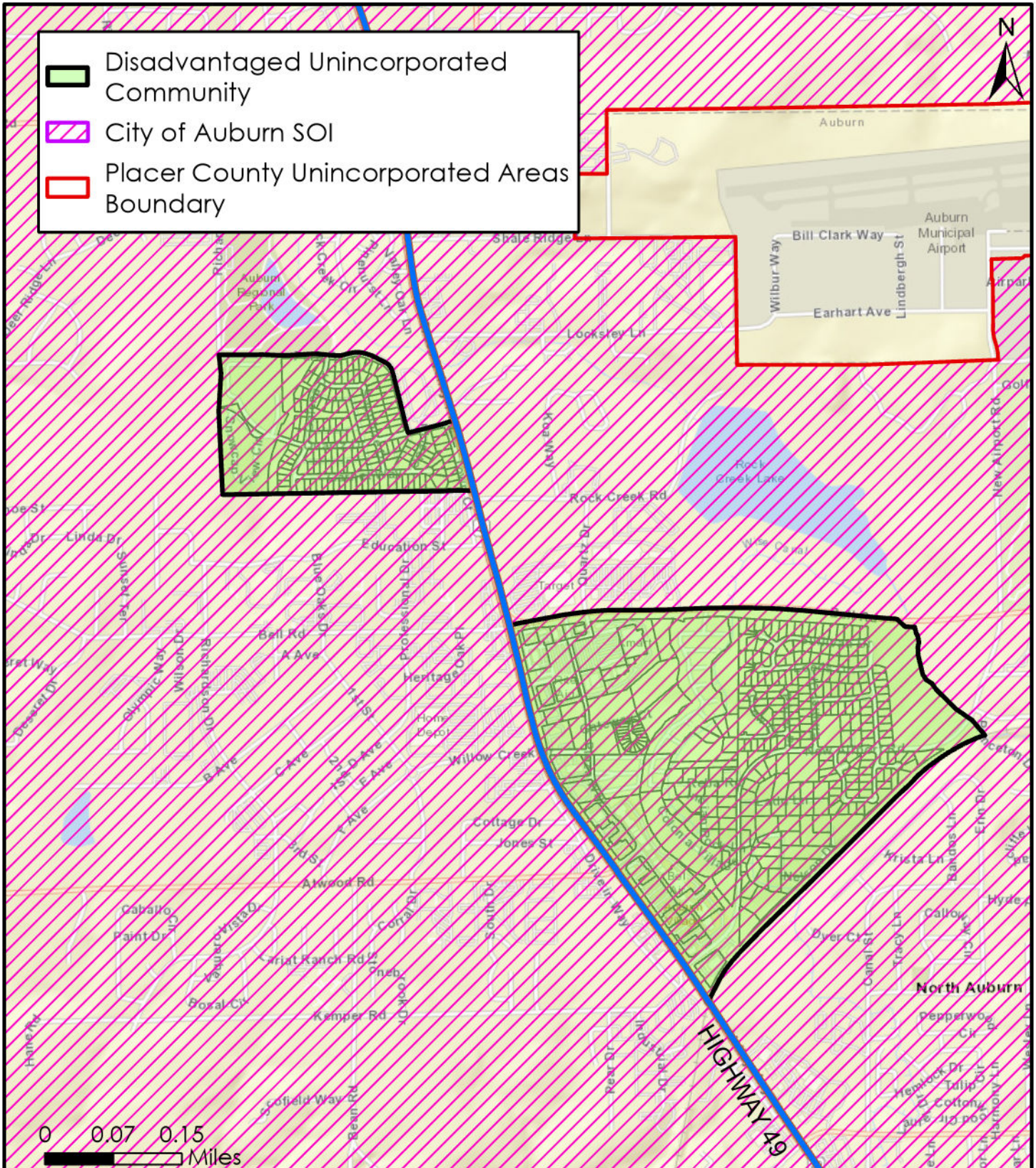
Source: RSG Inc., ESRI, Placer County LAFCO



Placer County Disadvantaged Unincorporated Community Map (2)



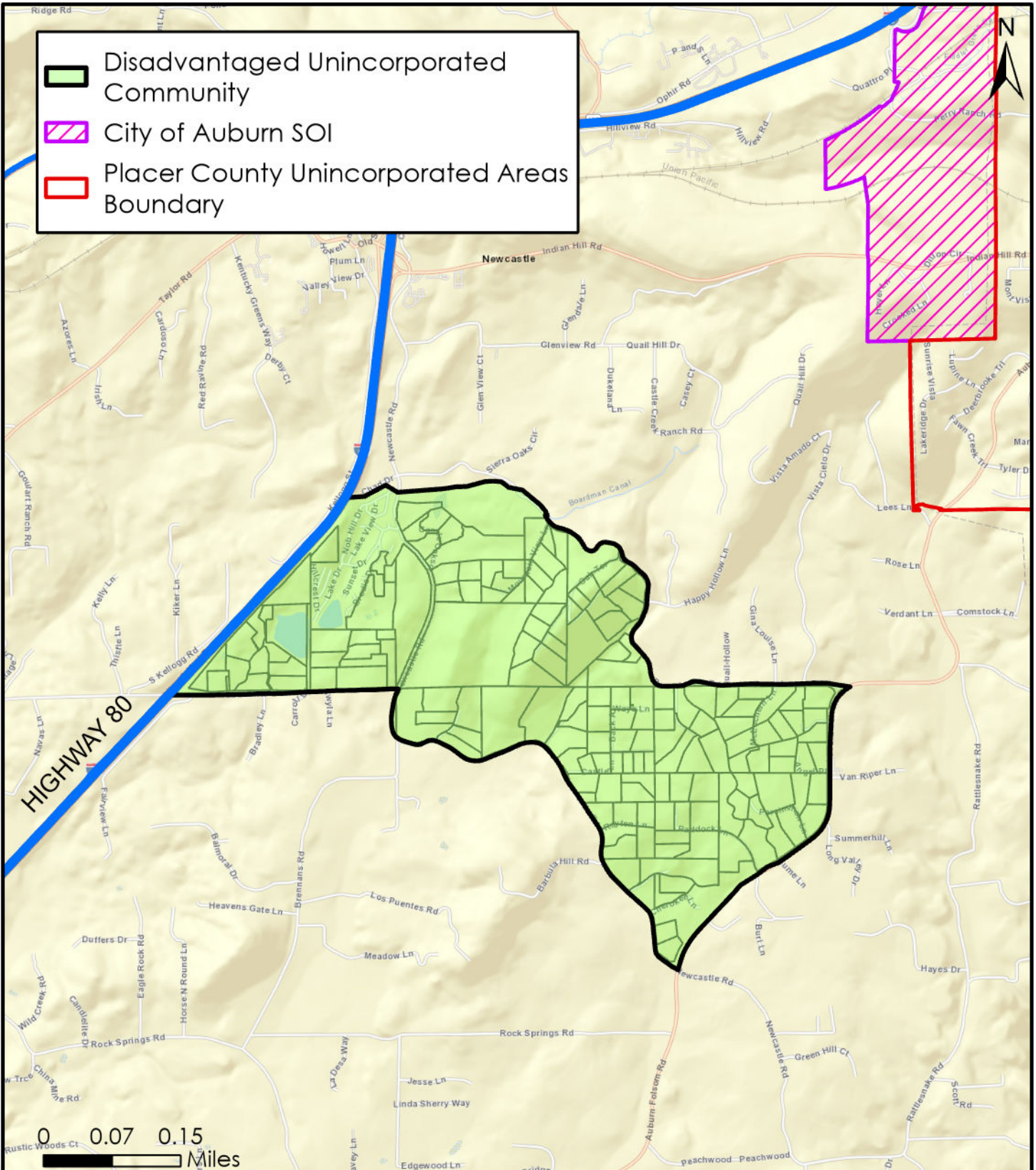
Source: RSG Inc., ESRI, Placer County LAFCO



Placer County Disadvantaged Unincorporated Community Map (3)



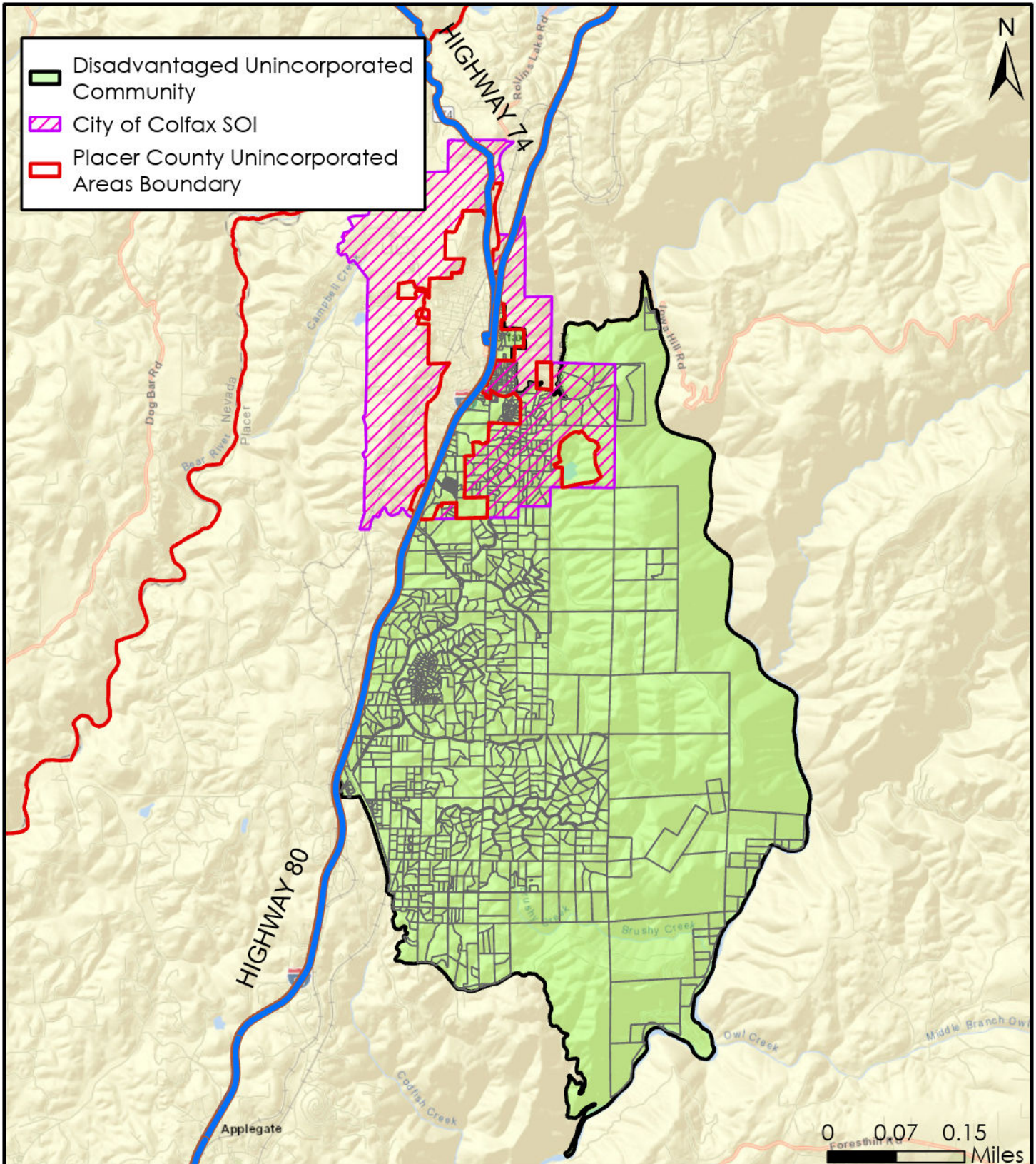
Source: RSG Inc., ESRI, Placer County LAFCO



Placer County Disadvantaged Unincorporated Community Map (4)



Source: RSG Inc., ESRI, Placer County LAFCO



Placer County Disadvantaged Unincorporated Community Map (5)



Source: RSG Inc., ESRI, Placer County LAFCO