



PLACER HILLS FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS

Established 1949

Alex Harvey Fred Lofrano Russell McCray Nicole Paskey Mark Wright

NOTICE of a REGULAR MEETING and AGENDA

Thursday, April 9, 2026 at 6 p.m.

17020 Placer Hills Road, Unit 2A, Meadow Vista CA 95722

1. Call to Order, Pledge of Allegiance and Roll Call
2. Agenda Approval; Board action may be taken on any item on this agenda.
3. Minutes Approval; Prior meeting(s) minutes:
4. Public Comment; Persons may address the Board on matters not on the agenda. Topics should be of jurisdictional interest to the Fire District. Please limit your comments to 5 min. as the Board is not permitted to take any action on non-agenda items.
5. Correspondence (not covered in agenda items):
6. Information Items:
 - a. Fire Chief report
 - b. Operations report
 - c. Prevention report
 - d. Placer Hills Firefighters Association report:
 - e. Sierra Nevada Firefighters (Local 3800) report
 - f. Board Committee reports:
 - i. Finance Committee: Lofrano and McCray
 - ii. Ad Hoc Committee for reorganizations: Harvey and Paskey
7. Discussion and Action Items:
 - a. Status on Placer County Local Hazard Mitigation Plan update for 2026 and CWPP Community Wildfire Prevention Plan
 - b. Approve the budget update and monthly expenses (action)
 - c. Consider and vote for the Special District Representative on the Placer County Local Agency Formation Commission (action)
 - d. Board to consider and approve a selection process for the board members of the reorganized Placer Hills and Newcastle Fire Protection District (action)
 - e. Consider and approve a 3% pay increase, consistent with approved changes in the Memorandum of Understanding with Local 3800, for the Fire Chief, Assistant Chief, Division Chief, Fire Marshal, District Manager and Admin Assistant (action)
 - f. Consider and adopt Resolution 2026-04 amending the budget for Fiscal Year 2025-2026 (action)
 - g. Consider and approve the Audit for Fiscal Year 2024/2025 prepared by Smith & Newell CPA's (action)
8. Director's comments; This time is designated for Directors to:
 - a. Report on activities of interest to the District which the Director is engaged in or is considering. No action will be taken on these items at this meeting.
 - b. Request item(s) for inclusion in subsequent meetings, or request a Special Meeting.
 - c. Reminder of the next Board meeting (regular or special) date, time and location.
9. Adjournment

Next meeting: May 14, 2026

PO Box 350 Meadow Vista CA 95722 (530) 878-0405 www.placerhillfire.org

Note: Placer Hills Fire District is committed to ensuring that persons with disabilities are provided the resources to participate fully in its public meetings. Please contact the District Office at (530) 878-0405 in advance of the meeting to enable the District to arrange reasonable accommodations for participation in the meeting. Except for records that are exempt from disclosure under the California Public Records Act, agendas and other writings relating to this agenda and meeting which are distributed to the Board Members prior to or at this meeting are available to the public.

BOARD OF DIRECTORS

PLACER HILLS FIRE PROTECTION DISTRICT

P.O. Box 350, Meadow Vista, CA 95722

(530) 878-0405 Fax (530) 878-0959

www.placerhillsfire.org



Alex Harvey
Fred Lofrano
Russell McCray
Nicole Paskey
Mark Wright

MINUTES OF THE REGULAR MEETING: March 12, 2026

17020 Placer Hills Rd. Suite 2A, Meadow Vista

1. Call to order; Flag salute; Roll call:

Director Harvey convened the regular meeting at 6:00 p.m.

Directors in attendance: Harvey, Lofrano, McCray, and Wright

Directors absent: Paskey

Staff in attendance: Chief Gow, Assistant Chief Slusher, Fire Marshal D'Ambrogi, Division Chief Williamson, and District Manager Armstrong.

2. Agenda approval:

Director Wright moved to approve the agenda. Director McCray seconded the motion which passed 4 to 0.

3. Approval of the minutes:

Director McCray moved to approve the minutes. Director Wright seconded the motion which passed 4 to 0.

4. Public Comment: N/A

5. Correspondence (not covered in Agenda items below): N/A

6. Information Items:

a. Fire Chief Report – Chief Gow

- i. Started cooperation with the City of Auburn, the only challenge we've come across so far is coordinating the two dispatch centers
- ii. Been establishing relationships with other Fire Departments and Chiefs, interested in cooperations and come to agreement on ways to improve communications and tie all of our dispatch centers together
- iii. Fire Chiefs evaluating options for ambulance services and working with AMR and SSV to review the areas of concern
- iv. Director Group Ad hoc committee, working to schedule a meeting later this month
- v. Testing for vacant Engineer positions completed yesterday
- vi. A list of items will be reviewed from Lexipol at next month's meeting, new policies and a few rewrites

b. Operations Report – Chief Slusher

- i. Not currently able to pull the data from the new fire reporting system, new reports are being built
- ii. JOA is working well, Battalion Chief response times meeting standards. On an occasion utilized the Duty Chief, in particular during the winter storm. Working through some challenges with dispatch.
- iii. Down a few positions, completed a joint test with the City of Auburn yesterday and moving forward with interviews.
- iv. Structure fire yesterday; Closest 2 Battalion Chiefs responded and our 2 engines. Personnel saved a few animals during the incident.

- v. Today E41 responded to a mutual aid call where they were exposed to thermal runaway of a lithium-ion battery. All exposed items had to be shipped for proper chemical cleaning.
- c. Prevention Report – Chief Williamson
 - i. Completed 2 hydro, 2 finals and 2 propane lines.
 - ii. Will serve letter for Canyon Way, for a commercial building. Multipurpose room being built at Foothill Fellowship, Hum in Peace extension for property split, addition of storage containers at Meadow Vista storage.
- d. Placer Hills Firefighters Association report: N/A
- e. Local 3800: N/A
- f. Board Committee reports:
 - i. Finance Committee: N/A
 - ii. Ad hoc Committee for reorganizations: N/A

7. Discussion and Action Items:

- a. Board to review and discuss upcoming LAFCO Meetings
Chief Gow reported that the reorg had a successful hearing with a 7-0 vote, command staff put in a lot of work to get this result. In the protest period now, which ends at the hearing on the 25th at station 41. Continue to provide information to the community through news articles and meetings.
- b. Status on Placer County Local Hazard Mitigation Plan update for 2026
Fire Marshal D'Ambrogi reported that the annex drafts have come out for staff review. Public meetings will be coming up soon, once available they will be shared with the board and posted on the website. Working on the CWPP, community survey being developed and consultant will start meeting with the agencies for input on recommended projects.
- c. Approve the budget update and monthly expenses (action)
Director McCray motions to approve the budget update and monthly expenses. Director Lofrano seconded the motion, which passed 4-0.
- d. Consider and approve submitting a nomination for the Special District Representative on the Placer County Local Agency Formation Commission
Chief Gow reported that the commissioner that is currently up for re-election is Judy Friedman and recommend nominating her for the position. Director Wright motions to nominate Judy Friedman for the Special District representative on Placer County LAFCO. Director McCray seconded the motion, which passed 4-0.

The meeting was closed at 6:33pm.

- e. Closed session
 - i. Pursuant to California Govt. Code § 54957.6(a) **LABOR NEGOTIATIONS**; Discussion of the Memorandum of Understanding with Local 3800, District negotiators: Harvey and Lofrano.
 - ii. Pursuant to California Govt. Code § 54957(b)(1) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**; Title: Fire Chief

The open meeting reconvened at 7:00pm.

Director Harvey reported that the board approved the MOU with Local 3800 and discussed the Fire Chief's performance evaluation.

- f. Consider and approve the MOU with Local 3800 for the term of January 1, 2026 to December 31, 2026 (action)

Director McCray motions to approve the MOU with Local 3800 for the term of January 1, 2026 to December 31, 2026. Director Wright seconded the motion, which passed 4-0.

8. Directors' comments:

a. *Report on activities of interest to the District which the Director is engaged in or is considering. No action will be taken on these items at this meeting.*

b. *Request item(s) for inclusion on subsequent meetings, or request a Special Meeting.*


Director Harvey reported that the board will need to select the members that will be part of the newly reorganized district and that the selection process will need to be put on next month's agenda.

c. *Reminder of next Board meeting(s): Regular Meeting on April 9, 2026.*

9. Adjournment:

There being no further business, the meeting was adjourned at 7:05pm.

Respectfully submitted by:



Michelle Armstrong, District Manager

Placer Hills Fire District
Revenues and Expenses Budget vs. Actual
03/31/2026 81% FY elapsed

	Jul '25 - Mar 26	Budget	% of Budget
Ordinary Income/Expense			
Income			
Revenue			
42010 Rental income	17,190.00	22,920.00	75.0%
Taxes			
40010 Current Secured Property	872,318.88	1,586,481.00	55.0%
40040 Railroad Unitary Property	860.17	1,564.00	55.0%
40050 Unitary Non-Unitary	16,980.48	30,874.00	55.0%
40060 Current Unsecured Prprty	33,334.18	34,773.00	95.9%
40090 Delinquent Unsecured	435.38		
40100 Current Supplemental	16,431.33	34,610.00	47.5%
40110 Delinquent Supplemental	31.15		
40180-RC0240 Timber tax	0.06		
40180 PHFD FEE	241,671.63	439,403.00	55.0%
Total Taxes	1,182,063.26	2,127,705.00	55.6%
Non-operating Revenue			
42010 Investment income	34,965.04	45,000.00	77.7%
Total Non-operating Revenue	34,965.04	45,000.00	77.7%
Intergovernmental Revenue			
44350 Homeowners Tax Relief	3,859.60	7,567.00	51.0%
Total Intergovernmental Revenue	3,859.60	7,567.00	51.0%
Charges for Services			
46030 Direct Charges			
46030 PHFD FEE 2004	198,531.57	360,966.00	55.0%
46030 MEASURE A	613,767.79	1,115,941.00	55.0%
Total 46030 Direct Charges	812,299.36	1,476,907.00	55.0%
46350 Fire Services			
Cal Fire requested resources	1,536.68	5,000.00	30.7%
Total 46350 Fire Services	1,536.68	5,000.00	30.7%
46360 Other Fees and Charges			
JOA Staffing reimbursement	17,499.39	15,000.00	116.7%
Administrative Services	143,142.50	376,000.00	38.1%
Code Inspection Fees	13,750.00	20,000.00	68.8%
Response recovery fees	451.50	2,500.00	18.1%
Total 46360 Other Fees and Charges	174,843.39	413,500.00	42.3%
Total Charges for Services	988,679.43	1,895,407.00	52.2%
48030 Miscellaneous Revenues			
Fleet Services	12,136.19	25,000.00	48.5%
48030 Miscellaneous Revenues - Other	64,319.21	10,000.00	643.2%
Total 48030 Miscellaneous Revenues	76,455.40	35,000.00	218.4%
47010 Donations	0.49	200.00	0.2%
Grants			
California Fire Foundation	23,000.00	23,000.00	100.0%
EMS improvement Fund	12,140.70	12,141.00	100.0%
Total Grants	35,140.70	35,141.00	100.0%
Total Revenue	2,338,353.92	4,168,940.00	56.1%
Total Income	2,338,353.92	4,168,940.00	56.1%
Gross Profit	2,338,353.92	4,168,940.00	56.1%
Expense			
Pension Obligation Bond	72,175.00	72,175.00	100.0%

Placer Hills Fire District
Revenues and Expenses Budget vs. Actual
03/31/2026 81% FY elapsed

	Jul '25 - Mar 26	Budget	% of Budget
Building Improvements			
Admin Improvements	1,994.79		
Total Building Improvements	1,994.79	0.00	100.0%
Dues and Subscriptions	560.00	2,000.00	28.0%
Fire Prevention	2,024.97	3,700.00	54.7%
Gas, Diesel and Oil	35,987.36	55,000.00	65.4%
Insurance	242,395.00	256,078.00	94.7%
Lease Payments	9,052.09	10,500.00	86.2%
Legal Fees	14,177.71	10,000.00	141.8%
Medical	8,790.99	17,500.00	50.2%
Miscellaneous	2,868.31	3,500.00	82.0%
Office	8,719.93	7,500.00	116.3%
Payroll Expenses			
JOA staffing	37,802.33		
Benefits			
CalPERS retirement	179,406.06	267,722.00	67.0%
CalPERS UAL annual contribution	62,326.00	62,226.00	100.2%
Health/Dental/Life benefits	241,675.37	281,050.00	86.0%
457 Deferred Compensation	121,892.68	169,386.00	72.0%
Total Benefits	605,300.11	780,384.00	77.6%
Wages			
51010 Salaries and Wages	1,341,357.56	2,083,571.00	64.4%
51030 Extra Help	59,573.78	48,490.00	122.9%
51120 Uniform Allowance	18,650.00	27,300.00	68.3%
51040 Overtime	432,881.04	302,500.00	143.1%
Total Wages	1,852,462.38	2,461,861.00	75.2%
51220 Payroll Taxes	33,810.49	40,460.00	83.6%
51370 Disability/Absence Com	49,056.62		
Unemployment Insurance	0.00	4,000.00	0.0%
Total Payroll Expenses	2,578,431.93	3,286,705.00	78.5%
Planned Expenditure			
Grant Expenditures			
CA Fire Foundation	23,000.00	23,000.00	100.0%
EMS Improvement Fund	12,140.70	12,141.00	100.0%
Total Grant Expenditures	35,140.70	35,141.00	100.0%
Safety Equipment	698.88	4,000.00	17.5%
Planned Assets			
Apparatus			
Smeal 2024	82,189.32	82,189.00	100.0%
Total Apparatus	82,189.32	82,189.00	100.0%
Total Planned Assets	82,189.32	82,189.00	100.0%
Total Planned Expenditure	118,028.90	121,330.00	97.3%
Professional Fees	68,210.64	80,685.00	84.5%
Repairs and Maintenance			
PPE repairs and maintenance	488.09	2,500.00	19.5%
Facilities	20,860.17	19,000.00	109.8%
Equipment Repairs	30,573.51	100,000.00	30.6%

Placer Hills Fire District
Revenues and Expenses Budget vs. Actual
03/31/2026 81% FY elapsed

	Jul '25 - Mar 26	Budget	% of Budget
Total Repairs and Maintenance	51,921.77	121,500.00	42.7%
Station Supplies & Tools	2,708.03	6,000.00	45.1%
Tax Collections	47,042.71	47,043.00	100.0%
Training and Fitness	14,206.25	17,500.00	81.2%
Uniform Costs	1,986.79	6,500.00	30.6%
Utilities	60,812.07	70,000.00	86.9%
Volunteer Awards	2,801.47	4,000.00	70.0%
Total Expense	3,344,896.71	4,199,216.00	79.7%
Net Ordinary Income	-1,006,542.79	-30,276.00	3,324.6%
Net Income	-1,006,542.79	-30,276.00	3,324.6%

Placer Hills Fire District

3/31/2026 11:14 AM

Register: Placer County Treasury

From 03/05/2026 through 03/31/2026

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/06/2026			-split-	Deposit			1,585.00	1,431,604.65
03/06/2026	To Print	Active 911, Inc.	Accounts Payable		666.00			1,430,938.65
03/06/2026	To Print	City of Foster City	Accounts Payable		582.00			1,430,356.65
03/06/2026	To Print	Culligan of Sacramen...	Accounts Payable	Account 833170	31.78			1,430,324.87
03/06/2026	To Print	Hills Flat Lumber Co...	Accounts Payable	Account 6844	27.86			1,430,297.01
03/06/2026	To Print	Hunt & Sons, Inc	Accounts Payable	Account # 89473	831.14			1,429,465.87
03/06/2026	To Print	Meadow Vista Water...	Accounts Payable		198.80			1,429,267.07
03/06/2026	To Print	Napa Auto Parts	Accounts Payable	p	500.53			1,428,766.54
03/06/2026	To Print	Newcastle Fire Prote...	Accounts Payable		1,373.04			1,427,393.50
03/06/2026	To Print	PG & E	Accounts Payable	Acct 45044653...	549.01			1,426,844.49
03/06/2026	To Print	Principal Life	Accounts Payable		2,867.13			1,423,977.36
03/06/2026	To Print	Sierra Building Syste...	Accounts Payable		632.93			1,423,344.43
03/06/2026	To Print	T-Mobile	Accounts Payable	993933274	188.10			1,423,156.33
03/06/2026	To Print	US Bank Equipment ...	Accounts Payable	Acct 36187600	515.41			1,422,640.92
03/06/2026	2023-638		Payroll Expenses:5137...		121,390.59			1,301,250.33
03/13/2026	To Print	Advantage Gear, Inc	Accounts Payable	Account # 615...	276.97			1,300,973.36
03/13/2026	To Print	CoPower	Accounts Payable		342.20			1,300,631.16
03/13/2026	To Print	Kone	Accounts Payable		180.63			1,300,450.53
03/13/2026	To Print	Meadow Vista Hard...	Accounts Payable	Acct 2405n	324.86			1,300,125.67
03/13/2026	To Print	National Hose Testin...	Accounts Payable		1,336.50			1,298,789.17
03/13/2026	To Print	PG & E	Accounts Payable	Acct 45044653...	1,623.92			1,297,165.25
03/13/2026	To Print	Recology Auburn Pla...	Accounts Payable	Accounts 0421...	339.82			1,296,825.43
03/13/2026	To Print	Sierra Office Supply ...	Accounts Payable	Acct No. AB15...	154.41			1,296,671.02
03/13/2026	To Print	TargetSolutions Lear...	Accounts Payable		10,767.70			1,285,903.32
03/13/2026	To Print	Timberline Sign Center	Accounts Payable		144.78			1,285,758.54
03/13/2026	To Print	William L Adams PC	Accounts Payable		456.75			1,285,301.79
03/13/2026	To Print	WPC Fire Chiefs Ass...	Accounts Payable	2024 Members...	360.00			1,284,941.79
03/13/2026	2023-634		Payroll Liabilities:Plac...				8,000.00	1,292,941.79
03/13/2026	2023-635		Planned Expenditure:P...		82,189.32			1,210,752.47
03/16/2026			-split-	Deposit			1,019.47	1,211,771.94
03/19/2026	To Print	Hunt & Sons, Inc	Accounts Payable	Account # 89473	1,343.41			1,210,428.53
03/19/2026	To Print	Kaden E Ahlberg {In...	Accounts Payable		165.99			1,210,262.54
03/19/2026	To Print	Kelly Spicers Faciliti...	Accounts Payable		533.41			1,209,729.13
03/19/2026	To Print	Kingsley Bogard LLP	Accounts Payable	26804	2,131.80			1,207,597.33
03/19/2026	To Print	Occu-Med, Ltd.	Accounts Payable		263.69			1,207,333.64
03/19/2026	To Print	Optimum	Accounts Payable		140.00			1,207,193.64
03/19/2026	To Print	UnitedHealthcare Ins...	Accounts Payable		149.18			1,207,044.46
03/19/2026	To Print	US Bank	Accounts Payable		11,463.29			1,195,581.17
03/20/2026	2023-639		Payroll Expenses:5137...		153,000.41			1,042,580.76
03/26/2026	To Print	AT&T Calnet	Accounts Payable		166.06			1,042,414.70

Placer Hills Fire District

3/31/2026 11:14 AM

Register: Placer County Treasury
 From 03/05/2026 through 03/31/2026
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
03/26/2026	To Print	HANDTEVY Pediatr...	Accounts Payable		90.00			1,042,324.70
03/26/2026	To Print	Kelly Spicers Faciliti...	Accounts Payable		4.13			1,042,320.57
03/26/2026	To Print	Scott's PPE Recon, Inc	Accounts Payable		254.64			1,042,065.93
03/26/2026	To Print	Shell Small Business	Accounts Payable		711.79			1,041,354.14
03/26/2026	To Print	Walker's Office Supp...	Accounts Payable		1,994.79			1,039,359.35
03/26/2026	To Print	Cal PERS Health	Accounts Payable		27,517.81			1,011,841.54
03/26/2026	2023-637		Payroll Liabilities:Plac...	AFLAC	1,914.33			1,009,927.21
03/31/2026			-split-	Deposit			62,311.38	1,072,238.59

PLACER HILLS FIRE MITIGATION
Revenues and Expenses Budget vs. Actual
 July 2025 through March 2026

	Jul '25 - Mar 26	Budget	\$ Over Budget	% of Budget
Income				
PG700022 Mitigation Fees				
Revenues				
Mitigation Fees	94,039.09	110,000.00	-15,960.91	85.5%
Total Revenues	94,039.09	110,000.00	-15,960.91	85.5%
42010 Investment Income	1,545.86	1,000.00	545.86	154.6%
Total PG700022 Mitigation Fees	95,584.95	111,000.00	-15,415.05	86.1%
Total Income	95,584.95	111,000.00	-15,415.05	86.1%
Expense				
GL52260 Misc Expense	19,482.91	24,750.00	-5,267.09	78.7%
GL54460 Fixed Assets	82,189.32	82,189.00	0.32	100.0%
Total Expense	101,672.23	106,939.00	-5,266.77	95.1%
Net Income	-6,087.28	4,061.00	-10,148.28	-149.9%



Electronic Transmittal

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

March 20, 2026

TO: Independent Special District Presiding Officers
c/o District Clerk

FROM: Colette Santsche, Interim Executive Officer

**SUBJECT: Ballot Distribution and Voting Instructions: Special
District Appointment to Placer LAFCO**

Dear Presiding Officer,

On February 10, 2026, the Placer Local Agency Formation Commission (LAFCO) initiated a call for nominations to fill a vacancy for one of the regular Special District Representatives on the Commission. The presiding officer (Board Chair/President) of each independent special district were invited to submit nominations for qualified special district board members to fill this open seat.

At the close of the nomination period, LAFCO received a total of eleven (11) nominations for three (3) candidates, as summarized below:

Judy Friedman, Director, Tahoe City Public Utility District

Nominated by:

- North Tahoe Fire Protection District
- North Tahoe Public Utility District
- Northstar Community Service District
- Olympic Valley Public Service District
- Penryn Fire Protection District
- Placer Hills Fire Protection District
- Tahoe City Public Utility District
- Truckee Tahoe Airport District
- Tahoe-Truckee Sanitation Agency

Ross Hutchings, Director, Placer Mosquito and Vector Control District

Nominated by:

- Placer Mosquito and Vector Control District

Selection of Special District Representative

March 20, 2026

Jennifer Knisley, Director, Newcastle Rocklin Gold Hill Cemetery District

Nominated by:

- Newcastle Rocklin Gold Hill Cemetery District

All three candidates are listed on the attached ballot. Also included in your packet for review are the statements of qualifications received by LAFCO. Please note that submitting a statement was optional and we have included the two that were provided.

Voting Instructions

- **Ballot Completion:** Please complete the attached ballot, clearly indicating your selection.
- **Authorized Signature:** To be valid, ballots must be signed by the district's presiding officer, or the presiding officer's alternate as designated by the governing body.
- **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.
- **Quorum Requirement:** A minimum of 19 of the 37 independent special districts in Placer County must submit ballots for the election to be valid.
- **Election Outcome:** The candidate receiving the highest number of votes will be appointed as the Special District Representative to LAFCO.

Submission Deadline

Please return your completed ballot via email to lafco@placer.ca.gov no later than Monday, May 4, 2026, at 4:00 PM.

Thank you for your participation and 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



Ballot: Selection of Special District Representation on LAFCO

Please choose one candidate:

- Judy Friedman**, Tahoe City Public Utility District
- Ross Hutchings**, Placer Mosquito and Vector Control District
- Jennifer Knisley**, Newcastle Rocklin Gold Hill Cemetery District

Name of Special District: _____

Name of Presiding Officer: _____

Signature of Presiding Officer: _____

Date: _____

**Must be received by LAFCO via email at LAFCO@placer.ca.gov no
later than May 4, 2026 by 4pm**

Judy Friedman
Director, Tahoe City Public Utility District
Candidate for Placer County LAFCO Special District Seat

I am running for re-election to the Special Districts seat on the LAFCO Board so I can continue representing yours and all the Special Districts in Placer County.

I have been a full-time resident of Tahoe City, located in the unincorporated area of Placer County, for over 50 years. I approach this position from the unique perspective of being an elected member of the of the Tahoe City Public Utility District Board of Directors, Clerk of the Board for the Tahoe City Cemetery District, and volunteer on the North Lake Tahoe Fire Protection District C.E.R.T. team.

There has been tremendous growth in Placer County. LAFCO is charged with identifying ways to organize, simplify, and streamline government and make sure that services are provided efficiently and economically. That requires thoughtful and creative solutions and well-informed decision makers. We need to work hard to balance quality of life while meeting growing service challenges.

I am committed to representing the Special District's interests on the LAFCO Board, especially where they may differ from the county and city issues. Many of the communities throughout Placer County rely on special districts to serve our unique needs. It is essential that our concerns and interests be heard and addressed as LAFCO becomes more active in Placer County.

I ask for your vote to continue serving as Special District Commissioner and appreciate the trust that comes with your support.

Statement of Qualifications Placer County LAFCO

Jenny Knisley
4135 Hunters Drive
Loomis, CA 95650
Phone: 916-719-1132 - Email: Jenny4Loomis@gmail.com

March 17, 2026

Dear LAFCO Commissioners:

I am pleased to submit my application for the position of Special District Representative on the Placer County LAFCO. With experience serving as the Alternate City LAFCO Commissioner for the Town of Loomis and ongoing professional development through CALAFCO trainings and conferences, I am prepared to contribute effectively as a knowledgeable and engaged member of the Commission.

During my service as the Alternate City LAFCO Commissioner for the Town of Loomis, I maintained consistent attendance at LAFCO meetings and remained fully engaged in the Commission's work to ensure continuity and preparedness when called upon to serve. Through this experience, along with continued professional development at CALAFCO conferences and trainings, I have developed a strong understanding of LAFCO's role, responsibilities, and impact, and I am prepared to contribute effectively as a voting member of the Commission.

My current role as Special District Representative for the Newcastle, Rocklin, and Gold Hill Cemetery District, along with my service on committees such as the South Placer Fire Oversight Committee, has strengthened my experience in governance, fiscal oversight, and regional collaboration. I understand the importance of balanced representation and bring a practical, solutions-oriented approach to board service.

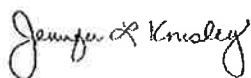
My broader public service background includes serving as Mayor and Council Member for the Town of Loomis, as well as Executive Director of the Loomis Basin Chamber of Commerce. In these roles, I worked closely with a wide range of special districts, local agencies, and community stakeholders—building partnerships, supporting economic development, and advocating for thoughtful growth and service delivery.

I am well-versed in the Commission's strategic priorities, work plan, and budget. My professional career—balancing entrepreneurship, civic leadership, and nearly three decades of service with Soroptimist International—reflects a deep and ongoing commitment to community service and regional well-being.

My qualifications include leadership in developing the Loomis Leadership Program, an Economic Development Certificate (CALED), Institute for Organization Management certification, and completion of Leadership Rocklin and the Western Association of Chamber Executives Academy, along with key contributions to the rebuilding of the Loomis Library and Learning Center.

I am committed to representing all special districts with integrity, diligence, and a clear focus on the long-term interests of Placer County. I bring a strong work ethic, attention to detail, and a collaborative leadership style that prioritizes informed decision-making and regional success.

Thank you for your consideration. I would be honored to continue serving the residents and special districts of Placer County in this capacity.



Sincerely,

Jenny Knisley



PLACER HILLS FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS

Established 1949

Alex Harvey

Fred Lofrano

Russell McCray

Nicole Paskey

Mark Wright

RESOLUTION NO. 2026-04

A RESOLUTION AMENDING THE OPERATING & MITIGATION BUDGET FOR FISCAL YEAR 2025-2026

WHEREAS: The Board of Directors of the Placer Hills Fire Protection District is fiscally responsible for the budget for the Fire District and;

WHEREAS: The Board of Directors has reviewed and approved the Amended Budget for Fiscal Year 2025-2026

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Placer Hills Fire Protection District that the District Administrator is authorized and directed to file a copy of the Amended Budget with the Placer County Auditor-Controller.

NOW THEREFORE BE IT FURTHER RESOLVED that the Placer County Auditor Controller is authorized and directed to input the necessary amendments to the operating and mitigation budget for Fiscal Year 2025-2026.

PASSED AND ADOPTED by the Board of Directors of the Placer Hills Fire Protection District this ninth day of April 2026, by the following vote on roll call:

AYES:

NOES:

ABSENT:

APPROVED:

Alex Harvey, President

ATTEST: _____
Fred Lofrano, Secretary



PLACER HILLS-NEWCASTLE-PENRYN FIRE PROTECTION DISTRICTS

STAFF REPORT

To:	Board of Directors, Placer Hills Fire Protection District
From:	Finance Committee
By:	Michelle Armstrong, District Manager
Date:	April 9, 2026
Subject:	Amended Budget for Fiscal Year 2025-2026

Background

The District's Final Operating and Mitigation Fund Budgets for Fiscal Year (FY) 2026 were adopted on September 24, 2025. The final budgets were reviewed on March 30, 2026 by the District's Finance Committee. The following adjustments are recommended.

Discussion

The FY 2026 ***operating and mitigation budget*** with proposed amendments is attached.

Operating revenues have been increased by \$64,000 (from \$4,168,940 to \$4,232,940) from the final budget. This increase reflects;

- Adjustment to the fleet services revenue projections
- Decrease to JOA staffing and Code Inspections to estimated actuals
- Decrease to Administrative Services to account for removal of reimbursement from City of Auburn for prevention services
- Adjustment to miscellaneous revenues to estimated actuals, including insurance payment for replacement command staff vehicle
- Addition of proceeds from sale of assets, to represent previous board action to surplus communication equipment

Operating expenses have been increased by \$175,517 (from \$4,199,217 to \$4,374,734) from the final budget. This increase reflects;

- Addition of Admin Improvements, for desk purchase
- Reduction in disability insurance to reflect the provided dividend
- Adjustment to legal fees, facilities repair and maintenance, training, professional fees and volunteer awards to estimated actuals
- Increase to office due to reorganization town hall meeting flier
- Adjustments to benefits, wages and payroll taxes that is consistent with staff changes and the approved MOU

- Addition of planned assets: equipment to utilize approved revenue from surplussed communication equipment to purchase new radios
- Addition of planned assets: apparatus to include the previously approved purchase of a replacement command vehicle
- Decrease to equipment repairs due to strike team reimbursements and reduced apparatus repair needs
- Adjustment to uniform costs for pending onboarding of new hires
- Increase to utilities to estimated actuals, including an upgrade to our monthly IT services

Mitigation revenues have been decreased by \$5,000 (from \$111,000 to \$106,000) from the final budget. This decrease reflects;

- Decrease to Mitigation Fees to estimated actuals

Mitigation expenses have been decreased by \$5,000 (from \$106,939 to \$101,939) from the final budget. This decrease reflects;

- Adjustment to miscellaneous expense due to removing the nexus study and increasing the quantity of employee turn outs

Recommendation

The Committee recommends adoption of Resolution 2026-04 which approves the ***amended operating and mitigation budgets*** for FY 2026.

**Placer Hills Fire District
PRELIMINARY BUDGET FY 2025-2026**

	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26
	Actual	Actual	Prelim	Final	Amended
Revenue					
42010 Rental income	18,770	17,190	22,920	22,920	22,920
Taxes					
40010 Current Secured Property	1,515,344	872,319	1,595,824	1,586,481	1,586,481
40020 Property Tax Impounds					
40040 Railroad Unitary Property	1,364	860	1,432	1,564	1,564
40050 Unitary Non-Unitary	26,704	16,980	28,038	30,874	30,874
40060 Current Unsecured Prprty	33,099	33,334	34,854	34,773	34,773
40070 Delinquent Unsecured	-3				
40090 Delinquent Unsecured	711	435			
40100 Current Supplemental	39,970	16,431	36,889	34,610	34,610
40110 Delinquent Supplemental	73	31			
40180-RC0240 Timber tax	0	0			
40180 PHDFEE	425,953	241,672	437,454	439,403	439,403
Total Taxes	2,043,215	1,182,063	2,134,490	2,127,704	2,127,704
Non-operating Revenue					
42010 Investment income	57,853	34,965	40,000	45,000	45,000
Total Non-operating Revenue	57,853	34,965	40,000	45,000	45,000
Intergovernmental Revenue					
44350 Homeowners Tax Relief	7,882	3,860	8,061	7,567	7,567
Total Intergovernmental Revenue	7,882	3,860	8,061	7,567	7,567
Charges for Services					
46030 Direct Charges					
46030 PHDFEE 2004	349,875	198,532	359,322	360,966	360,966
46030 MEASURE A	1,085,554	613,768	1,116,844	1,115,941	1,115,941
Total 46030 Direct Charges	1,435,429	812,299	1,476,166	1,476,908	1,476,908
46350 Fire Services					
Strike Team Deployments					
Strike Team reimb					
Strike Teams direct					
Strike Team Deployments	310,481	0	100,000		
Cal Fire requested resources	3,663	1,537	5,000	5,000	5,000
Total 46350 Fire Services	314,144	1,537	105,000	5,000	5,000
46360 Other Fees and Charges					
JOA Staffing reimbursement	16,340	17,499	15,000	15,000	17,500
Adminstrative Services	378,860	143,143	376,000	376,000	373,500
Code Inspection Fees	17,493	13,750	20,000	20,000	18,500
Response recovery fees	3,470	452	2,500	2,500	2,500
Total 46360 Other Fees and Charge:	416,163	174,843	413,500	413,500	412,000
Total Charges for Services	2,165,736	988,679	1,994,666	1,895,408	1,893,908
Miscellaneous Revenues					
46345 Fleet Services	23,360	12,136	25,000	25,000	20,000
48030 Miscellaneous Revenues - Ot	60,046	64,319	10,000	10,000	66,000
Miscellaneous Revenues	83,406	76,455	35,000	35,000	86,000
49110 Capital Lease					
5460 Capital Assets					
5520 Capital Equipment					

Est Actual
Prev service removed
Est Actual
Est Actual
Est Actual
Insurance Payment

**Placer Hills Fire District
PRELIMINARY BUDGET FY 2025-2026**

	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	
	Actual	Actual	Prelim	Final	Amended	
47010 Donations	353	0	200	200	200	
Proceeds from sale of assets					14,500	Surplussed radios
Grants	57,760		0	0	0	
EMS Improvement Fund		12,141		12,141	12,141	
CA Fire Foundation Grant		23,000		23,000	23,000	
Total Revenue	4,434,974	2,338,353	4,235,336	4,168,940	4,232,940	
Total Income	4,434,974	2,338,353	4,235,336	4,168,940	4,232,940	
	4,434,974	2,338,353	4,235,336	4,168,940	4,232,940	
Expense						
Pension Obligation Bond						
Debt service payment interest	8,396	14,183	14,183	14,183	14,183	
Debt service payment principal	56,277	57,992	57,992	57,992	57,992	
Total Pension Obligation Bond	64,674	72,175	72,175	72,175	72,175	
Bank Service Charges	49		0	0	0	
Building Improvements						
Admin Improvements	6,675	1,995			2,000	Desk purchase
Station Improvements	7,474		5,000	0	0	
Parking Lot Improvements	139		0	0	0	
Training Facility	0		0	0	0	
Total Building Improvements	14,289	1,995	5,000	0	2,000	
Dues and Subscriptions	7,510	560	2,000	2,000	2,000	
Election Costs	11,419		0	0	0	
Fire Prevention		2,025	3,750	3,700	3,700	
Gas, Diesel and Oil	54,175	35,987	60,000	55,000	55,000	
Insurance						
Disability Insurance	148,664	182,317	196,000	196,000	185,000	Reduce due to dividend
Liability Insurance	52,269	60,078	60,078	60,078	60,078	
Total Insurance	200,933	242,395	256,078	256,078	245,078	
Lease Payments						
St. 86 lease	5,305	5,464	5,500	5,500	5,500	
Copier	4,853	3,588	5,000	5,000	5,000	
Total Lease Payments	10,158	9,052	10,500	10,500	10,500	
Legal Fees	9,428	14,178	15,000	10,000	17,500	Est actual
Medical	14,283	8,791	20,000	17,500	15,500	Est actual
Miscellaneous	35,026	2,868	3,500	3,500	3,500	
Office	7,619	8,720	7,500	7,500	11,000	
Incident Deployment Allowance			0	0	0	
Intern Stipend			0	0	0	
Payroll Expenses						
JOA staffing	41,472					
Benefits						
CalPERS retirement	283,440	179,406	268,394	267,722	271,450	Updated estimate
CalPERS UAL annual contribution	31,348	62,326	62,226	62,226	62,326	
Health/Dental/Life benefits	241,371	241,675	293,575	281,050	293,000	Updated estimate
457 Deferred Compensation	141,774	121,893	169,386	169,386	170,525	Updated estimate
Total Benefits	697,933	605,300	793,581	780,385	797,301	

**Placer Hills Fire District
PRELIMINARY BUDGET FY 2025-2026**

	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	
	Actual	Actual	Prelim	Final	Amended	
Wages						
51010 Salaries and Wages	1,823,026	1,341,358	2,102,006	2,083,571	2,112,684	OOO, Vac Pay, Strike Team Reimb
51030 Extra Help	127,016	59,574	48,490	48,490	59,473	FM, PT-Hazmat
51120 Uniform Allowance	22,631	18,650	27,950	27,300	27,300	
Administration						
Full-time permanent						
Apprentices			0	0	0	
Limited Term Firefighters						
Part-time						
Overtime	606,833	432,881	287,500	287,500	280,000	
Strike Team			95,000			
JOA Staffing		37,802	15,000	15,000	15,000	
Total Overtime		470,683	397,500	302,500	295,000	
Out of Class						
Strike Teams						
Mechanic						
Paid Sick Leave						
Total Wages	2,579,506	1,890,265	2,575,947	2,461,861	2,494,457	
Payroll Taxes	45,052	33,810	38,152	40,460	46,350	
Disability Payments	33,665	49,057				
Unemployment Insurance			4,000	4,000	4,000	
Payroll Expenses - Other			0	0	0	
Total Payroll Expenses	3,397,629	2,578,432	3,411,679	3,286,706	3,342,108	
Planned Expenditure						
Grant Expenditures						
Office of Traffic Safety	57,760					
EMS Improvement Fund		12,141	0	12,141	12,141	
CA Fire Foundation		23,000		23,000	23,000	
Total Grant Expenditures	57,760	35,141	0	35,141	35,141	
Safety Equipment	11,449	699	12,000	4,000	4,000	
Planned Assets						
Administration Building						
Principal payment	32,558		0	0	0	
Interest payment	485		0	0	0	
Administration Building	33,042	0	0	0	0	
Equipment			6,000			
Communication Equip					14,500	Purchase from radio surplus
Apparatus						
Replacement Command Veh					115,000	
Smeal 2023						
Principal payment			71,135	71,135	71,135	
Interest payment			11,055	11,055	11,055	
Smeal 2023	82,189	82,189	82,189	82,189	82,189	
Smeal 2020 Pumper						
Principal payment	25,782		0	0	0	
Interest payment	387		0	0	0	
Smeal 2020 Pumper	26,168		0	0	0	

**Placer Hills Fire District
PRELIMINARY BUDGET FY 2025-2026**

	FY 24/25	FY 25/26	FY 25/26	FY 25/26	FY 25/26	
	Actual	Actual	Prelim	Final	Amended	
Total Apparatus	108,357	82,189	82,189	82,189	211,689	
Total Planned Assets	141,400	82,189	88,189	82,189	211,689	
Total Planned Expenditure	210,608	118,029	100,189	121,330	250,830	
Professional Fees	67,512	68,211	78,450	80,685	80,750	Increase based off updat
Repairs and Maintenance						
PPE repairs and maintenance	0	488	2,500	2,500	2,500	
Facilities						
Admin offices	19,950	12,469	15,000	10,000	15,000	Est actual
St 84 maintenance	1,496	2,854	5,000	3,000	3,000	
St 85 maintenance	2,085	420	5,500	3,000	3,000	
St 86 maintenance	2,276	3,981	6,000	3,000	5,000	Est actual
Facility Maintenance	3,366	1,136	0	0	0	
Total Facilities	29,174	20,860	31,500	19,000	26,000	
Equipment Repairs	126,984	30,574	100,000	100,000	70,000	Est actual
Total Repairs and Maintenance	156,158	51,922	134,000	121,500	98,500	
Station Supplies & Tools	7,359	2,708	6,000	6,000	6,000	
Strike Team Expenses	1,304					
Tax Collections						
Parcel tax collections	18,633	19,163	19,136	19,163	19,163	
SB2557 Prop tax Admin costs	26,585	27,880	27,914	27,880	27,880	
Total Tax Collections	45,218	47,043	47,050	47,043	47,043	
Training and Fitness	21,072	14,206	25,000	17,500	20,000	
Uniform Costs	7,256	1,987	6,500	6,500	8,000	
Utilities	76,131	60,812	75,000	70,000	80,550	Est actual + IT Upgrade
Volunteer Awards	3,802	2,801	4,000	4,000	3,000	Est actual
Total Expense	4,423,611	3,344,896	4,343,372	4,199,217	4,374,734	
Net Revenue	11,363	-1,006,543	-108,035	-30,276	-141,794	
Interest Income	0		0	0	0	
Net Revenue	11,363	-1,006,543	-108,035	-30,276	-141,794	

Beg Fund Balance	1,889,166	1,900,529	1,900,529	1,900,529	1,900,529
Ending Balance	1,900,529	893,986	1,792,494	1,870,252	1,758,735
Committed Fund Balance - Apparatus		500,000	500,000	500,000	500,000
Committed Fund Balance - Equipment		50,000	50,000	50,000	50,000
Committed Fund Balance - Facilities		175,000	175,000	175,000	175,000
Unassigned Balance		1,175,529	1,175,529	1,175,529	1,175,529
Ending Fund Balance		893,986	1,792,494	1,870,252	1,758,735

**PLACER HILLS FIRE DISTRICT
FD32804 MITIGATION BUDGET PRELIMINARY 2025-2026**

	FY 24/25 Actual	FY 25/26 Actual	FY 25/26 Prelim	FY 25/26 Final	FY 25/26 Amended
Revenue					
RC2940 Mitigation Fees					
Mitigation Fees	147,856.41	94,039	110,000	110,000	105,000
Winchester Fees	0.00				
42010 Investment Income	2,055.60	1,546	1,000	1,000	1,000
Total RC2940 Mitigation Fees	149,912.01	95,585	111,000	111,000	106,000
Total Income	149,912.01	95,585	111,000	111,000	106,000
Expense					
GL52260 Misc Expense		3,483	9,000	24,750	19,750
GL54440 Building/Improvements					
SC5190 Training Facility	0.00		10,000		
SC5190 Admin Building interest	484.56				
SC5190 Admin Building Principal	32,557.91				
Total GL54440 Building/Improvements	33,042.47	0	10,000	0	0
GL54460 Fixed Assets					
SC4770 Smeal engine interest	14,317.35				
SC4710 Smeal engine principal	94,040.30				
SC4770 2023 Smeal interest		12,507	9,571	9,571	12,507
SC4710 2023 Smeal principal		69,682	72,618	72,618	69,682
Total GL54460 Fixed Assets	108,357.65	82,189	82,189	82,189	82,189
Total Expense	141,400.12	85,673	101,189	106,939	101,939
Net Revenue	8,511.89	9,912	9,811	4,061	4,061
Beginning Balance	55,221.00	63,733	63,733	63,733	63,740
Ending Balance	63,732.89	73,645	73,544	67,794	67,801

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**PLACER HILLS
FIRE PROTECTION DISTRICT,
CALIFORNIA**

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**FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
JUNE 30, 2025**

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PLACER HILLS FIRE PROTECTION DISTRICT
Annual Financial Report
For the Year Ended June 30, 2025

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INTRODUCTORY SECTION

- **List of Officials**

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PLACER HILLS FIRE PROTECTION DISTRICT

List of Officials

For the Year Ended June 30, 2025

Board of Directors

Alex Harvey	President
Mark Wright	Vice President
Fred Lofrano	Director
Russell McCray	Director
Nicole Paskey	Secretary

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Basic Financial Statements**
- **Required Supplementary Information**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Placer Hills Fire Protection District
Meadow Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Placer Hills Fire Protection District, California (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of June 30, 2025, and the respective changes in financial position, thereof for the year 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 and the standards applicable to financial audits contained in Government Auditing Standards, 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

To the Board of Directors
Placer Hills Fire Protection District
Meadow Vista, California

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District'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 District'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.

To the Board of Directors
Placer Hills Fire Protection District
Meadow Vista, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the District Pension information and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated XXX, 2026, on our consideration of the District'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 the District's 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 District's internal control over financial reporting and compliance.

Smith & Newell CPAs
Yuba City, California
XXX, 2026

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Basic Financial Statements

- **Government-Wide Financial Statements**

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PLACER HILLS FIRE PROTECTION DISTRICT
Statement of Net Position
June 30, 2025

	<u>Total Governmental Activities</u>
ASSETS	
Cash and investments	\$ 2,132,612
Receivables:	
Accounts	6,709
Capital assets:	
Non-depreciable	243,747
Depreciable, net	2,797,031
Total capital assets	<u>3,040,778</u>
Total Assets	<u>5,180,099</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pension adjustments	<u>501,997</u>
Total Deferred Outflows of Resources	<u>501,997</u>
LIABILITIES	
Accounts payable	10,324
Accrued salaries and benefits	124,043
Long-term liabilities:	
Due within one year	308,728
Due in more than one year	1,016,195
Net pension liability	<u>861,322</u>
Total Liabilities	<u>2,320,612</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension adjustments	<u>116,843</u>
Total Deferred Inflows of Resources	<u>116,843</u>
NET POSITION	
Net investment in capital assets	2,440,902
Restricted for:	
Public protection	63,743
Unrestricted	<u>739,996</u>
Total Net Position	<u><u>\$ 3,244,641</u></u>

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

PLACER HILLS FIRE PROTECTION DISTRICT
Statement of Activities
For the Year Ended June 30, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Total Governmental Activities</u>
Governmental activities:					
Public protection	\$ 4,368,207	\$ 2,431,360	\$ 379,786	\$ -	\$ (1,557,061)
Interest on long-term debt	39,474	-	-	-	(39,474)
Total Governmental Activities	<u>4,407,681</u>	<u>2,431,360</u>	<u>379,786</u>	<u>-</u>	<u>(1,596,535)</u>
Total	<u>\$ 4,407,681</u>	<u>\$ 2,431,360</u>	<u>\$ 379,786</u>	<u>\$ -</u>	<u>(1,596,535)</u>
General revenues:					
Taxes:					
Property taxes					1,617,262
Interest and investment earnings					79,071
Miscellaneous					53,144
					<u>1,749,477</u>
					<u>Change in Net Position</u>
					<u>152,942</u>
					<u>Net Position - Beginning</u>
					<u>3,252,374</u>
					Change in accounting principle
					(47,317)
					Prior period adjustment
					<u>(113,358)</u>
					<u>Net Position - Beginning, Restated</u>
					<u>3,091,699</u>
					<u>Net Position - Ending</u>
					<u>\$ 3,244,641</u>

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Basic Financial Statements

- **Fund Financial Statements**

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PLACER HILLS FIRE PROTECTION DISTRICT
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Mitigation Fees	Totals
ASSETS			
Cash and investments	\$ 2,068,869	\$ 63,743	\$ 2,132,612
Receivables:			
Accounts	6,709	-	6,709
Total Assets	\$ 2,075,578	\$ 63,743	\$ 2,139,321
LIABILITIES			
Accounts payable	\$ 10,324	\$ -	\$ 10,324
Accrued salaries and benefits	124,043	-	124,043
Total Liabilities	134,367	-	134,367
FUND BALANCES			
Restricted	-	63,743	63,743
Unassigned	1,941,211	-	1,941,211
Total Fund Balances	1,941,211	63,743	2,004,954
Total Liabilities and Fund Balances	\$ 2,075,578	\$ 63,743	\$ 2,139,321

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

PLACER HILLS FIRE PROTECTION DISTRICT
Reconciliation of the Governmental Fund Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2025

Total Fund Balances - Governmental Funds	\$ 2,004,954
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	3,040,778
Deferred outflows of resources related to pension are not reported in the governmental funds.	501,997
Deferred inflows of resources related to pension are not reported in the governmental funds.	(116,843)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Pension obligation bonds	(501,778)
Loans payable	(599,876)
Compensated absences	(223,269)
Net pension liability	(861,322)
Net Position of Governmental Activities	<u>\$ 3,244,641</u>

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

PLACER HILLS FIRE PROTECTION DISTRICT
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Mitigation Fees	Totals
REVENUES			
Taxes and assessments	\$ 3,478,643	\$ -	\$ 3,478,643
Use of money and property	77,005	2,066	79,071
Intergovernmental	379,786	-	379,786
Charges for services	422,123	147,856	569,979
Other revenues	53,144	-	53,144
Total Revenues	4,410,701	149,922	4,560,623
EXPENDITURES			
Public protection:			
Salaries and benefits	3,201,385	-	3,201,385
Services and supplies	774,775	-	774,775
Debt service:			
Principal	186,706	126,598	313,304
Interest	24,672	14,802	39,474
Capital outlay	57,760	-	57,760
Total Expenditures	4,245,298	141,400	4,386,698
Net Change in Fund Balances	165,403	8,522	173,925
Fund Balances - Beginning	1,889,166	55,221	1,944,387
Prior period adjustment	(113,358)	-	(113,358)
Fund Balances - Beginning, Restated	1,775,808	55,221	1,831,029
Fund Balances - Ending	\$ 1,941,211	\$ 63,743	\$ 2,004,954

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

PLACER HILLS FIRE PROTECTION DISTRICT
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of the Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 173,925
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditures for capital outlay	57,760
Less current year depreciation/amortization	(271,820)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Principal retirements	313,304
Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.	
Change in deferred outflows of resources related to pension	(211,974)
Change in deferred inflows of resources related to pension	99,967
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	
Change in compensated absences	(11,095)
Change in net pension liability	2,875
Change in Net Position of Governmental Activities	\$ 152,942

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

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Basic Financial Statements

- **Notes to Basic Financial Statements**

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PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Placer Hills Fire Protection District was formed in 1988 from the annexation of the Meadow Vista Fire Protection District, Company No. 31 and the Ponderosa Fire Brigade. An independent five-member Board of Directors elected by the voters govern the District.

The District provides fire protection, emergency medical and code enforcement services to residents and businesses located in Meadow Vista, Applegate, and Weimar, encompassing 34 square miles within Placer County. As a California Special District, the District is not subject to income taxes but must file an annual report with the California State Controller.

The Board of Directors has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the District.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double counting of internal activities. These statements report the intergovernmental activities of the District, which are normally supported by property taxes, special assessments, and intergovernmental revenues. The District had no business-type activities at June 30, 2025.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

Fund financial statements of the District are organized into two funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. The funds of the District are organized into the governmental category. The emphasis is placed on major funds within the governmental category.

The District reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General fund includes such activities as fire safety and protection.
- The Mitigation Fees fund is a special revenue fund used to account for all revenues and expenditures related to mitigation fees. Funding comes primarily from mitigation fees collected and interest earnings.

C. Basis of Accounting and Measurement Focus

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes and assessments, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes and assessments are recognized in the fiscal year for which they are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property taxes and assessments, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within thirty days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Cash and Investments

The District pools all cash and investments with the County of Placer. The Placer County Treasury is an external investment pool for the District and the District is considered an involuntary participant. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Participant's equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Interest payments, accrued interest, accreted discounts, amortized premiums, and realized capital gains and losses, net of administrative fees, are apportioned to pool participants each quarter.

F. Receivables

Receivables for governmental activities consist of amounts for services in a joint operating agreement. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

G. Other Assets

Inventory

Inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

H. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

I. Compensated Absences and Other Postemployment Benefits

The District's policy regarding accrued vacation is to permit employees to accumulate earned but unused vacation leave. In accordance with GASB Statement No. 101, Compensated Absences, sick leave is recognized when it is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management evaluates sick leave for other District employees to determine the amount that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements, the expenditures related to those obligations are recognized only when they mature.

The District does not currently provide other postemployment benefits.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the District'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.

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

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023, to June 30, 2024

K. Property Tax

Placer County is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Placer up to 1 percent of the full cash value of taxable property, plus other increases approved by the voter and distributed in accordance with statutory formulas.

The valuation/lien date for all taxes is January 1. Secured property tax is due in two installments, the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured property tax is due on March 1, and becomes delinquent if unpaid on August 31.

The County uses the alternative method of property tax apportionment known as the "Teeter Plan". Under this method of property tax apportionment, the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

L. Special Taxes

Measure A

On January 16, 2019, the District Board of Directors passed Resolution No. 2018-04 calling for an election to be held for a special fire tax for emergency medical response and fire protection services. This resolution was submitted to the Placer County Registrar of Voters and was assigned the name of "Measure A." Measure A was placed on the ballot of the election held on May 7, 2019, and passed by a vote of 79.46% in support.

Placer County assesses properties, bills and collects and distributes assessments to the District.

Assessments are due in two installments (secured roll), on November 1 and March 1 and become delinquent after December 10 and April 10, respectively.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Estimates

The preparation of basic financial statements in conformity 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 those estimates.

N. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 101, Compensated Absences. 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.

Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide users of government statements with essential information about its risks related to a government's vulnerabilities due to certain concentrations or constraints.

O. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 103 "Financial Reporting Model Improvements" The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

Statement No. 104 "Disclosure of Certain Capital Assets" The requirements of this statement are effective for fiscal years beginning after June 15, 2025. (FY 25/26)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

During fiscal year ended June 30, 2025, the District recorded an additional expenditure for sick leave due to the implementation of GASB Statement No. 101 (GASB 101), Compensated Absences, which was not previously reported in the financial statements resulting in an understatement of prior year expenditures of \$47,317 as well as a correction to accrued salaries and benefits of \$113,358. The effect of implementing GASB 101 and correcting accrued salaries and benefits is shown in the table below.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Net Position/Fund Balance (Continued)

During fiscal year 2025, a change in accounting principle and a correction to accrued salaries and benefits resulted in restatements of beginning net position/fund balance as follows:

	<u>Reporting Units Affected by Adjustments to and Restatements of Beginning Balances</u>	
	<u>Governmental Activities</u>	<u>General Fund</u>
Net Position/Fund Balance, June 30, 2024, as previously reported	\$ 3,252,374	\$ 1,889,166
Change in accounting principle – GASB 101	(47,317)	-
Correction of accrued salaries and benefits	(113,358)	(113,358)
Net Position/Fund Balance, July 1, 2024, as restated	<u>\$ 3,091,699</u>	<u>\$ 1,775,808</u>

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2025, the District's cash and investments consisted of the following:

Cash and Investments:	
Placer County Treasurer's Pool	<u>\$ 2,132,612</u>
Total Cash and Investments	<u>\$ 2,132,612</u>

B. Investments

The District does not have a formal investment policy. At June 30, 2025, all investments of the District were in the Placer County investment pool. Under the provisions of the County's investment policy and the California Government Code, the County may invest or deposit in the following:

- Local Agency Obligations
- US Treasury Securities
- US Agency Securities
- Bankers' Acceptances
- Commercial Paper
- Negotiable Certificates of Deposit
- Collateralized Certificates of Deposit
- Repurchase Agreements
- Corporate Notes
- Local Agency Investment Fund (LAIF)
- CDARS Certificates of Deposit
- Supranationals - Washington Dollar - Denominated IBRD, IFC or IAD

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Fair Value of Investments - The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The District's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the District's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2025, the District had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
None	\$ -	\$ -	\$ -	\$ -
Total Investments Measured at Fair Value	-	-	-	-
Investments in External Investment Pool				
Placer County Treasurer's Pool	2,132,612			
Total Investments	\$ 2,132,612			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the County's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the County to meet all projected obligations.

Credit Risk - Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's investment policy sets specific parameters by type of investment to be met at the time of purchase. As of June 30, 2025, the District's investments were all held with the County of Placer investment pool, which is not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. Custodial credit risk does not apply to a local government's indirect investments in securities through the use of mutual funds or government investment pools.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The County's investment policy contains limitations on the amount that can be invested in any one issuer. As of June 30, 2025, all investments of the District were in the Placer County investment pool, which contains a diversification of investments.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments in External Pool

The Placer County Pooled Investment Fund is a pooled investment fund program governed by the County which monitors and reviews the management of public funds maintained in the investment pool in accordance with the County investment policy and the California Government Code. The Board of Supervisors review and approve the investment policy annually. The County Treasurer prepares and submits a comprehensive investment report to the Board of Supervisors every month. The report covers the type of investments in the pool, maturity dates, par value, actual cost and fair value. Investments in the Placer County Pooled Investment Fund are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County of Placer's financial statements may be obtained by contacting the County of Placer Auditor-Controller's office at 2970 Richardson Drive, Auburn, CA 95603.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Adjustments/ Retirements	Balance June 30, 2025
Capital Assets, Not Being Depreciated:				
Land	\$ 243,747	\$ -	\$ -	\$ 243,747
Total Capital Assets, Not Being Depreciated	<u>243,747</u>	<u>-</u>	<u>-</u>	<u>243,747</u>
Capital Assets, Being Depreciated:				
Buildings and improvements	1,097,134	-	-	1,097,134
Equipment	524,045	57,760	-	581,805
Vehicles	3,410,686	-	-	3,410,686
Right-to-use building	15,084	-	-	15,084
Total Capital Assets, Being Depreciated	<u>5,046,949</u>	<u>57,760</u>	<u>-</u>	<u>5,104,709</u>
Less Accumulated Depreciation/Amortization For:				
Buildings and improvements	(441,862)	(25,813)	-	(467,675)
Equipment	(252,361)	(33,336)	-	(285,697)
Vehicles	(1,330,775)	(208,447)	-	(1,539,222)
Right-to-use building	(10,860)	(4,224)	-	(15,084)
Total Accumulated Depreciation/Amortization	<u>(2,035,858)</u>	<u>(271,820)</u>	<u>-</u>	<u>(2,307,678)</u>
Total Capital Assets, Being Depreciated, Net	<u>3,011,091</u>	<u>(214,060)</u>	<u>-</u>	<u>2,797,031</u>
Total Capital Assets, Net	<u>\$ 3,254,838</u>	<u>(\$ 214,060)</u>	<u>\$ -</u>	<u>\$ 3,040,778</u>

Depreciation/Amortization

Depreciation/Amortization expense was charged to governmental activities as follows:

Public Protection	\$ 271,820
Total Depreciation/Amortization Expense	<u>\$ 271,820</u>

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

<u>Type of Indebtedness</u>	<u>Balance July 1, 2024</u>	<u>Adjustments/</u>		<u>Balance June 30, 2025</u>	<u>Amounts Due Within One Year</u>
		<u>Additions</u>	<u>Retirements</u>		
Pension obligation bonds	\$ 558,056	\$ -	(\$ 56,278)	\$ 501,778	\$ 56,277
Direct borrowing					
loans payable	786,562	-	(186,686)	599,876	140,817
Financed purchases	65,110	-	(65,110)	-	-
Right-to-use lease	5,230	-	(5,230)	-	-
Compensated absences*	<u>164,856</u>	<u>58,412</u>	<u>-</u>	<u>223,269</u>	<u>111,634</u>
Total	<u>\$ 1,579,815</u>	<u>\$ 58,412</u>	<u>(\$ 313,304)</u>	<u>\$ 1,324,923</u>	<u>\$ 308,728</u>

*The compensated absence activity shown in the table above is presented on a net increase/decrease basis as permitted by GASB Statement No. 101.

Individual issues of debt payable outstanding at June 30, 2025, are as follows:

Pension Obligation Bonds:

2021 Taxable Pension Obligation Bonds, dated July 1, 2022, issued in the amount of \$676,270, payable in semi-annually installments of \$53,000 to \$69,430, with an interest rate of 3.00% and maturity on August 1, 2032. The bonds were used to advance pay miscellaneous and safety employee pension obligations.

\$ 501,778

Total Pension Obligation Bonds

501,778

Loans from Direct Borrowings:

Placer County Loan, dated April 2024, payable in semi-annual installments of \$82,189, with an interest rate of 4.17% and maturity of April 3, 2029. The loan proceeds were used to finance the purchase of a Smeal engine.

599,876

Total Loans from Direct Borrowings

599,876

Total

\$ 1,101,654

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities and financed purchases which are reported in Note 5.

<u>Year Ended June 30</u>	<u>Pension Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2026	\$ 57,992	\$ 14,183	\$ 72,175
2027	59,758	12,417	72,175
2028	61,578	10,597	72,175
2029	63,453	8,722	72,175
2030	65,386	6,789	72,175
2031-2033	<u>193,611</u>	<u>8,395</u>	<u>202,006</u>
Total	<u>\$ 501,778</u>	<u>\$ 61,103</u>	<u>\$ 562,881</u>

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 5: LONG-TERM LIABILITIES (CONTINUED)

Year Ended June 30	Loans from Direct Borrowings		
	Principal	Interest	Totals
2026	\$ 140,817	\$ 23,562	\$ 164,379
2027	146,750	17,629	164,379
2028	152,933	11,435	164,368
2029	159,376	5,002	164,378
Total	<u>\$ 599,876</u>	<u>\$ 57,628</u>	<u>\$ 657,504</u>

NOTE 6: LEASES

Rental Income from Lease

In October 2019, the District purchased an administration building. The administration building has four units, two units are being used by the District. The other two are being rented out on a month-to-month basis.

NOTE 7: NET POSITION

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. These principally include restrictions for capital projects and other special revenue fund purposes.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the District’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the District that can, by Board action, commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the District’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making authority, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the District’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The fund balances for all governmental funds as of June 30, 2025, were distributed as follows:

	General Fund	Mitigation Fees	Totals
Restricted for:			
Capital improvement	\$ -	\$ 63,743	\$ 63,743
Unassigned	1,941,211	-	1,941,211
Total	\$ 1,941,211	\$ 63,743	\$ 2,004,954

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is 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.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 8: FUND BALANCES (CONTINUED)

Fund Balance Policy

The Board of Directors has not established a fund balance policy which would establish procedures for reporting fund balance classifications and establish a hierarchy for fund balance expenditures.

NOTE 9: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent employees are eligible to participate in the District's Safety Fire and Miscellaneous Employee Pension Plan, a cost-sharing multiple employer-defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District motion. 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.

Effective January 1, 2013, the District added a retirement tier for the Miscellaneous Plan for new employees as required under the Public Employee Pension Reform Act (PEPRA). Classic employees are generally defined as employees who have been a member of any public retirement system who have had less than a six-month break in service. Applicable new hires to the District defined as classic employees as determined by PERS will be subject to the non-PEPRA plan. New non-classic employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new non-classic employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the District's retirement costs.

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPRA	Safety members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety	Safety fire members hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous plan members if the membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. 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.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan's specific provisions and benefits in effect at June 30, 2025, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-63	1.426% to 2.418%
Miscellaneous PEPRA	2.0% @ 62	52-67	1.000% to 2.500%
Safety Fire	2.0% @ 55	50-55	1.426% to 2.000%
Safety PEPRA	2.0% @ 57	50-57	1.426% to 2.000%

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 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	11.880%	7.000%	0.000%
Miscellaneous PEPRA	7.870%	7.750%	0.000%
Safety	16.560%	7.000%	0.000%
Safety PEPRA	11.050%	11.000%	0.000%

For the year ended June 30, 2025, the contributions recognized as part of pension expense for the Plan were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 10,894	\$ -
Safety	201,012	-

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: PENSION PLAN (CONTINUED)

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

The District'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, 2024, 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, 2024, using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2024, and 2025, was as follows:

	<u>Proportion June 30, 2024</u>	<u>Proportion June 30, 2025</u>	<u>Change – Increase (Decrease)</u>
Miscellaneous	0.00189%	0.00192%	0.00003%
Safety	0.01030%	0.01054%	0.00024%

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 92,863
Safety	<u>768,459</u>
Total Net Pension Liability	<u>\$ 861,322</u>

For the year ended June 30, 2025, the District recognized pension expense of \$293,653. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 184,521	\$ -
Changes in assumptions	21,320	-
Difference between expected and actual experience	70,742	(2,352)
Difference between projected and actual earnings on pension plan investments	42,490	-
Difference between District contributions and proportionate share of contributions	82,580	(40,598)
Adjustments due to differences in proportions	<u>100,344</u>	<u>(73,893)</u>
Total	<u>\$ 501,997</u>	<u>(\$ 116,843)</u>

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

\$184,521 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 outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Year Ended		
<u>June 30</u>		
2026	\$	83,025
2027		119,487
2028		12,662
2029	(14,541)
Thereafter		<u>-</u>
Total	\$	<u>200,633</u>

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

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

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021-22 Asset Liability Management Study

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the District's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the District'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:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
Miscellaneous	\$ 214,703	\$ 92,863	(\$ 7,430)
Safety	1,675,361	768,459	26,741

PLACER HILLS FIRE PROTECTION DISTRICT
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

NOTE 9: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Pension Plan Fiduciary Net Position

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

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases coverage from a commercial carrier. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11: OTHER INFORMATION

Management has evaluated events subsequent to June 30, 2025, through XXX, 2026, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2025
Last 10 Years

Measurement Date**	2013/2014	2014/2015	2015/2016	2016/2017
Proportion of the net pension liability	0.00989%	0.01260%	0.00841%	0.00828%
Proportionate share of the net pension liability	\$ 686,009	\$ 581,491	\$ 728,281	\$ 821,271
Covered payroll	574,440	602,570	723,808	762,080
Proportionate share of the net pension liability as a percentage of covered payroll	119.42%	96.50%	100.62%	107.77%
Plan fiduciary net position as a percentage of the total pension liability	76.83%	79.59%	75.71%	76.31%

Measurement Date**	2019/2020	2020/2021	2021/2022	2022/2023
Miscellaneous				
Proportion of the net pension liability	0.00290%	0.00240%	0.00162%	0.00189%
Proportionate share of the net pension liability	\$ 122,168	\$ 45,642	\$ 75,667	\$ 94,436
Covered payroll	78,205	110,941	139,045	145,396
Proportionate share of the net pension liability as a percentage of covered payroll	156.22%	41.14%	54.42%	64.95%
Plan fiduciary net position as a percentage of the total pension liability	79.88%	92.99%	90.36%	89.25%
Safety				
Proportion of the net pension liability	0.01208%	0.00658%	0.00877%	0.01030%
Proportionate share of the net pension liability	\$ 805,083	\$ 231,066	\$ 602,905	\$ 769,761
Covered payroll	1,072,757	1,201,145	1,326,296	1,379,568
Proportionate share of the net pension liability as a percentage of covered payroll	75.05%	19.24%	45.46%	55.80%
Plan fiduciary net position as a percentage of the total pension liability	81.80%	95.28%	88.94%	87.26%

** The prior year information was combined for both plans.

<u>2017/2018</u>	<u>2018/2019</u>
0.00811%	0.00816%
\$ 781,387	\$ 836,063
808,320	922,403
96.67%	90.64%
79.64%	81.28%

2023/2024

0.00192%
\$ 92,863
159,829
58.10%
89.72%
0.01054%
\$ 768,459
1,576,483
48.75%
88.43%

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
District Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2025
Last 10 Years

Fiscal Year**	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>	<u>2017/2018</u>
Contractually required contributions (actuarially determined)	\$ 98,020	\$ 133,126	\$ 146,396	\$ 153,170
Contributions in relation to the actuarially determined contributions	<u>(98,020)</u>	<u>(133,126)</u>	<u>(146,396)</u>	<u>(153,170)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 602,570	\$ 723,808	\$ 762,080	\$ 808,320
Contributions as a percentage of covered payroll	16.27%	18.39%	19.21%	18.95%
Fiscal Year**	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>	<u>2023/2024</u>
Miscellaneous				
Contractually required contributions (actuarially determined)	\$ 19,346	\$ 19,588	\$ 14,293	\$ 10,894
Contributions in relation to the actuarially determined contributions	<u>(19,346)</u>	<u>(98,305)</u>	<u>(14,293)</u>	<u>(10,894)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (78,717)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 110,941	\$ 139,045	\$ 145,396	\$ 159,829
Contributions as a percentage of covered payroll	17.44%	70.70%	9.83%	6.82%
Safety				
Contractually required contributions (actuarially determined)	\$ 202,748	\$ 232,356	\$ 198,427	\$ 201,012
Contributions in relation to the actuarially determined contributions	<u>(202,748)</u>	<u>(698,520)</u>	<u>(198,427)</u>	<u>(201,012)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (466,164)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,201,145	\$ 1,326,296	\$ 1,379,568	\$ 1,576,483
Contributions as a percentage of covered payroll	16.88%	52.67%	14.38%	12.75%

** The prior year information was combined for both plans.

<u>2018/2019</u>	<u>2019/2020</u>
\$ 178,217	\$ 176,941
<u>(178,217)</u>	<u>(176,941)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 922,403	\$ 1,150,962
19.32%	15.37%

2024/2025

\$ 12,907
<u>(12,907)</u>
<u>\$ -</u>
\$ 150,358
8.58%
\$ 171,614
<u>(171,614)</u>
<u>\$ -</u>
\$ 1,747,230
9.82%

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
Notes to Direct Pension Plan
For the Year Ended June 30, 2025

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2024
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level Percentage of Payroll and Direct Rate Smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Market value of assets
Discount rate	6.80%
Payroll growth	2.80%
Inflation	2.30%
Salary increases	Varies based on entry age and service
Investment rate of return	6.80%

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 3,479,534	\$ 3,479,534	\$ 3,478,643	\$ (891)
Use of money and property	54,200	75,600	77,005	1,405
Intergovernmental	212,677	321,822	379,786	57,964
Charges for services	441,000	443,710	422,123	(21,587)
Other revenues	5,200	118,200	53,144	(65,056)
Total Revenues	<u>4,192,611</u>	<u>4,438,866</u>	<u>4,410,701</u>	<u>(28,165)</u>
EXPENDITURES				
Public protection:				
Salaries and benefits	3,297,348	3,427,098	3,201,385	225,713
Services and supplies	658,903	768,253	774,775	(6,522)
Debt service:				
Principal	184,966	186,792	186,706	86
Interest	33,731	24,596	24,672	(76)
Capital outlay	12,000	70,000	57,760	12,240
Total Expenditures	<u>4,186,948</u>	<u>4,476,739</u>	<u>4,245,298</u>	<u>231,441</u>
Net Change in Fund Balances	5,663	(37,873)	165,403	(259,606)
Fund Balances - Beginning	<u>1,889,166</u>	<u>1,889,166</u>	<u>1,889,166</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,894,829</u>	<u>\$ 1,851,293</u>	<u>\$ 2,054,569</u>	<u>\$ -</u>

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
Budgetary Comparison Schedule
Mitigation Fees - Major Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 1,000	\$ 1,000	\$ 2,066	\$ 1,066
Charges for services	112,090	112,090	147,856	35,766
Total Revenues	<u>113,090</u>	<u>113,090</u>	<u>149,922</u>	<u>36,832</u>
EXPENDITURES				
Public protection:				
Services and supplies	10,000	10,000	-	10,000
Debt service:				
Principal	126,596	126,596	126,598	(2)
Interest	14,776	14,776	14,802	(26)
Total Expenditures	<u>151,372</u>	<u>151,372</u>	<u>141,400</u>	<u>9,972</u>
Net Change in Fund Balances	<u>(38,282)</u>	<u>(38,282)</u>	<u>8,522</u>	<u>46,804</u>
Fund Balances - Beginning	<u>55,221</u>	<u>55,221</u>	<u>55,221</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 16,939</u>	<u>\$ 16,939</u>	<u>\$ 63,743</u>	<u>\$ -</u>

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PLACER HILLS FIRE PROTECTION DISTRICT
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2025

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The District presents a comparison of annual budget to actual results for the General fund and the major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the District in establishing the budgetary data reflected in the financial statements:

- (1) The fiscal officer submits to the Board of Directors a recommended budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The Board of Directors reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Board also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) A revised adopted budget is usually drafted in April and approved by the Board in May.

The District does not use encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

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

To the Board of Directors
Placer Hills Fire Protection District
Meadow Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Placer Hills Fire Protection District, California (District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements and have issued our report thereon dated XXX, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be a material weakness. We identified certain deficiencies in internal control described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies. (2025-001 and 2025-002)

To the Board of Directors
Placer Hills Fire Protection District
Meadow Vista, California

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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.

District's Response to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the finding identified in our audit and described in the accompanying schedule of findings and recommendations. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.

Smith & Newell CPAs
Yuba City, California
XXX, 2026

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PLACER HILLS FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2025

2025-001 Policies and Procedures (Significant Deficiency)

Criteria

Good internal control requires that procedures be documented and performed in a consistent manner in accordance with approved District policy.

Condition

During our audit we noted that the District has not adopted an investment policy. We also noted that the District's Reserve Fund Policy should be updated to be in accordance with GASB 54.

Cause

The District is currently in the process of developing an investment policy. All funds are held in the County of Placer's Treasury and the District follows the County's guidelines.

Effect

Without written updated policies, tasks may not be performed in a consistent manner and internal control may be compromised.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2024-001.

Recommendation

We recommend that the District develop an investment policy.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

PLACER HILLS FIRE PROTECTION DISTRICT
Schedule of Findings and Recommendations
For the Year Ended June 30, 2025

2025-002 Audit Adjustments (Significant Deficiency)

Criteria

Government auditing standards require independent auditors to evaluate all unadjusted misstatements of financial statements.

Condition

At the time of our audit, we noted that the financial statements as presented to us for audit contained misstatements that required adjustment in accounts receivable, accounts payable and accrued salaries and benefits.

Cause

All accounts had not been reconciled as of year-end.

Effect

The financial statements as presented to us contained misstatements that required adjustment.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

Not applicable.

Repeat Finding

This is a repeat of prior year finding 2024-002.

Recommendation

We recommend that the District reconcile all accounts in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

PLACER HILLS FIRE PROTECTION DISTRICT
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2025

<u>Audit Reference</u>	<u>Status of Prior Year Audit Recommendations</u>
2024-001	<p>Policies and Procedures</p> <p>Recommendation</p> <p>We recommend that the District develop and review for accuracy all policies and procedures regarding District operations.</p> <p>Status</p> <p>In progress</p>
2024-002	<p>Audit Adjustments</p> <p>Recommendation</p> <p>We recommend that the District reconcile all accounts in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.</p> <p>Status</p> <p>In progress</p>
2024-003	<p>Payroll</p> <p>Recommendation</p> <p>We recommend that the District verify that payroll information entered into the system is accurate and supporting documentation is on file.</p> <p>Status</p> <p>Implemented</p>
2024-004	<p>Budget</p> <p>Recommendation</p> <p>We recommend that the District control and monitor expenditures so that they do not exceed the approved budget. If budget revisions are required, we recommend that the District take appropriate action to amend the budget.</p> <p>Status</p> <p>Implemented</p>

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**PLACER HILLS FIRE PROTECTION DISTRICT
Management's Corrective Action Plan
For the Year Ended June 30, 2025**

Finding 2025-001 Policies and Procedures (Significant Deficiency)

We recommend that the District develop an investment policy.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

Finding 2025-002 Audit Adjustments (Significant Deficiency)

We recommend that the District reconcile all accounts in a timely manner so that required adjustments can be recorded prior to the start of the annual audit.

Management's Response:

Responsible Individual:

Corrective Action Plan:

Anticipated Completion Date:

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PLACER HILLS FIRE PROTECTION DISTRICT

BOARD OF DIRECTORS

Established 1949

Alex Harvey

Fred Lofrano

Russell McCray

Nicole Paskey

Mark Wright

CORRECTIVE ACTION PLANS FOR FY 24-25

Finding 2025-001: Policies and Procedures

Response: The District concurs with the finding

Responsible Individual: District Manager

Corrective Action Plan: Plan remains the same as FY 2024 response - Policies and procedure will continue to be updated and reviewed on an ongoing basis. An Investment Policy will be developed and an update to the Reserve Fund policy will be processed and made available for review.

Anticipated Completion Date: Completion date remains the same as FY 2024 response - June 2026

Finding 2025-002: Audit Adjustments

Response: The District concurs with the finding.

Responsible Individual: District Manager

Corrective Action Plan: Adjustments needed for county accounts receivable, accounts payable and accrued salaries accounts. These are accounts that came from transitioning to the county accounting and payroll system and were not previously recorded in our accounting system. Requested reconciliations will be completed prior to future audits.

Anticipated Completion Date: Already implemented, Ongoing