

Voting Members

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Francine Oschin
John Lee
John Mirisch
Kathryn Barger
Lindsey Horvath
Robert Lewis

Alternate Members

Anthony Bell
Michael Davitt
Micah Ali
Hilda Solis
Wendy Celaya
Vacant
(City of Los Angeles)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Adriana Flores
Alisha O'Brien
Amber De La Torre
Doug Dorado
Taylor Morris

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lafco.org

Revised

Please note staff report links are attached to the prior Agenda

LIVE VIRTUAL COMMISSION MEETING

LOCAL AGENCY FORMATION COMMISSION

Wednesday, January 10th, 2024
9:00 a.m.

Room 381-B

Kenneth Hahn Hall of Administration
500 West Temple Street, Los Angeles 90012

Teleconference/Physical Location *
Compton Unified School District
Executive Conference Room
501 Santa Fe Ave.
Compton CA 90221

* Members of the public may also participate remotely at this location

Entrance to the Commission Meetings requires entry through security screening at any of the public entrances to the Kenneth Hahn Hall of Administration (KHHA):

- 500 West Temple Street (third floor of KHHA)
- 225 N. Hill Street (first floor of KHHA)
- 222 N. Grand Avenue (fourth floor of KHHA)
- Civic Mall/ Grand Park, between KHHA and the Civil Court Building (second floor of the KHHA)

Entrance through any other exterior door of the KHHA is prohibited (all other entrances are locked) due to County of Los Angeles security restrictions.

A person with a disability may contact the LAFCO office at (626)204-6500 at least 72 hours before the scheduled meeting to request receipt of an agenda in an alternative format or to request disability-related accommodations, including auxiliary aids or services in order to participate in the public meeting. Later requests will be accommodated to the extent feasible.

This meeting is also available for members of the public to attend virtually by phone

or web access as follows:

FOR MEMBERS OF THE PUBLIC

TO LISTEN BY TELEPHONE AND PROVIDE PUBLIC COMMENT DIAL:

1-213-306-3065

Access Code: 2532 056 6308 (English)

Password: 782542

OR TO LISTEN VIA WEB AND PROVIDE COMMENT:

<https://lacountyboardofsupervisors.webex.com/lacountyboardofsupervisors/j.php?MTID=mdb2091369b80ef00c761cea52107c64f>

Password: public

TO PROVIDE WRITTEN PUBLIC COMMENT: Any interested person may submit written opposition or comments by email at info@lalafo.org prior to the conclusion of the Commission Meeting or by mail to the LAFCO Office at 80 S. Lake Avenue, Suite 870, Pasadena, CA 91101, no later than 5:00 p.m. on the business day preceding the date set for hearing/proceedings in order to be deemed timely and to be considered by the Commission.

The entire agenda package and any meeting related writings or documents provided to a majority of the Commissioners after distribution of the agenda package, unless exempt from disclosure pursuant to California Law, are available at www.lalafo.org

1. CALL MEETING TO ORDER

- a. Commissioner(s) request to participate remotely pursuant to Government Code § 54953.(f)(2): Commissioner Francine Oschin requests to participate remotely for the January 10, 2024 Meeting (today).

2. PLEDGE OF ALLEGIANCE WILL BE LED BY CHAIR DEAR

3. DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

4. SWEARING-IN OF SPEAKER(S)

5. PUBLIC COMMENT

This is the opportunity for members of the public to address the Commission on any items, including those items that are on the posted agenda, provided that the subject matter is within the jurisdiction of the Commission. Public comments are limited to three minutes per speaker.

6. CONSENT ITEM(S)

All matters are approved by one motion unless held by a Commissioner or member(s) of the public for discussion or separate action.

- a. Approve Minutes of November 8, 2023.

- b. Approve Operating Account Check Register for the month of November, 2023.
- c. Receive and file Update on Pending Proposals.
- d. Legislative Update. (None.)
- e. Executive Officer's Written Report
- f. Information Item(s) – Government Code § 56751 (city proposal).
 - i. Annexation No. 2023-19 to the City of Industry (Amendment to the City of Industry Sphere of Influence).
- g. Information Item(s) – Government Code § 56857 (district proposal).
 - i. Annexation No. 2023-14 to the Los Angeles County Waterworks District No. 40, Antelope Valley.
- h. Miscellaneous Communications.
 - i. Letter of December 4, 2023 from Executive Officer Paul Novak to Rosio Perez of TRPF 80 South Lake Avenue LP concerning LAFCO's decision to remain in its current office space through February, 2027.
 - ii. Letter of November 8, 2023 from Commission Chair Don Dear to the Los Angeles County Board of Supervisors in support of the Draft Los Angeles County Water Plan

7. **PUBLIC HEARING(S)**

- a. None.

8. **PROTEST HEARING(S)**

- a. None.

9. **OTHER ITEMS**

- a. Independent Auditor's Report for Fiscal Year 2022-23
- b. Procurement and Reporting Policy Annual Report for 2023

10. **REQUESTED POSITION(S) ON LEGISLATION**

- a. None.

11. **COMMISSIONERS' REPORT**

Commissioners' questions for staff, announcements of upcoming events and opportunity for Commissioners to briefly report on their LAFCO-related activities since last meeting.

12. **EXECUTIVE OFFICER'S REPORT**

Executive Officer's announcement of upcoming events and brief report on activities of the Executive Officer since the last meeting.

13. **PUBLIC COMMENT**

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14. **FUTURE MEETINGS**

February 14, 2024

March 13, 2024

April 10, 2024

15. **ADJOURNMENT**



Local Agency Formation Commission
for the County of Los Angeles

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1. CALL MEETING TO ORDER

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- a. Approve Minutes of November 8, 2023.
- b. Approve Operating Account Check Register for the month of November, 2023.
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7. **PUBLIC HEARING(S)**

- a. None.

8. **PROTEST HEARING(S)**

- a. None.

9. **OTHER ITEMS**

- a. Independent Auditor's Report for Fiscal Year 2022-23
- b. Procurement and Reporting Policy Annual Report for 2023

10. **REQUESTED POSITION(S) ON LEGISLATION**

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LAFCO

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DRAFT

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MINUTES OF THE LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES

November 8, 2023

Present:

Donald Dear, Chair

Margaret Finlay
John Lee
Robert Lewis
Gerard McCallum
John Mirisch
Holly Mitchell

Micah Ali, Alternate
Anthony Bell, Alternate

Paul Novak, Executive Officer
Miguel Dager, Legal Counsel

Absent:

Kathryn Barger
Francine Oschin

Michael Davitt, Alternate
Hilda Solis, Alternate

Vacant:

City of Los Angeles, Alternate Member
General Public, Alternate Member

1 CALL MEETING TO ORDER

The meeting was called to order at 8:35 a.m. as both an in-person and virtual meeting.

The following item was called up for consideration:

- a. Commissioners request to participate remotely pursuant to Government Code § 54953(f)(2):

(None).

2 PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Chair Dear.

3 DISCLOSURE OF CAMPAIGN CONTRIBUTION(S)

The Executive Officer (EO) read an announcement, asking if any Commissioners had received a campaign contribution that would require disclosure or any other issue requiring recusal from any item on today's agenda (None).

ANNOUNCEMENTS

The EO announced that the agenda for today's meeting was posted on the LAFCO website on Wednesday, November 1, 2023; and posted at the Kenneth Hahn Hall of Administration on Thursday, November 2, 2023; in accordance with State law.

4 SWEARING-IN OF SPEAKER(S)

The EO swore-in five (5) members of the audience who planned to testify.

WELCOMING NEW COMMISSIONER

Chair Dear introduced new Commissioner Micah Ali as the Independent Special District Alternate Member. Commissioner Ali's term will expire in May of 2026.

5 PUBLIC COMMENT

(None).

6 CONSENT ITEM(S)

The Commission took the following actions under Consent Item(s):

- a. Approved Minutes of October 11, 2023.

b. Approved Operating Account Check Register for the month of October 2023.

c. Received and filed update on Pending Proposals.

d. Legislative Update.

(None).

e. Received and filed the Executive Officer's Written Report.

f. Information Item(s) – Government Code §§ 56751 (city proposal).

(None).

g. Received and filed Information Item(s) – Government Code §§ 56857 (district proposal).

(None).

h. Miscellaneous Communications.

i. Letter of September 26, 2023 from the Special District Risk Management Authority (SDRMA) to Chair Dear concerning five consecutive years of no paid claims.

MOTION: Finlay SECOND: Lewis APPROVED: 6-0-0
AYES: Bell (Alt. for Oschin), Lee, Lewis, McCallum, Mirisch, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Mitchell, Oschin

7 PUBLIC HEARING(S)

(None).

8 PROTEST HEARING(S)

(None).

9 OTHER ITEMS

The following item was called up for consideration:

a. Interview Finalists for Alternate Public Member and Appoint the Alternate Public Member.

Adriana Romo, Deputy Executive Officer (DEO), summarized the staff report concerning this item.

[Commissioner Mitchell arrived at 8:41 a.m.]

The EO swore-in two (2) additional members of the public (Alternate Public Members Finalists) who were not available at the beginning of the meeting.

The DEO, on behalf of the Commission, interviewed the following six (6) candidates:

- Denise Jackman (attended remotely)
- Elizabeth Clay (attended remotely)
- Frank Guzman (attended in-person)
- Wendy Celaya (attended in-person)
- Jim D’Addario (attended in-person)
- Odest Riley (attended in-person)

The Commission re-opened Public Comment; motioned by Lewis, seconded by Finlay, motion approved with McCallum abstaining (approved on voice vote).

Commissioners McCallum and Ali identified their top three (3) candidates.

The Commission closed the Public Comment period (voice vote).

The Commission moved back to Agenda Item No. 9.a. (Interview Finalists for Alternate Public Member and Appoint the Alternate Public Member).

Commissioners Bell, Finlay, Lee, Lewis, Mirisch, Mitchell, and Dear each identified their top three (3) candidates.

The Commission took the following action:

- Appointed Wendy Celaya as new Alternate Public Member.

MOTION:	Mirisch	SECOND:	Finlay	APPROVED:	7-0-1
AYES:	Bell (Alt. for Oschin), Finlay, Lee, Lewis, Mirisch, Mitchell, Dear				
NOES:	None.				
ABSTAIN:	McCallum				
ABSENT:	Barger, Oschin				

[Commissioners Lee and Ali left at 10:08 a.m.]

9 OTHER ITEMS

The following item was called up for consideration:

- b. Proposed Support of the Draft Los Angeles County Water Plan.

The EO summarized the staff report on this item.

The Commission took the following actions:

- Directed the Commission Chair to sign a letter to the Los Angeles County Board of Supervisors in support of the Draft Los Angeles County Water Plan; and
- Directed staff to transmit said letter to the Los Angeles County Board of Supervisors.

MOTION: McCallum SECOND: Finlay APPROVED: 7-0-0
AYES: Bell (Alt. for Oschin), Finlay, Lewis, McCallum, Mirisch, Mitchell, Dear
NOES: None.
ABSTAIN: None.
ABSENT: Barger, Lee, Oschin

9 OTHER ITEMS

The following item was called up for consideration:

- c. Notice Period (Cancellation Option) for Office Lease.

The DEO summarized the staff report on this item.

The Commission took the following action:

- Directed staff to remain in its current office space (through the end of the lease extension term previously approved by the Commission) ending in February of 2027.

Chair Dear indicated a motion was not required, but noted there was a consensus by all of the Commissioners to remain at the current office space.

10 REQUESTED POSITION(S) ON LEGISLATION

(None).

11 COMMISSIONERS' REPORT

Commissioner Mirisch noted that he attended the 2023 CALAFCO Annual Conference in

Monterey, and that it was a well-informed conference. Commissioner Mirisch announced that Kimberly Cox (San Bernardino LAFCO) was elected as the Southern Region's Special District Representative on the California Association of Local Agency Formation Commissions (CALAFCO) Board of Directors.

12 EXECUTIVE OFFICER'S REPORT

The EO indicated that Commissioners were provided a memo which addresses the vote tally for the Independent Special Districts Alternate Member, and a letter from Executive Officer Paul Novak to Los Angeles City Council President Paul Krekorian, dated November 6th, requesting that he appoint an Alternate Member to the Commission.

On behalf of staff and legal counsel, the EO wished all Commissioners a happy holiday season.

13 PUBLIC COMMENT

(None).

14 FUTURE MEETINGS

January 10, 2024
February 14, 2024
March 13, 2024

15 ADJOURNMENT

Chair Dear adjourned the in-person and virtual meeting at 10:18 a.m.

Respectfully submitted,

Paul Novak, AICP
Executive Officer

12:37 PM

11/30/23

Cash Basis

LA LAFCO

Register Report

November 2023

Type	Date	Num	Name	Paid Amount	Balance
Nov 23					
Check	11/01/2023	WIRE	TRPF 80 South Lak...	-10,929.02	-10,929.02
Check	11/14/2023	DD	Wells Fargo-Elite C...	-4,796.42	-15,725.44
Check	11/15/2023	DD	Ambar De La Torre	-2,612.82	-18,338.26
Check	11/15/2023	DD	Douglass S Dorado	-3,792.80	-22,131.06
Check	11/15/2023	DD	Adriana L Flores	-1,502.68	-23,633.74
Check	11/15/2023	DD	Taylor J Morris	-2,496.03	-26,129.77
Check	11/15/2023	DD	Paul A Novak	-6,297.51	-32,427.28
Check	11/15/2023	DD	Alisha O'Brien	-2,794.80	-35,222.08
Check	11/15/2023	DD	Adriana Romo	-4,419.23	-39,641.31
Check	11/15/2023	DD	Federal Tax Deposit	-6,753.53	-46,394.84
Check	11/15/2023	DD	State Income Tax	-1,865.22	-48,260.06
Check	11/15/2023	DD	Paychex	-560.28	-48,820.34
Bill Pmt -Check	11/16/2023	11703	Canon Financial Ser...	-222.93	-49,043.27
Bill Pmt -Check	11/16/2023	11704	Certified Records M...	-1,585.07	-50,628.34
Bill Pmt -Check	11/16/2023	11705	Charter Communica...	-447.90	-51,076.24
Bill Pmt -Check	11/16/2023	11706	City of Beverly Hills*	-647.80	-51,724.04
Bill Pmt -Check	11/16/2023	11707	FedEx	-45.24	-51,769.28
Bill Pmt -Check	11/16/2023	11708	LACERA-OPEB	-1,807.88	-53,577.16
Bill Pmt -Check	11/16/2023	11709	Miguel Dager	-249.80	-53,826.96
Bill Pmt -Check	11/16/2023	11710	ODP Business Solut...	-430.00	-54,256.96
Bill Pmt -Check	11/16/2023	11711	SP Plus Corporation	-630.00	-54,886.96
Bill Pmt -Check	11/16/2023	11712	Yvonne Green CPA	-275.00	-55,161.96
Check	11/16/2023	DD	Canon Financial Ser...	-92.55	-55,254.51
Check	11/16/2023	DD	Canon Financial Ser...	0.00	-55,254.51
Bill Pmt -Check	11/21/2023	11713	FedEx	-22.86	-55,277.37
Check	11/30/2023	DD	Paychex	-112.49	-55,389.86
Check	11/30/2023	DD	Ambar De La Torre	-2,612.83	-58,002.69
Check	11/30/2023	DD	Douglass S Dorado	-3,792.80	-61,795.49
Check	11/30/2023	DD	Adriana L Flores	-1,465.79	-63,261.28
Check	11/30/2023	DD	Taylor J Morris	-2,496.03	-65,757.31
Check	11/30/2023	DD	Paul A Novak	-6,324.44	-72,081.75
Check	11/30/2023	DD	Alisha O'Brien	-2,794.80	-74,876.55
Check	11/30/2023	DD	Adriana Romo	-4,493.77	-79,370.32
Check	11/30/2023	90269...	Margaret E Finlay	-254.33	-79,624.65
Check	11/30/2023	DD	Donald Dear	-228.28	-79,852.93
Check	11/30/2023	DD	Micah J Ali	-138.52	-79,991.45
Check	11/30/2023	DD	Anthony E Bell	-217.13	-80,208.58
Check	11/30/2023	DD	John S Lee	-138.53	-80,347.11
Check	11/30/2023	DD	Robert W Lewis	-293.12	-80,640.23
Check	11/30/2023	DD	Gerard McCallum II	-192.22	-80,832.45
Check	11/30/2023	DD	John A Mirisch	-203.37	-81,035.82
Check	11/30/2023	DD	Holly J Mitchell	-133.97	-81,169.79
Check	11/30/2023	DD	Federal Tax Deposit	-6,941.50	-88,111.29
Check	11/30/2023	DD	State Income Tax	-1,865.22	-89,976.51
Bill Pmt -Check	11/30/2023	11714	ATT	-243.34	-90,219.85
Bill Pmt -Check	11/30/2023	11715	CTS Clouds LLC	-1,035.00	-91,254.85
Bill Pmt -Check	11/30/2023	11716	Eide Bailly	-6,627.33	-97,882.18
Bill Pmt -Check	11/30/2023	11717	LACERA	-21,268.52	-119,150.70
Bill Pmt -Check	11/30/2023	11718	ODP Business Solut...	-530.59	-119,681.29
Bill Pmt -Check	11/30/2023	11719	Quadient Finance U...	-221.00	-119,902.29
Bill Pmt -Check	11/30/2023	11720	The Lincoln National	-326.18	-120,228.47
Bill Pmt -Check	11/30/2023	11721	Uline, Inc	-25.69	-120,254.16
Bill Pmt -Check	11/30/2023	11722	FedEx	-119.84	-120,374.00
Nov 23				-120,374.00	-120,374.00

AGENDA ITEM NO. 6.c. January 10th, 2024						
PENDING PROPOSALS As of December 11th, 2023						
		LAFCO Designation Number	Applicant	Description	Status	Est. Date of Completion
1	DD	Annexation 2006-12 to Los Angeles County Waterworks District No. 40, Antelope Valley	Land Resource Investors	Annex 20 acres of vacant land located at the northeast corner of Avenue J and 37th Street East, City of Lancaster. Will be developed into 80 single family homes.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-22	Unknown
2	DD	Annexation No. 2006-46 to Los Angeles County Waterworks District No. 40, Antelope Valley	Los Angeles County Waterworks District No. 40, Antelope Valley	Annex 1,567 acres of vacant land located near Lake Elizabeth Road and Avenue S in the city of Palmdale. Will be developed into 313 single family home.	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-23	Unknown
3	DD	Annexation No. 2011-17 (2006-50) to Los Angeles County Waterworks District No. 40, Antelope Valley	Behrooz Haverim/Kamyar Lashgari	Annex 20.62 acres of vacant land located south of Avenue H between 42nd Street West and 45th Street West in the City of Lancaster. To be developed into single family homes	Incomplete application. Email dated 1-30-13 waterworks stopped working on TTR, no water commitment. Emailed applicant 2-6-24	Unknown
4	DD	Annexation 2008-13 to Los Angeles County Waterworks District No. 40	Lancaster School Dist.	Annex 20.47 acres of vacant land located 2 miles west of the Antelope Valley frw. And the nearest paved major streets are ave. H, And Ave. I, in the City of Lancaster. For future construction of a school.	Application complete, missing BOE fees to place on agenda for approval. Emailed district for fees on 4-18-17	Unknown
5	DD	Reorganization 2010-04 Los Angeles County Waterworks District No. 29	Malitex Partners, LLC	Detach 88 acres of vacant land from the Las Virgenes Municipal Water District and annex same said territory to Los Angeles County Waterworks District No 29 and West Basin Municipal Water District. The project includes future construction of three homes and dedicates open space. The project site is located north of Pacific Coast Highway at the end of Murphy Way, in the unincorporated area adjacent to Malibu.	Notice of Filing sent 07-15-10. Incomplete filing: CEQA. EIR on hold 4-14-15. Applicant requested to keep this file open, pending details how to proceed with the project 04/29/15.	Unknown
6	DD	City of Palmdale Annexation 2010-05	City of Palmdale	49.6 acres located adjacent to residential properties to the southwest, southeast, and separated by the Amargosa Creek to the north.	Notice of Filing sent 1-3-11 Incomplete filing: property tax transfer resolution, insufficient CEQA, unclear pre-zoning ordinance, approved map and legal. Need to include DUC.	Unknown
7	DD	Reorganization No. 2014-03 to the City of Calabasas	City of Calabasas	176± acres immediately north of and adjacent to the 101 freeway between the City of Calabasas and Hidden Hills.	Notice of Filing sent 1-8-15. Incomplete filing: property tax transfer resolution and approved map and legal.	Unknown
8	DD	Annexation No. 2015-10 to the City of Agoura Hills	City of Agoura Hills	117 acres uninhabited territory. Located northeast and southwest of Chesebro Road directly north of the Highway 101	Notice of Filing sent 11-3-15 Incomplete filing: property tax transfer resolution.	Unknown
9	DD	Reorganization No. 2016-01 to the Las Virgenes Municipal Water District	Las Virgenes Municipal Water District	Detachment from West Basin Municipal Water District, and annexation to the Las Virgenes Municipal Water District. Both districts require SOI amendments. The territory consists of 26 single-family homes, generally located south of Cairnloch Street, west of Summit Mountain Way, all within the City of Calabasas.	Notice of Filing sent 04-19-16 Incomplete filing: property tax transfer resolution, and map and legal not approved.	Unknown
10	DD	Annexation No. 2017-09 to the Wilmington Cemetery District	Wilmington Cemetery District	inhabited territory around Wilmington	Notice of Filing sent 6-10-17 Incomplete filing: property tax transfer resolution	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
11	DD	Annexation No. 2018-12 to the City of Agoura Hills	City of Agoura Hills	82.58± acres of inhabited territory to the City of Agoura Hills. Area A of the affected territory is generally located east of the intersection of Liberty Canyon Road and Agoura Road and Area C is generally located west of the intersection of Liberty Canyon Road and Revere Way, in Los Angeles County unincorporated territory adjacent to the City of Agoura Hills	Notice of Filing sent 11-20-18 Incomplete filing: property tax transfer resolution, CEQA, map of limiting addresses, pre-zoning, register voter labels, approved map and geographic description.	11/19/2018	Unknown
12	DD	Reorganization No. 2019-01 to the City of Rancho Palos Verdes	Rajendra Makan	1.17± acres of uninhabited territory located along Re Le Chardlene, east of the intersection of Chandeleur and Rue Le Charlene, in the City of Los Angeles.	Notice of Filing Sent 5-14-19 Incomplete filing: property tax transfer resolution and approved map and legal.	5/14/2019	Unknown
13	DD	Formation No. 2019-06 of the Lower Los Angeles River Recreation and Park District	City of South Gate	inhabited territory, along the Los Angeles River between Vernon and Long Beach	TTR/Auditors determination, plan for services, and approved map and geographic description.	10/2/2019	Unknown
14	DD	Formation No. 2019-04 of the Acton/Agua Dulce Garbage Disposal District	County of Los Angeles	150,982 acres of inhabited territory. The affected territory is located in the unincorporated county area of Acton and Agua Dulce	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
15	DD	Formation No. 2019-05 East Antelope Valley Garbage Disposal District	County of Los Angeles	459,925 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, east of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
16	DD	Formation No. 2019-06 of the West Antelope Valley Garbage Disposal District	County of Los Angeles	293,394 acres of inhabited territory. The affected territory is located in the unincorporated county area of the Antelope Valley, west of state route 14.	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
17	DD	Formation No. 2021-07 of the Quartz Hill Garbage Disposal District	County of Los Angeles	6.575 acres of inhabited territory. The affected territory is located in the unincorporated county area of Quartz Hill	Notice of Filing sent 9-29-21 financial info, CEQA, and approved map and geographic description.	9/14/2021	Unknown
18	AOB	Reorganization No. 2021-03 for the Artesia Cemetery District, the Downey Cemetery District, and the Little Lake Cemetery District	Artesia Cemetery District, and behalf of Downey Cemetery District and Little Lake Cemetery District	Reorganization of territories located within Cities of Bellflower, Bell Gardens, Cerritos, Downey, La Mirada, Lakewood, Norwalk, Paramount, Santa Fe Springs, South Gate, and Los Angeles County unincorporated territory (South Whittier).	Notice of Filing Sent 12-22-21 Incomplete filing: property tax transfer resolution.	12/20/2021	Unknown
19	DD	Annexation No. 2021-10 to the City of Bradbury	City of Bradbury	.66± acres of uninhabited territory. The affected territory is located along Royal Oaks Drive North between Braewood Drive and Woodlyn Lane, adjacent to the City of Bradbury.	continued to June 2023	11/29/2021	Unknown
20	DD	Annexation No. 2021-09 to the City of Whittier	City of Whittier	58± acres of inhabited territory. The affected territory is located along Whittier Blvd. between interstate 605 and Sorensen Ave, adjacent to the City of Whittier.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, limiting addresses map and list, approved map and geographic description, and BOE fees	12/13/2021	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
21	DD	Reorganization No. 2019-04 to the City of La Verne	Saint George Properties, LLC	19.44± acres of uninhabited territory. The affected territory is located north of Baseline Road and Japonica Avenue, adjacent to the City of La Verne.	Notice of Filing sent 12-22-21 Incomplete Filing: property tax transfer resolution, BOE fees and 2nd application submittal	12/21/2021	Unknown
22	DD	Reorganization No. 2021-11 to the City of Los Angeles	Television City Studios, LLC	.64± acres of uninhabited territory. The affected territory is located south of the intersection of Beverly Blvd and Genesee Ave, surrounded by the City of Los Angeles.	Notice of Filing sent 3-9-22: property tax transfer resolution, limiting address map & list, pre-zoning ordinance, and BOE fees	12/29/2021	Unknown
23	AD	Annexation 58 to District no. 2	Los Angeles County Sanitation Districts	7.37 acres of uninhabited territory. The affected territory is located on the northwest corner of Marianna Avenue and Worth Street, all within the City of Los Angeles.	Notice of Filing Sent 09-29-22 Incomplete filing: property tax transfer resolution. Notice of Filing sent not sent.	9/27/2022	Unknown
24	DD	Annexation No. 2022-06 to the Los Angeles County Waterworks District No. 40, Antelope Valley	New Anaverde, LLC	1,553 acres of uninhabited territory. The affected territory is generally located southeast of the intersection of Elizabeth Lake Road and Ranch Center Drive.	Need better map and geographic description to start. Incomplete filing: property tax transfer resolution, NOD, LLC documentation, approved map and geographic description.	9/29/2022	Unknown
25	AD	Annexation 767 to District no. 21	Los Angeles County Sanitation Districts	0.32 acres of uninhabited territory. The affected territory is located on the east side of Garey Avenue approximately 100 feet south of White Oak Drive, all within unincorporated Los Angeles County.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
26	AD	Annexation 440 to District no. 22	Los Angeles County Sanitation Districts	1.1 acres of uninhabited territory. The affected territory is located on the south side of Holt Avenue approximately 350 feet east of Grand Avenue, all within the City of West Covina.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
27	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1107	Los Angeles County Sanitation Districts	9.68 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway at Soledad Canyon Road, all within the City of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
28	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1108	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the east side of Alderbrook Drive approximately 100 feet north of Oak Orchard Road, all within the city of Santa Clarita.	Notice of Filing Sent 10-19-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
29	AD	Annexation 769 to District no. 21	Los Angeles County Sanitation Districts	2.36 acres of uninhabited territory. The affected territory is located on the east side of Fruit Street approximately 600 feet north of Foothill Boulevard, all within the City of La Verne.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
30	AD	Annexation 439 to District no. 22	Los Angeles County Sanitation Districts	4.29 acres of uninhabited territory. The affected territory is located on Winston Avenue approximately 200 feet south of Lemon Avenue, all within the City of Bradbury.	Notice of Filing Sent 10-25-22 Incomplete filing: property tax transfer resolution.	10/13/2022	Unknown
31	AD	Annexation 765 to District no. 21	Los Angeles County Sanitation Districts	0.75 acres of uninhabited territory. The affected territory is located on the south side of Anellen Street approximately 300 feet east of Hacienda Boulevard, all within unincorporated Los Angeles County.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
32	AD	Annexation 438 to District no. 22	Los Angeles County Sanitation Districts	0.98 acres of uninhabited territory. The affected territory is located on Cameron Avenue approximately 160 feet south of Navaro Lane, all within the City of West Covina.	Notice of Filing Sent 11-22-22 Incomplete filing: property tax transfer resolution.	11/21/2022	Unknown
33	DD	Detachment No. 2022-08 from Los Angeles County Waterworks District No. 36, Val Verde	Claremont Homes, Inc.	73 acres of uninhabited territory. The affected territory is located southwest corner of Mandolin Canyon Road and Sloan Canyon Road, all within unincorporated Los Angeles County (Castaic)	Received application packet 3-15-23 Notice of Filing sent 4-3-23 Incomplete filing: property tax transfer resolution.	12/13/2022	Unknown
34	AD	Annexation 437 to District no. 14	Los Angeles County Sanitation Districts	1,257 acres of uninhabited territory. The affected territory is located on the southeast corner of Market Street and Enterprise Parkway, all within the City of Lancaster.	Notice of Filing Sent 03-08-23 Incomplete filing: property tax transfer resolution.	1/23/2023	Unknown
35	AD	Annexation 441 to District no. 22	Los Angeles County Sanitation Districts	1,185 acres of uninhabited territory. The affected territory is located on Rancho Del Monico Road approximately 200 feet east of Banna Avenue, all within the City of Covina.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
36	AD	Annexation 770 to District no. 21	Los Angeles County Sanitation Districts	1,226 acres of uninhabited territory. The affected territory is located on the southeast corner of Padua Avenue and Lamonette Street, all within the City of Claremont.	Notice of Filing Sent 03-14-23 Incomplete filing: property tax transfer resolution.	3/14/2023	Unknown
37		Annexation No. 2023-01 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Robert Sarkissian	The application proposes to annex approximately 78.97± acres of uninhabited territory to the Los Angeles County Waterworks District No. 40, Antelope Valley. The affected territory is located southwest of the intersection of Blackbird Way and Lockheed Way, in the City of Palmdale.	Notice of Filing sent 2-15-23 Incomplete filing: property tax transfer resolution, map and geographic description	2/15/2023	Unknown
38	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1115	Los Angeles County Sanitation Districts	62.093 acres of uninhabited territory. The affected territory is located on the south side of Bouquet Canyon Road north of Nickie Lane, all within the City of Santa Clarita.	Notice of Filing Sent 04-11-23 Incomplete filing: property tax transfer resolution is missing.	4/4/2023	Unknown
39	AD	Annexation 442 to District no. 22	Los Angeles County Sanitation Districts	0.42 acres of uninhabited territory. The affected territory is located on the north side of Covina Hills Road approximately 200 feet west of San Joaquin Road, all within the City of Covina.	Notice of Filing Sent 04-18-23 Incomplete filing: property tax transfer resolution is missing.	4/5/2023	Unknown
40	AD	Annexation 443 to District no. 22	Los Angeles County Sanitation Districts	38.61 acres of uninhabited territory. The affected territory is located at the northern terminus of Hilltop Drive approximately 120 feet east of Ridge View Drive, all within Unincorporated Los Angeles County.	Notice of Filing Sent 04-11-23 Incomplete filing: property tax transfer resolution is missing.	4/6/2023	Unknown
41	AOB	Reorganization No. 2023-02 to the City of Monrovia (Detachment from the City Arcadia, Annexation to the City of Monrovia)	Elizabeth and Jimmy Kho	0.46 acres of uninhabited territory. The affected territory is generally located at the terminus of El Norte Avenue and 10th Avenue, all within the City of Arcadia. SOI amendments for both the City of Monrovia and the City of Arcadia.	Notice of Filing Sent 05-01-23 Incomplete filing: property tax transfer resolution, approved map and geographic description	4/24/2023	Unknown
42	AOB	Annexation No. 2023-03 to the Los Angeles County Waterworks District No. 40, Antelope Valley	San Yu Enterprises (NorthPoint Development)	160 acres of uninhabited territory. The affected territory is generally located at the intersection of 20th Street West and Avenue F, all within the unincorporated County territory.	Notice of Filing Sent 05-09-23 Incomplete filing: property tax transfer resolution, CEQA	5/4/2023	Unknown
43	AOB	Annexation No. 2023-05 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Real Holdings, LLC (NorthPoint Development)	38 acres of uninhabited territory. The affected territory is located at the corner of West Avenue G and 45th Street West, all within the City of Lancaster	Notice of Filing Sent 06-08-23 Incomplete filing: property tax transfer resolution, CEQA, approved map and geographic description	5/31/2023	Unknown
44	DD	Annexation No. 2023-07 to the City of Duarte	HumanGood	19 acres of uninhabited territory. The affected territory is located north of Royal Oaks Drive between Braewood Drive and Woodlyn Lane, in Los Angeles County unincorporated territory adjacent to the City of Duarte.	Notice of Filing sent 6-7-23 Incomplete filing: TTR, pre-zoning, party disclosure, limiting addresses, radius map, mailing labels, approved map and legal	5/31/2023	Unknown
45	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1112	Los Angeles County Sanitation Districts	1.15 acres of uninhabited territory. The affected territory is located on the northeast corner of Church Street and Cherry Drive, all within Unincorporated Los Angeles County.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
46	AD	Annexation 438 to District no. 14	Los Angeles County Sanitation Districts	121.46 acres of uninhabited territory. The affected territory is located on the southeast corner of 10th Street West and Avenue M/Columbia Way, all within the City of Palmdale.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
47	AD	Annexation 101 to District no. 20	Los Angeles County Sanitation Districts	39.29 acres of uninhabited territory. The affected territory is located on the north side of Pear Blossom Highway, southeast of Fort Tejon Road, all within the City of Palmdale.	Notice of Filing sent 6/6/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
48	AD	Annexation 439 to District no. 14	Los Angeles County Sanitation Districts	17.52 acres of uninhabited territory. The affected territory is located on the north side of Avenue J-12 and the west side of 60th Street West, all within the City of Lancaster.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
49	AD	Annexation 440 to District no. 14	Los Angeles County Sanitation Districts	1.26 acres of uninhabited territory. The affected territory is located on the north side of Avenue L approximately 500 feet west of 50th Street West, all within unincorporated Los Angeles County.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
50	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1128	Los Angeles County Sanitation Districts	1.11 acres of uninhabited territory. The affected territory is located on Trail Ridge Road south of Live Oak Springs Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	5/30/2023	Unknown
51	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1110	Los Angeles County Sanitation Districts	4.41 acres of uninhabited territory. The affected territory is located on the south side of Lost Canyon Road approximately 900 feet east of Sand Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
52	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1111	Los Angeles County Sanitation Districts	0.95 acres of uninhabited territory. The affected territory is located on the southeast corner of Clearlake Drive and Live Oak Springs Canyon Road, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
53	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1117	Los Angeles County Sanitation Districts	0.65 acres of uninhabited territory. The affected territory is located on the north side of Beneda Lane approximately 120 feet east of Stonehill Way, all within the City of Santa Clarita.	Notice of Filing sent 6/14/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
54	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1118	Los Angeles County Sanitation Districts	0.69 acres of uninhabited territory. The affected territory is located on the northeast east corner of Scherzinger Lane and Sierra Highway, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
55	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1119	Los Angeles County Sanitation Districts	0.9 acres of uninhabited territory. The affected territory is located on the southwest corner of Sierra Highway and Sierra Cross Avenue, all within the City of Santa Clarita.	Notice of Filing sent 6/8/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
56	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1123	Los Angeles County Sanitation Districts	2.12 acres of uninhabited territory. The affected territory is located southwest of Stonehill Wy and North of Beneda Ln, all within the City of Santa Clarita.	Notice of Filing sent 6/14/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
57	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1125	Los Angeles County Sanitation Districts	0.54 acres of uninhabited territory. The affected territory is located between Alderbrook Dr, and Hacienda Ln, all within the City of Santa Clarita.	Notice of Filing sent 6/14/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
58	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1126	Los Angeles County Sanitation Districts	1.4 acres of uninhabited territory. The affected territory is located south of Oak Orchard Rd, and north of Placeritos Blvd, all within the City of Santa Clarita.	Notice of Filing sent 6/14/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
59	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1127	Los Angeles County Sanitation Districts	0.35 acres of uninhabited territory. The affected territory is located to the west of Scherzinger Ln and north of Sierra Cross Avenue, all within the City of Santa Clarita.	Notice of Filing sent 6/14/23 Incomplete filing: property tax transfer resolution is missing.	6/1/2023	Unknown
60	AD	Annexation 771 to District no. 21	Los Angeles County Sanitation Districts	5.73 acres of uninhabited territory. The affected territory is located on the south side of Amherst Street approximately 200 feet west of Williams Avenue, all within the City of La Verne.	Notice of Filing sent 07-18-23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
61	AD	Annexation 444 to District no. 22	Los Angeles County Sanitation Districts	0.3 acres of uninhabited territory. The affected territory is located north of Covina Hills Rd and approximately 350 feet west of San Joaquin Rd, all within the City of Covina.	Notice of Filing sent 07-18-23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
62	AD	Annexation 445 to District no. 22	Los Angeles County Sanitation Districts	1.02 acres of uninhabited territory. The affected territory is located on the north side of Holt Avenue approximately 300 feet east of grand avenue, all within the City of West Covina.	Notice of Filing sent 07-18-23 Incomplete filing: property tax transfer resolution is missing.	6/21/2023	Unknown
63	AOB	Out-Of-Agency Service Agreement No. 2023-12 (Paradise Ranch Mobile Home Park)	Paradise Ranch, LLC	24 acres of uninhabited territory. The affected territory is located east of Interstate 5 Freeway at Templin Highway Exit, in the unincorporated territory of Castaic.	Incomplete filing: CEQA, map of the affected territory, statement from SCVWA indicating its willingness to continue to provide hauled water, and SCVWA to provide documentation of a threat to the health and safety of the affected residents.	6/26/2023	Unknown
64	AOB	Annexation No. 2023-09 to the Los Angeles County Waterworks District No. 40, Antelope Valley	AV Lands, LLC and Reitzell Jeanie MLR Trust (NorthPoint Development)	39 acres of uninhabited territory. The affected territory is located west of State Route 14, north of Avenue G, and 30th Street West, all within the City of Lancaster.	Notice of Filing Sent 7-13-23 Incomplete filing: property tax transfer resolution, CEQA, approved map and geographic description.	6/26/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
65	AD	Annexation 442 to District no. 14	Los Angeles County Sanitation Districts	9.76 acres of uninhabited territory. The affected territory is located on the east side of 65th Street West approximately 1,300 feet north of Avenue J West, all within the City of Lancaster.	Notice of Filing sent 09-07-23 Incomplete filing: property tax transfer resolution is missing.	6/28/2023	Unknown
66	AD	Annexation 443 to District no. 14	Los Angeles County Sanitation Districts	12.26 acres of uninhabited territory. The affected territory is located on the northwest corner of Avenue J and 60th Street West, all within the City of Lancaster.	Notice of Filing sent 09-07-23 Incomplete filing: property tax transfer resolution is missing.	6/28/2023	Unknown
67	AD	Annexation 444 to District no. 14	Los Angeles County Sanitation Districts	40.24 acres of uninhabited territory. The affected territory is located on the southeast corner of 60th Street West and Avenue K-4, all within the City of Lancaster.	Notice of Filing sent 09-07-23 Incomplete filing: property tax transfer resolution is missing.	6/28/2023	Unknown
68	AD	Annexation 403 to District no. 20	Los Angeles County Sanitation Districts	238 acres of uninhabited territory. The affected territory is located on the south side of Elizabeth Lake Road at Ranch Center Drive and north of Avenue S at Westland Drive, all within the City of Palmdale.	Notice of Filing sent 7-18-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	6/28/2023	Unknown
69	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1113	Los Angeles County Sanitation Districts	4.32 acres of uninhabited territory. The affected territory is located on the west side of Sierra Highway, approximately 600 feet south of Newhall Avenue, all within the City of Santa Clarita.	Notice of Filing sent 7-18-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	6/28/2023	Unknown
70	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1121	Los Angeles County Sanitation Districts	39.42 acres of inhabited territory. The affected territory is located on the north and south sides of Placerita Canyon Road west of Golden Oak Lane, all within the City of Santa Clarita.	Notice of Filing sent 7-18-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	6/28/2023	Unknown
71	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1122	Los Angeles County Sanitation Districts	186.44 acres of uninhabited territory. The affected territory is located at the southern terminus of Mandolin Canyon Road, north and south of Canyon Hill Road/Sloan Canyon Road, and east of Valley Creek Road, all within Unincorporated Los Angeles County.	Notice of Filing sent 7-18-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	6/28/2023	Unknown
72	AD	Santa Clarita Valley Sanitation District of Los Angeles County Annexation 1129	Los Angeles County Sanitation Districts	0.81 acres of uninhabited territory. The affected territory is located on the south side of Violin Canyon Road approximately 650 southeast of Lake Hughes Road, all within unincorporated Los Angeles County.	Notice of Filing sent 7-18-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	6/28/2023	Unknown
73	AOB	Annexation No. 2023-08 to the Resource Conservation District of the Santa Monica Mountains	Resource Conservation District of the Santa Monica Mountains	Acreage TBD. Inhabited territory. The affected territory to include the entire San Fernando Valley and the eastern Santa Monica Mountains (including Hollywood Hills and Griffith Park), the Verdugo Mountains and lower San Gabriel Foothills as far east as the Arroyo Seco, south through Northeast City of Los Angeles (including Elysian Park) to Downtown Los Angeles.	Notice of Filing TBD. Incomplete filing: property tax transfer resolution, CEQA, approved map and description.	6/29/2023	Unknown
74	AOB	Annexation No. 2023-06 to the Los Angeles County Waterworks District No. 40, Antelope Valley	TDC Palmdale LLC	158 acres of uninhabited territory. The affected territory is located at the northeast corner of 30th Street East and East Avenue M, all within the City of Palmdale.	Notice of Filing 8-15-23. Incomplete filing: property tax transfer resolution, CEQA, approved map and description.	8/7/2023	Unknown
75	DD	Formation No. 2023-11 of the Lower San Gabriel River Recreation and Park District	City of Pico Rivera	32,000 acres of inhabited territory. The affected territory is located along the San Gabriel River.	Notice of Filing 8-28-23 Incomplete filing: map, geographic description, auditors determination, plan for service	6/28/2023	Unknown
76	AD	Annexation 772 to District no. 21	Los Angeles County Sanitation Districts	11.55 acres of uninhabited territory. The affected territory is generally located on the northeast corner of Brea Canyon Cutoff Rd approximately 200 feet South of Colima Rd, all within the unincorporated Los Angeles County.	Notice of Filing sent 09-07-23 Incomplete filing: property tax transfer resolution is missing. Fees are missing	9/5/2023	Unknown
77	AOB	Annexation No. 2023-19 to the City of Industry (Amendment to the City of Industry Sphere of Influence)	Patrick Daniels/CRP IV Industry Valley Center, LLC	2.21 acres of uninhabited territory. The affected territory is located at the Southeast corner of Valley Blvd. and Sixth Street, all within the unincorporated Los Angeles County.	Notice of Filing sent 11-21-23 Incomplete filing: property tax transfer resolution, CEQA, approved map and description.	11/9/2023	Unknown

		LAFCO Designation Number	Applicant	Description	Status	Date Filed	Est. Date of Completion
78	AOB	Annexation No. 2023-14 to the Los Angeles County Waterworks District No. 40, Antelope Valley	Apple Valley Land Fund, LLC and NP AV Logistics Center LP (NorthPoint Development)	157 acres of uninhabited territory. The affected territory is located at the southwest corner of Avenue F and 10th Street West, all within unincorporated Los Angeles County.	Notice of Filing sent TBD Incomplete filing: property tax transfer resolution; CEQA, approved map and description.	11/13/2023	Unknown

Staff Report

January 10, 2024

Agenda Item No. 6.e.

Executive Officer's Written Report

The Executive Officer reports the following:

- Special District Voting Member: At the request of the Executive Officer, LAFCO designee Bill Kruse has initiated the process to appoint an Independent Special District Voting Member to the Commission. The election will result in the appointment of an Independent Special District Voting Member (or re-appointment of the incumbent); for a term of office beginning on May 6, 2024, and ending on May 1, 2028. The election began on January 8, 2024, and it will conclude on April 30, 2024.
- Legislative Update: The Legislature convened its 2024 Session on Wednesday, January 3, 2024. In combination with staff's deadlines for posting the agenda package for today's meeting, there is no Legislative Update (typically Agenda Item no. 6.d.) in this agenda package. Because your next meeting is February 14th, and the deadline to introduce bills in the Legislature is February 16th, Staff anticipates that monthly legislative updates will resume at your March, 2024 Meeting.
- Pasadena Charter Study Task Force: At its November 13, 2023 Meeting, the Pasadena City Council appointed eleven (11) members to a task force charged with reviewing potential changes to the city's charter. The City Council's appointees include Pasadena resident Paul Novak, who was nominated by 4th District Councilman Gene Masuda. Task Force meetings began in December of 2023, and they will be held through May of 2024.

Staff Recommendation:

1. Receive and file the Executive Officer's Report.

Staff Report

January 10, 2024

Agenda Item No. 6.f.i

GOVERNMENT CODE § 56751 NOTICE (For Information Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization, except a special reorganization, that includes the detachment of territory from any city, Government Code Section 56751 requires the Executive Officer to place the proposal on its agenda for information purposes only and to transmit a copy of the proposal to any city from which detachment of territory is requested. Pursuant to Government Code Section 56751(b), no more than 60 days after the meeting agenda date, the city from which the detachment of territory is proposed may adopt and submit to the Local Agency Formation Commission ("LAFCO") a resolution requesting termination of the proceedings. If such a resolution is transmitted to LAFCO within the time period prescribed, the commission shall terminate the proceeding.

LAFCO may not hear and consider the proposal until after the 60-day period has expired unless the city from which the detachment of territory is requested adopts and submits to LAFCO a resolution supporting the proposal.

The following is a summary of the proposal filed with LAFCO:

Annexation No. 2023-19 to the City of Industry (Amendment to the City of Industry Sphere of Influence)

Description: Patrick Daniels/CRP IV Industry Valley, LLC (landowner) filed an application to annex approximately 2.21± acres of uninhabited territory to the City of Industry. The project includes development of one (1) industrial warehouse building.

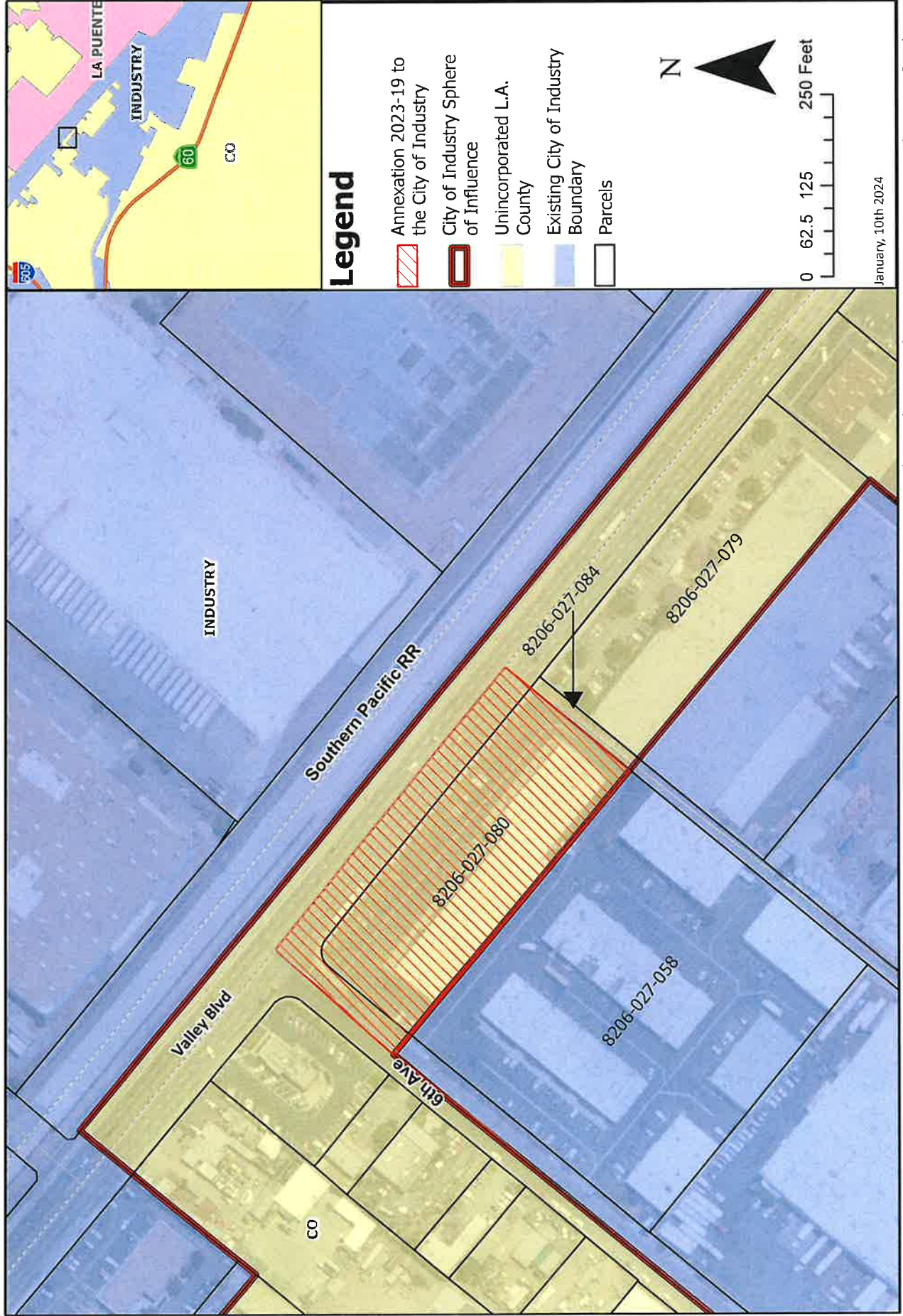
Location: The project site is located southeast corner of Valley Boulevard and Sixth Avenue, located within Los Angeles County unincorporated territory.

The Executive Officer will transmit a copy of the proposal to the City of Industry, as required by Government Code Section 56751(a).

RECOMMENDED ACTION:

1. The Commission receive and file the information item.

Annexation No. 2023-19 to the City of Industry (Amendment to the Sphere of Influence for the City of Industry)



Staff Report

January 10, 2024

Agenda Item No. 6.g.i.

GOVERNMENT CODE § 56857 NOTICE (For Information Purposes Only, Receive and File)

Upon receipt of any proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, Government Code Section 56857(a) requires the Executive Officer to place the proposal on its agenda for information purposes only, and to transmit a copy of the proposal to any district to which annexation is requested. Pursuant to Government Code Section 56857(b), no more than 60 days after the meeting agenda date, the district to which annexation is being proposed may adopt and submit to the Local Agency Formation Commission (“LAFCO”) a resolution requesting termination of the proceedings. The law requires that any such resolution requesting termination must be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service-related concern, or the territory is already receiving electrical services under a service area agreement approved by the Public Utilities Commission. Prior to LAFCO’s termination of proceedings, the resolution is subject to judicial review as provided in Government Code Section 56857(b).

LAFCO may not hear and consider the proposal until after the 60-day termination period has expired unless the district to which an annexation of territory is requested adopts and submits to LAFCO a resolution supporting the proposal.

The following is a summary of the proposal filed with LAFCO:

Annexation No. 2023-14 to the Los Angeles County Waterworks District No. 40, Antelope Valley

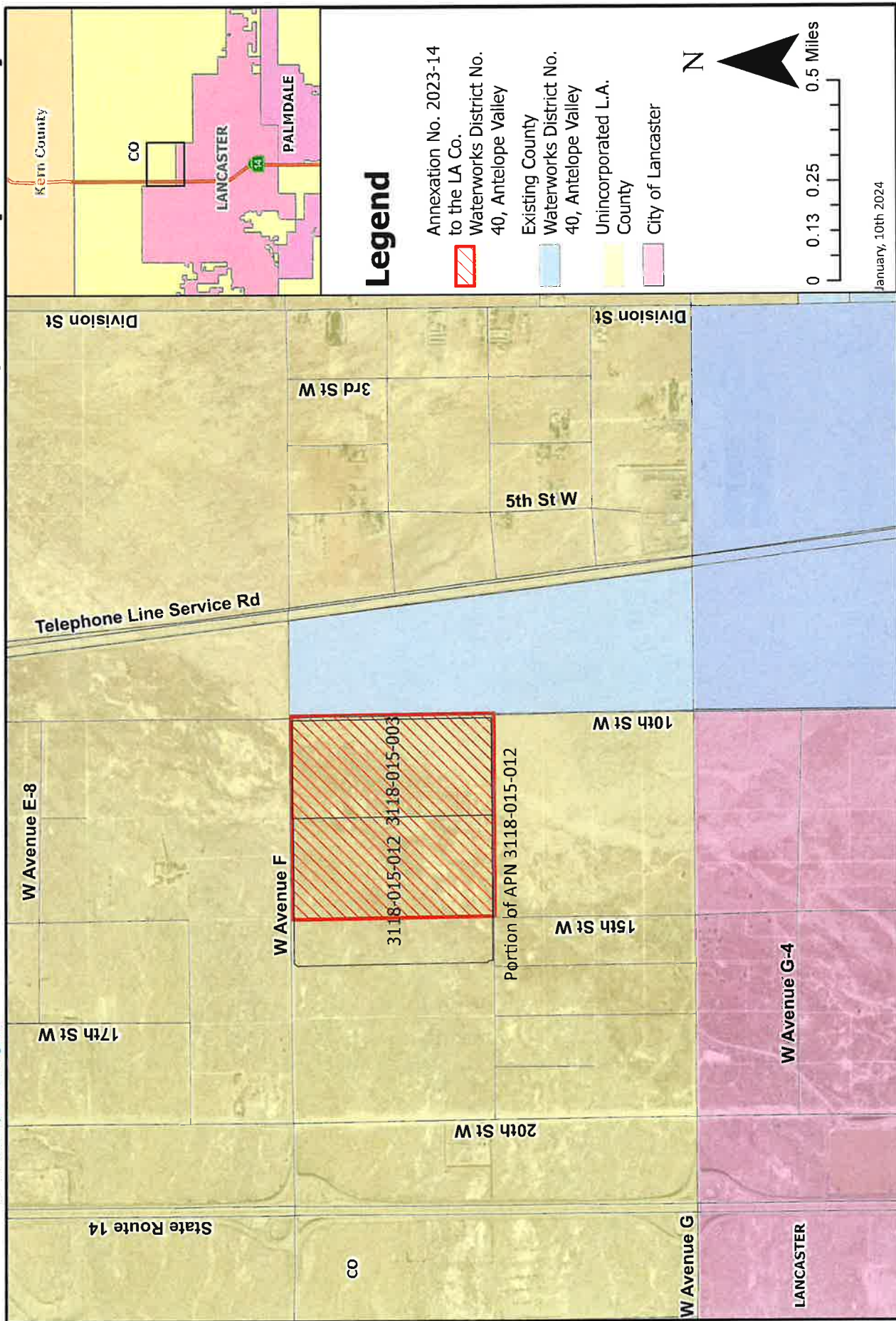
Description: Apple Valley Land Fund, LLC, and NP AV Logistics Center, L.P., both landowners, (NorthPoint Development is working on behalf of both landowners) filed an application to annex 157± acres of vacant land to the Los Angeles County Waterworks District No. 40, Antelope Valley. The project includes future construction of industrial warehouse buildings.

Location: The project site is generally located at the southwest corner of Avenue F and 10th Street West, all within unincorporated Los Angeles County.

The Executive Officer will transmit a copy of the proposal to the Los Angeles County Waterworks District No. 40, Antelope Valley, as required by Government Code Section 56857(a).

Recommended Action
Receive and file.

Annexation No. 2023-14 to the LA Co. Waterworks District No. 40, Antelope Valley





Local Agency Formation Commission
for the County of Los Angeles

Voting Members

Donald Dear
Chair

Gerald McCallum
1st Vice-Chair

Margaret Finlay
2nd Vice-Chair

Kathryn Barger
John Lee
Robert Lewis
John Mirisch
Holly Mitchell
Francine Oschin

Alternate Members

Anthony Bell
Michael Davitt
Hilda Solis
Vacant
(City of Los Angeles)
Vacant
(Public Member)
Vacant
(Special District Member)

Staff

Paul Novak
Executive Officer

Adriana Romo
Deputy Executive Officer

Amber De La Torre
Doug Dorado
Adriana Flores
Taylor Morris
Alisha O'Brien

80 South Lake Avenue
Suite 870
Pasadena, CA 91101
Phone: 626.204.6500
Fax: 626.204.6507

www.lalafco.org

December 6, 2023

TRPF 80 South Lake Avenue LP
ATTN: Rosio Perez
74 No. Pasadena Avenue, Suite B111
Pasadena, CA 91103

Via FedEx Overnight Delivery

RE: 80 South Lake Avenue, Suite 870, Pasadena

Dear Ms. Perez:

I am writing to address certain provisions in the "First Amendment to Standard Office Lease" ("Amendment") by and between TRPF 80 South Lake Avenue LP, and the Local Agency formation Commission for the County of Los Angeles ("LAFCO").

Pursuant to subsection (a) of Exhibit A ("Cancellation Option") of the Amendment, and as of November 30, 2023, we have entered the "Cancellation Notice Period."

At its meeting on November 8, 2023, and upon the recommendation of staff, the Commission (LAFCO) voted unanimously not to exercise the cancellation option.

This letter, therefore, shall serve as notice to TRPF 80 South Lake Avenue LP that LAFCO intends to remain as a tenant, in Suite 870 at 80 South Lake Avenue, Pasadena, through the remainder of the lease term, which is through February 28, 2027.

I would be most grateful if TRPF 80 South Lake Avenue LP would confirm receipt of this notice.

Should you have any questions or concerns, please feel free to contact me or LAFCO Deputy Executive Officer Adriana Romo.

Thank you again.

Sincerely,

Paul A. Novak, AICP
Executive Officer

Copy to: LAFCO Commissioners
Ms. Adriana Romo, Deputy Executive Officer

LAFCO

Local Agency Formation Commission
for the County of Los Angeles

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Pasadena, CA 91101
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Fax: 626.204.6507

www.lalafco.org

November 8, 2023

Honorable Chair and Supervisors
Los Angeles County Board of Supervisors
500 West Temple Street
Los Angeles, CA 90012

Honorable Board:

I am writing to you on behalf of my fellow commissioners on the Local Agency Formation Commission for the County of Los Angeles (LA LAFCO or Commission) concerning the draft Los Angeles County Water Plan.

Staff of the County's Department of Public Works recently briefed our Executive Officer and Deputy Executive Officer about the draft Los Angeles County Water Plan. My fellow commissioners and I have reviewed the plan, which we discussed at our regular meeting earlier today. Based upon the unanimous vote at today's meeting, **the Commission is pleased to SUPPORT the Draft Los Angeles County Water.**

The Commission welcomes this countywide effort to address issues of water quality, reliability, and supply, as well as the focus on small, at-risk system resilience and drinking water equity. Further, the Commission is grateful for the outreach from County staff. LAFCO representatives looks forward to participating in future updates of the County Water Plan.

Should you have any questions or concerns, please feel free to contact LA LAFCO Executive Officer Paul Novak (email is pnovak@lalafco.org and telephone at 626/204-6500).

Thank you.

Sincerely,

Donald L. Dear
Chair

Copy to:

Mark Pestrella, Director, Department of Public Works

Staff Report

January 10, 2024

Agenda Item No. 9.a.

Independent Auditor's Report for Fiscal Year 2022-23

In January of 2021, the Commission awarded Davis Farr LLP a contract for auditing services for four (4) fiscal years, Fiscal Year (FY) 2020-21, 2021-22, 2022-23, and 2023-24, with a one-year option for up to two (2) additional years, FY 2024-25 and 2025-26. The FY 2022-23 audit commences the third year of the contract with Davis Farr, LLP.

Shannon Ayala, of Davis Farr, LLP will present the findings of the FY 2022-23 Independent Auditor's Report, and she will be available to answer questions from the Commission.

This year's audit was conducted in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. Comptroller General.

The auditors have provided a favorable opinion of LAFCO's financial statements. The auditor did not identify any deficiencies in internal controls, nor did they find any instances of noncompliance or any material misstatements.

The Audited Financial Statements for FY 2022-23 are attached for your consideration and review. The documents include the: Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplemental Information, and the 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*. Also attached is a letter from Davis Farr, dated December 13, 2023 concerning the responsibilities in performing the audit, consistent with governmental and professional standards.

Staff Recommendation

1. Receive and file the enclosed Independent Auditor's Report, audited financial statements, and associated documents for Fiscal Year 2022-23, ending June 30, 2023.



Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

To the Board of Commissioners
Los Angeles Local Agency Formation Commission
Pasadena, California

We have audited the financial statements of the Los Angeles Local Agency Formation Commission (the Commission) as of and for the year ended June 30, 2023 and have issued our report thereon dated December 13, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 10, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

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

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

Planned Scope and Timing of the Audit

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

Compliance with All Ethics Requirements Regarding Independence

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

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included the preparation of the financial statements and recording journal entries detected during the audit process. To mitigate the risk, management has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy and has reviewed a disclosure checklist to ensure footnotes are complete and accurate.

Additionally, we utilize a quality control reviewer to perform a second review of journal entries and the financial statements. We believe these safeguards are sufficient to reduce the independence threats to an acceptable level.

Significant Risks Identified

During the planning of the audit, we identified the implementation of Governmental Accounting Standards Board No. 96 – Subscription-Based Information Technology Agreements as a significant risk, due to the complexity of the standard and it's the first year of implementation. As a result, we reviewed the terms of the agreements to confirm current subscription agreements are not applicable to the new standard.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of transactions related to net pension liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of transactions related to net OPEB liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The Pension Plan disclosures in note 5 to the financial statements.
- The OPEB Plan disclosures in note 6 to the financial statements.

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

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Identified or Suspected Fraud

We have not identified or have obtained information that indicates fraud may have occurred.

Significant Difficulties Encountered during the Audit

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

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any uncorrected financial statement misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. We did not identify any material misstatements as a result of our audit procedures.

Disagreements with Management

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

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were none.

Representations Requested from Management

We have requested certain written representations from management, which are included in the letter dated December 13, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that they regularly consult with Eide Bailly LLP regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

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

Restriction on Use

This report is intended solely for the information and use of the Board of Directors and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

DavisFarr LLP

Irvine, California
December 13, 2023

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

BASIC FINANCIAL STATEMENTS

Year ended June 30, 2023

(With Independent Auditor's Report Thereon)

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**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

Basic Financial Statements

Year ended June 30, 2023

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Independent Auditor's Report

The Commission Members
Los Angeles Local Agency Formation Commission
Pasadena, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Los Angeles Local Agency Formation Commission (the "Commission"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Los Angeles Local Agency Formation Commission as of June 30, 2023, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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 Commission's ability to continue as a going concern for one year after the date that the financial statements are issued.

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Schedule of Plan Proportionate Share of the Net Pension Liability, Schedule of Plan Contributions – Defined Benefit Pension Plan, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Net OPEB Liability, Schedule of Plan Contributions – Defined Benefit OPEB Plan, Schedule of Collective OPEB Expense – Defined Benefit OPEB Plan, and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual: General Fund* 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.

Report on Summarized Comparative Information

We have previously audited the Commission's June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 21, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

DavisFarr LLP

Irvine, California
December 13, 2023

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LOCAL AGENCY FORMATION COMMISSION FOR THE COUNTY OF LOS ANGELES
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023

The following management's discussion and analysis of the financial performance of the Los Angeles County Local Agency Formation Commission (the Commission) provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of two parts – *management's discussion and analysis* (this section), and the *basic financial statements*.

The *government-wide financial statements* provide both *long-term* and *short-term* information about the Commission's overall financial status. The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed information.

Reporting the Commission as a Whole

The accompanying **government-wide financial statements** present financial data for the Commission as a whole. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses have been considered regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in them. You can think of the Commission's net position – the difference between assets and liabilities – as one way to measure the Commission's financial health, or *financial position*. Over time, *increases and decreases* in the Commission's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, such as changes in the Commission's revenues, to assess the *overall health* of the Commission.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023 (CONTINUED)**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Net Position* follows:

**Table 1
Statements of Net Position
June 30, 2023 and 2022**

	2023	2022	Change	%
ASSETS & DEFERRED OUTFLOWS:				
Current assets	\$ 2,210,614	2,029,813	180,801	8.91%
Capital assets, net	203,899	342,411	(138,512)	-40.45%
Total assets	<u>2,414,513</u>	<u>2,372,224</u>	<u>42,289</u>	<u>1.78%</u>
Deferred outflows of resources	<u>723,565</u>	<u>832,903</u>	<u>(109,338)</u>	<u>-13.13%</u>
LIABILITIES, DEFERRED INFLOWS & NET POSITION:				
Current liabilities	244,381	218,595	25,786	11.80%
Long-term liabilities	1,519,815	1,184,449	335,366	28.31%
Total liabilities	<u>1,764,196</u>	<u>1,403,044</u>	<u>361,152</u>	<u>25.74%</u>
Deferred inflows of resources	<u>435,546</u>	<u>1,044,751</u>	<u>(609,205)</u>	<u>-58.31%</u>
Investment in capital assets	<u>(53,265)</u>	<u>(30,697)</u>	<u>(22,568)</u>	<u>73.52%</u>
Unrestricted	<u>991,601</u>	<u>788,029</u>	<u>203,572</u>	<u>25.83%</u>
Total net position	<u>\$ 938,336</u>	<u>757,332</u>	<u>181,004</u>	<u>23.90%</u>

Total assets have increased by \$42,289, or 1.78%, primarily due to an increase in the Commission's net position. This is due to the increase in filing fee revenue and interest revenue offset by the amortization of the right to use assets for property and equipment. Current liabilities have increased by 11.80% primarily due to the receipt of fiscal year 2024 apportionments received during fiscal year 2023, and deferred to fiscal year 2024. Long-term liabilities have increased by 28.31% due to an increase in the Commission's net pension and net OPEB liabilities of \$442,248 offset by a decrease in the lease liability of \$115,944. Net position increased 23.90% with the change in net position for the year ended June 30, 2023, of \$181,004.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023 (CONTINUED)**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

A summary of the government-wide *Statement of Activities* follows:

The increase or decrease in net position can provide an indication as to whether the overall financial position of the Commission improved or deteriorated during the year.

**Table 2
Statements of Activities
For the Years Ended June 30, 2023 and 2022**

	2023	2022	Change	%
REVENUES:				
Apportionment	\$ 1,641,842	1,539,253	102,589	6.66%
Charges for services	179,338	98,700	80,638	81.70%
Investment income (loss)	52,964	(56,976)	109,940	-192.96%
Total Revenues	<u>1,874,144</u>	<u>1,580,977</u>	<u>293,167</u>	<u>18.54%</u>
EXPENSES:				
General government	1,685,905	1,320,402	365,503	27.68%
Interest	7,235	6,891	344	100.00%
Total Expenses	<u>1,693,140</u>	<u>1,327,293</u>	<u>365,847</u>	<u>27.56%</u>
Change in net position	181,004	253,684	(72,680)	-28.65%
NET POSITION:				
Beginning of year	757,332	503,648	253,684	50.37%
End of year	<u>\$ 938,336</u>	<u>757,332</u>	<u>181,004</u>	<u>23.90%</u>

Revenue increased by \$293,167 primarily due to filing fees and investment income. Expenses increased by \$365,847 primarily due to pension and OPEB obligations.

MAJOR FUNDS

Major Governmental Funds. The **General Fund** is the only fund of the Commission and is considered a governmental fund for financial reporting purposes.

The fund balance of the General Fund increased by \$181,004 during the fiscal year.

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023 (CONTINUED)**

GENERAL FUND BUDGET

Major deviations between the budget of the General Fund and its operating results are as follows:

Revenues

Filing Fees revenues are budgeted based on prior year amounts, although they are generally unpredictable from year to year. Most filing fees submitted to this LAFCO office are for annexation to sanitation districts, followed by water districts for wastewater services and water services, respectively. Fee revenue for FY 22-23 was more than the budgeted amounts due to an increase in activity.

Expenditures

Overall, total General Fund expenditures were approximately \$55,170 under budget, primarily due to less than anticipated municipal service reviews performed.

CAPITAL ASSETS

**Table 3
Capital Assets
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Leasehold improvements	\$ 8,125	8,125	-
Office equipment	13,565	13,565	-
Right to use asset	406,990	406,990	-
Capital assets	428,680	428,680	-
Accumulated depreciation	<u>(224,781)</u>	<u>(86,269)</u>	<u>(138,512)</u>
Capital assets, net	<u><u>\$ 203,899</u></u>	<u><u>342,411</u></u>	<u><u>(138,512)</u></u>

At the end of fiscal year 2023, the Commission's investment in capital assets amounted to \$203,899 (net of accumulated depreciation). This investment in capital assets includes equipment, tenant improvements and the right to use asset for a building lease. (See Note 3 for further information).

**LOS ANGELES COUNTY
LOCAL AGENCY FORMATION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2023 (CONTINUED)**

LONG-TERM LIABILITIES

**Table 4
Long-term liabilities
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Change</u>
Compensated Absences	\$ 172,089	140,571	31,518
Lease Payable	257,164	373,108	(115,944)
Total Long-Term Liabilities	<u>\$ 429,253</u>	<u>513,679</u>	<u>(84,426)</u>

Long-term liabilities are not due and payable in the current period. Additional information on long-term liabilities may be found in Note 4 of the Notes to Financial Statements.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Officer, Paul Novak at 80 South Lake Avenue, Suite 870, Pasadena, CA 91101.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Statement of Net Position
June 30, 2023
(With comparative information for the prior year)**

	Governmental Activities	
	2023	2022
Assets:		
Cash and investments (note 2)	\$ 2,098,982	1,946,800
Accounts receivable	4,005	-
Interest receivable	8,963	1,628
Prepaid expenses	98,664	81,385
Capital assets, net (note 3)	203,899	342,411
Total assets	<u>2,414,513</u>	<u>2,372,224</u>
Deferred outflow of resources:		
Deferred outflows - pension contributions (note 5)	177,274	147,648
Deferred outflows - pension actuarial (note 5)	317,000	371,000
Deferred outflows - OPEB contribution (note 6)	20,316	220,353
Deferred outflows - OPEB actuarial (note 6)	208,975	93,902
Total deferred outflow of resources	<u>723,565</u>	<u>832,903</u>
Liabilities:		
Accounts payable	16,430	35,347
Unearned revenue	22,246	-
Long-term liabilities:		
Due within one year:		
Compensated absences (note 4)	83,463	68,177
Lease liability (note 4)	122,241	115,071
Due beyond one year:		
Compensated absences (note 4)	88,626	72,394
Lease liability (note 4)	134,923	258,037
Net OPEB liability (note 6)	378,266	372,018
Net pension liability (note 5)	918,000	482,000
Total liabilities	<u>1,764,195</u>	<u>1,403,044</u>
Deferred inflow of resources:		
Deferred inflow of resources - pension actuarial (note 5)	94,000	613,000
Deferred inflow of resources - OPEB actuarial (note 6)	341,546	431,751
Total deferred inflow of resources	<u>435,546</u>	<u>1,044,751</u>
Net position:		
Net investment in capital assets	(53,265)	(30,697)
Unrestricted	991,602	788,029
Total net position	<u>\$ 938,337</u>	<u>757,332</u>

See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Statement of Activities
June 30, 2023
(With comparative information for the prior year)**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>2023</u>	<u>2022</u>
Governmental activities:						
General government	\$ 1,685,905	179,338	-	-	(1,506,567)	(1,221,702)
Interest	<u>7,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,235)</u>	<u>(6,891)</u>
Total governmental activities	<u>\$ 1,693,140</u>	<u>179,338</u>	<u>-</u>	<u>-</u>	<u>(1,513,802)</u>	<u>(1,228,593)</u>
General revenues:						
Apportionment					1,641,843	1,539,253
Investment income (loss)					<u>52,964</u>	<u>(56,976)</u>
Total general revenues					<u>1,694,807</u>	<u>1,482,277</u>
Change in net position					181,005	253,684
Net position, beginning of year					<u>757,332</u>	<u>503,648</u>
Net position, end of year					<u>\$ 938,337</u>	<u>757,332</u>

See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Governmental Funds
Balance Sheet
June 30, 2023
(With comparative information for the prior year)**

		General Fund	
		2023	2022
	<u>Assets</u>		
Cash and investments		\$ 2,098,982	1,946,800
Accounts receivable		4,005	-
Interest receivable		8,963	1,628
Prepaid expenses		98,664	81,385
Total assets		<u>\$ 2,210,614</u>	<u>2,029,813</u>
<u>Liabilities and Fund Balance</u>			
Liabilities:			
Accounts payable		\$ 16,430	35,347
Unearned revenue		<u>22,246</u>	<u>-</u>
Total liabilities		<u>38,676</u>	<u>35,347</u>
Fund balance:			
Nonspendable:			
Prepaid expenses		98,664	81,385
Unassigned		<u>2,073,274</u>	<u>1,913,081</u>
Total fund balance		<u>2,171,938</u>	<u>1,994,466</u>
Total liabilities and fund balance		<u>\$ 2,210,614</u>	<u>2,029,813</u>

See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Governmental Funds
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
June 30, 2023**

Fund balance of governmental fund	\$	2,171,938
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the Commission as a whole.

Capital assets		429,549
Accumulated depreciation		(225,650)

Long-Term Liability Transactions

Long-term liabilities applicable to the Commission's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.

Compensated absences		(172,089)
Lease liability		(257,164)
Net OPEB liability		(378,266)
Net pension liability		(918,000)

Deferred Outflows and Inflows of Resources

Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental funds.

Deferred outflows - contributions		197,590
Deferred outflows - actuarial		525,975
Deferred inflows - actuarial		(435,546)

Net position of governmental activities	\$	<u>938,337</u>
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See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances
Year ended June 30, 2023
(With comparative information for the prior year)**

	General Fund	
	2023	2022
Revenues:		
Apportionment	\$ 1,641,843	1,539,253
Filing fees	179,000	79,700
Charges for services	338	19,000
Investment income	52,964	(56,976)
Total revenues	<u>1,874,145</u>	<u>1,580,977</u>
Expenditures:		
Current:		
General government:		
Salaries and benefits	1,189,614	1,274,439
Services and supplies	149,857	164,306
Professional service charges	233,154	130,709
Debt Service:		
Principal	115,944	38,020
Interest	7,235	6,891
Capital outlay	869	412,974
Total expenditures	<u>1,696,673</u>	<u>2,027,339</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>177,472</u>	<u>(446,362)</u>
Other Financing Sources (Uses):		
Proceeds from leases	<u>-</u>	<u>406,990</u>
Net change in fund balance	177,472	(39,372)
Fund balances at beginning of year	<u>1,994,466</u>	<u>2,033,838</u>
Fund balances at end of year	<u>\$ 2,171,938</u>	<u>1,994,466</u>

See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Year ended June 30, 2023**

Net changes in fund balances - total governmental funds	\$	177,472
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital Related Items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Depreciation expense		(138,512)
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Long-Term Liability Transactions

Some expenses reported in the Statement of Activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the Commission as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.

Net change in net pension liability		58,626
Net change in net OPEB obligation		(1,007)
Net change in lease liability		115,944
Net change in compensated absences		(31,518)
		181,005
Change in net position of governmental activities	\$	181,005

See accompanying notes to the basic financial statements

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

Notes to the Basic Financial Statements

Year ended June 30, 2023

1) Summary of Significant Accounting Policies

a. Description of the Reporting Entity

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

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

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

b. Basis of Accounting and Measurement Focus

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

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

Government-wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Assessments, investment income, and other items not properly included among program revenues are reported instead as general revenues.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resource's measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

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

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

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

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

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

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

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

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

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received from the government.

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

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

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

Governmental Fund Balances

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

Nonspendable Fund Balance

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

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

Spendable Fund Balance

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

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

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

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

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

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

The Commission reports the following major governmental fund:

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

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

c. Cash and Investments

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

d. Fair Value Measurements

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

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

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

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

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

e. Capital Assets

Capital assets are recorded at cost for purchases in excess of \$1,000. Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. Estimated useful lives of the assets are as follows:

Office equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Tenant improvements	10 years
Right to use asset	The estimated life of the leased asset or the contract term, whichever is shorter

f. Deferred Outflows/Inflows of Resources

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

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

g. Leases

The Commission is a lessee for right to use assets as detailed in Footnote 4. The Commission recorded a lease payable in the financial statements.

At the commencement of the lease, the Commission initially measures the lease payable at the present value of payments expected to be paid during the lease term. Subsequently, the lease payable is reduced by the principal portion of lease payments made.

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

- The Commission used the estimated borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

h. Compensated Absences

Permanent Commission employees earn from approximately 8 to 16 vacation days a year and approximately 5 to 10 sick days a year, depending on their length of employment. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave and 50% of unused sick leave, up to the maximum hours specified in individual employment contracts.

i. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Los Angeles County Employees Retirement Association (LACERA) 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 LACERA. 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. LACERA audited financial statements are publicly available reports that can be obtained at LACERA's website under Forms and Publications.

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

j. Other Post-Employment Benefits (OPEB)

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

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

1) Summary of Significant Accounting Policies (Continued)

k. Use of Estimates

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

l. Prior Year Data

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's prior year financial statements, from which this selected financial data was derived.

2) Cash and Investments

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

Demand deposits	\$ 271,350
Cash held by the County of Los Angeles	<u>1,827,632</u>
Total	<u>\$ 2,098,982</u>

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

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

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

Local Agency Investment Fund of the State Treasury (LAIF). LAIF is a voluntary program created by statute in 1977 and is administered by the California State Treasurer.

CalTRUST is a Joint Power Authority (JPA) created in 2005 by the League of California Cities and the California State Association of Counties' Finance Corporation to pool local agency assets for investing purposes. The JPA is administered by a Board of Trustees consisting of local agency professionals.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

2) Cash and Investments (Continued)

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

Disclosures Relating to Interest Rate Risk

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

Disclosures Relating to Credit Risk

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

Disclosures Relating to Custodial Credit Risk

Custodial credit risk is the risk that the Commission will not be able to (a) recover deposits if the depository financial institution fails, or (b) recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. The California Government Code and the Commission's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2023, the Commission's deposits with financial institutions did not exceed federal depository insurance limits.

Fair Value Measurement

The Los Angeles County Treasury Pool is a pooled investment fund program governed by the Los Angeles County Board of Supervisors and is administered by the County Treasurer. Investments in the pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Commission's fair value of its share in the pool is the same value of the pool shares, which amounted to \$1,827,632 as of June 30, 2023. This investment is not required to be categorized within the fair value hierarchy.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

3) Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital assets:				
Right to use asset	\$ 406,990	-	-	406,990
Office equipment	13,565	-	-	13,565
Tenant improvements	8,125	-	-	8,125
Total capital assets	<u>428,680</u>	<u>-</u>	<u>-</u>	<u>428,680</u>
Less accumulated depreciation for:				
Right to use asset	(76,882)	(134,336)	-	(211,218)
Office equipment	(6,544)	(3,363)	-	(9,907)
Tenant improvements	(2,843)	(813)	-	(3,656)
Total accumulated depreciation	<u>(86,269)</u>	<u>(138,512)</u>	<u>-</u>	<u>(224,781)</u>
Total capital assets, net	<u>\$ 342,411</u>	<u>(138,512)</u>	<u>-</u>	<u>203,899</u>

4) Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due in one Year
Compensated absences	140,571	85,634	(54,116)	172,089	83,463
Lease payable					
Office space	356,405	-	(111,507)	244,898	118,593
Equipment	16,703	-	(4,437)	12,266	3,648
Total lease payable	<u>373,108</u>	<u>-</u>	<u>(115,944)</u>	<u>257,164</u>	<u>122,241</u>
Total long-term liabilities	<u>\$ 513,679</u>	<u>85,634</u>	<u>(170,060)</u>	<u>429,253</u>	<u>205,704</u>

The Commission entered into a lease for office space on August 11, 2011. The current lease term began December 1, 2021 and expires February 28, 2027, with a cancellation option effective on and as of November 30, 2024. The Commission is required to make monthly fixed payments ranging from \$9,884 to \$10,486, with a discount rate of 3%. As of June 30, 2023, the value of the lease payable is \$244,898.

The Commission entered into two lease agreements for office equipment through April 2027. The Commission is required to make monthly fixed payments ranging from \$156 to \$179, with a discount rate of 3%. As of June 30, 2023, the value of the lease payable is \$12,266.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

4) Long-term Liabilities (Continued)

Future lease payable requirements are as follows:

Year ended June 30	Principal	Interest	Total
2024	\$ 122,268	6,061	128,329
2025	130,142	1,534	131,676
2026	2,988	97	3,085
2027	1,766	24	1,790
	<u>\$ 257,164</u>	<u>7,716</u>	<u>264,880</u>

5) Pension Plan

a. General Information about the Pension Plan

Plan Description

The Los Angeles County Employees Retirement Association (LACERA) was established under the County Employees Retirement Law of 1937. LACERA operates as a cost-sharing, multi-employer defined benefit pension plan (the Plan) and provides benefits to employees of the County of Los Angeles as well as four other entities, including the Commission that are not part of the County's reporting entity.

Benefits are authorized in accordance with the County Employees Retirement Law, the by-laws and procedures adopted by LACERA's Boards of Retirement and Investments, and County Board of Supervisors' resolutions.

Benefits Provided

LACERA provides retirement, disability, death benefits, and cost of living adjustments to eligible employees. Eligibility to participate in the retirement plan is determined by having completed thirty days of credited service. The retirement benefits within the plan are tiered based on the date of LACERA membership.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

5) Pension Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	General		
	Prior to January 1, 2013	If elected, on or after January 4, 1982 and before November 28, 2012	On or After January 1, 2013
Hire date			
Plan name	Plan D	Plan E	Plan G
Benefit vesting schedule	5 years of service	10 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-70	55-70	52 – 67
Monthly benefits, as a % of eligible compensation	1.18% - 2.43%	0.75% - 2.0%	1.0%- 2.5%
Required employee contribution rates (1)	5.76% - 12.22%	0%	9.08%
Required employer contribution rates	22.75%	24.30%	22.66%

(1) Based on age at entry into the Plan

b. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Commission is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

The Commission's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

5) Pension Plan (Continued)

The Commission's proportionate share of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The following table shows the Commission's proportionate share of the net pension liability over the measurement period:

	Net Pension <u>Liability</u>
Balance at: 06/30/2022	\$482,000
Balance at: 06/30/2023	<u>918,000</u>
Net change during 2023	<u>\$436,000</u>

The Commission's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>General</u>
Proportion – June 30, 2021	0.00661%
Proportion – June 30, 2022	<u>0.00673%</u>
Change – Increase (Decrease)	<u>0.00012%</u>

For the year ended June 30, 2023, the Commission recognized pension expense of \$118,648. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to Measurement date	\$ 177,274	-
Differences between actual and expected experience	112,000	(4,000)
Change in assumptions	162,000	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	43,000	(77,000)
Net differences between projected and actual earnings on plan investments	<u>-</u>	<u>(13,000)</u>
Total	<u>\$ 494,274</u>	<u>(94,000)</u>

The deferred outflows of resources related to contributions subsequent to the measurement date of \$177,274 will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

5) Pension Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30	Amount
2023	\$ 45,654
2024	37,748
2025	(17,490)
2026	114,612
2027	32,314
Thereafter	10,162

Actuarial Assumptions

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

Actuarial Cost Method	Individual Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.13%
Investment Rate of Return	7.00%
Inflation	2.75%
Cost of Living Adjustments (1)	
Mortality (2)	

(1) As noted in the June 30, 2021, actuarial valuation, with one modification: STAR COLA benefits are assumed to be substantively automatic at the 80% purchasing power level until the STAR reserve is projected to be insufficient to pay further STAR benefits.

(2) Various rates based on Pub-2010 mortality tables and using MP-2014 Ultimate Projection Scale. See June 30, 2021, funding valuation for details.

Discount Rate

The discount rate to measure the total pension liability is 7.13 percent. The rate reflects the long-term assumed rate of return on assets for funding purposes of 7.00 percent, net of all expenses, increased by 0.13 percent, gross administrative expenses.

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 employer's will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the plan's fiduciary net position was projected to be sufficient to make all projected future benefits 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 total pension liability.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

5) Pension Plan (Continued)

The long-term expected rate of return on pension plan investments is based on inflation expectations and nominal return expectations developed by Meketa for each asset class. In the case of the total portfolio and broad asset groupings (e.g., Growth, Credit), returns are calculated using a portfolio approach that first calculates nominal expected returns by incorporating target weights, nominal expected returns, and volatility and correlations estimates for each asset class, adjusted by the defined return period. Nominal expected returns for each asset class are converted to real expected returns by adjusting them for inflation, using a base inflation rate assumption of 2.75 percent. A simple weighted sum of asset class returns will not yield the results shown on the table given the process followed to adjust for inflation, the compounding to a given time period, and the impact of volatility and correlations to the portfolio.

<u>Asset Class</u>	<u>Target Allocation</u>	2022 Weighted average Long- term Expected <u>Real Rate of Return</u>
Growth	51.00%	5.50%
Credit	11.00%	2.20%
Real Asset and Inflation Hedges	17.00%	3.60%
Risk Reduction and Mitigation	<u>21.00%</u>	0.20%
Total	<u>100.00%</u>	

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

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

	Discount Rate – 1% (6.13%)	Current Discount Rate (7.13%)	Discount Rate + 1% (8.13%)
Commission's proportionate share of the Net Pension Liability (Asset)	\$1,684,000	\$918,000	\$285,000

Pension Plan Fiduciary Net Position

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

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

6) Other Post-Employment Benefits Plan

a. Plan Description

The Commission provides a defined benefit healthcare plan to retirees. Spouses are also covered throughout their lives. The Commission pays 4% of the annual premiums for each year of service of the retiree. The retiree is responsible for payment of the remaining premiums. Retirees must have worked a minimum of 10 years with the Commission in order to be eligible for these benefits.

b. Employees Covered

The following employee statistics as of June 30, 2021, were used in the actuarial valuation:

Active employees	6
Inactive – receiving benefits	3
Inactive – not receiving benefits	<u>0</u>
Total participants	<u>9</u>

c. Contributions

During the fiscal year ending June 30, 2018, the Commission opened a trust account with California Employers' Retiree Benefits Trust (CERBT) dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The Commission made no additional contribution to CERBT during the fiscal year ending June 30, 2023.

CERBT is administered by the California Public Employees' Retirement System (CalPERS). The CERBT consists of participating employers of the State of California, public agencies and schools. CalPERS is governed by the Board of Administration that is responsible for the management and control of CalPERS, including the exclusive control of the administration of and investment of CERBT.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about rates of employee turnover, retirement, mortality, as well as economic assumptions regarding claim costs per retiree, healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

6) Other Post-Employment Benefits Plan (Continued)

d. Actuarial Methods and Assumptions Used to Determine OPEB Liability

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

Actuarial Cost Method	Individual Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.50%
Payroll Increase	2.75%
Mortality Table	Society of Actuaries Pub-2010 Mortality for Active and Retired Employees with MP-2019 Projection to 2025

e. Discount Rate

Discount Rate	6.25%
Long-term expected rate of return, net of investment expenses	6.25%

A discount rate of 6.25% was used in the valuation. The interest rate used in the prior valuation was 6.75%. The actuary assumed that all contributions are from the employer. The actuary used historic 35-year real rates of return for each asset class along with assumed long-term inflation assumption to set the discount rate. The actuary offset the expected investment return by investment expenses of 50 basis points.

The following is the assumed asset allocation and assumed rate of return for each asset class:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Assumed Real Rate of Return</u>
All Equities	40.00%	7.545%
All Fixed Income	43.00%	4.250%
Real Estate (REITs)	8.00%	7.250%
All Commodities	4.00%	7.545%
Currency Bonds		
TIPS	5.00%	3.000%
Total	<u>100.00%</u>	

The actuary looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class do not necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. The actuary used geometric means.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

6) Other Post-Employment Benefits Plan (Continued)

f. Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net Position Liability (Asset)
Balance at June 30, 2021	\$ 842,648	470,630	372,018
Changes in the Year:			
Service cost	33,504	-	33,504
Interest on the total OPEB liability	57,336	(60,066)	117,402
Administrative expenses	-	(119)	119
Employer contributions	-	219,946	(219,946)
Benefit payments	(19,946)	(19,946)	-
Changes in assumptions	75,169	-	75,169
Net Changes	146,063	139,815	6,248
Balance at June 30, 2022 (Measurement Date)	\$ 988,711	610,445	378,266

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

The following presents the net OPEB liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.25 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.25 percent) or 1 percentage-point higher (7.25 percent) than the current rate:

	Discount Rate – 1% (5.25%)	Current Discount Rate (6.25%)	Discount Rate + 1% (7.25%)
Net OPEB Liability	\$555,544	378,266	235,048

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

	Trend Rate 1% Decrease	Current Healthcare Cost Trend Rate	Trend Rate 1% Increase
Net OPEB Liability	\$198,562	378,266	624,596

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

6) Other Post-Employment Benefits Plan (Continued)

h. Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

For the year ended June 30, 2023, the Commission recognized an expense of \$21,323 for the OPEB Plan. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to the measurement date	\$20,316	-
Changes in assumptions	91,294	257,487
Differences between expected and actual experience	51,605	84,059
Net difference between projected and actual earnings on OPEB plan investments	<u>66,076</u>	<u>-</u>
Totals	<u>\$229,291</u>	<u>341,546</u>

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

**Notes to the Basic Financial Statements
Year ended June 30, 2023**

(Continued)

6) Other Post-Employment Benefits Plan (Continued)

The Commission reported \$20,316 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ (31,526)
2025	(31,242)
2026	(31,919)
2027	(16,597)
2028	(30,017)
Thereafter	8,730

7) Surplus of Expenditures over Appropriations

Surplus of expenditures over appropriations in the Commission's governmental fund is as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Surplus</u>
General Fund	\$1,696,673	1,751,843	55,170

8) Insurance

The Commission is exposed to various risks including loss or damage to property, general liability, and injuries to employees. To address this risk the Commission participates in a risk pool with Special Commission Risk Management Authority (SDRMA) for workers compensation coverage and Joint Powers Risk and Insurance Management Authority (JPRIMA) for general liability coverage. Under SDRMA for the year ended June 30, 2023, insurance coverage limits per occurrence were as follows; workers compensation \$5,000,000. Under JPRIMA for the year ended June 30, 2023, insurance coverage limits per occurrence were as follows; general liability \$1,000,000, per occurrence and 10,000,000 aggregate, and Public Officials and Management Liability \$1,000,000, per occurrence and \$10,000,000 aggregate.

Liabilities are recorded when it is probable that a loss has been incurred, and the amount for claims can be reasonably estimated net of the respective insurance coverage. There have been no significant reductions in insurance coverage from the prior year and there have been no settled claims in excess of insurance coverage in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Plan Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years ***

Measurement Date:	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Proportion of the Collective Net Pension Liability	0.00673%	0.00661%	0.00672%	0.00713%	0.00695%
Proportionate share of the Collective Net Pension Liability	\$ 918,000	482,000	1,214,000	857,000	748,000
Covered Payroll	\$ 684,119	622,232	621,077	633,905	597,839
Proportionate share of the Collective Net Pension Liability as a percentage of covered payroll	134.20%	77.46%	195.47%	135.19%	125.12%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	83.75%	90.92%	76.40%	82.91%	83.96%

Notes to Schedule:

Benefit Changes – There were no changes in benefits.

Changes in Assumptions – For the measurement period ended June 30, 2022, there were no change in assumptions.

* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Plan Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years *
(Continued)**

Measurement Date:	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Proportion of the Collective Net Pension Liability	0.00621%	0.00775%	0.00907%	0.00800%
Proportionate share of the Collective Net Pension Liability	\$ 701,000	806,000	703,000	580,000
Covered Payroll	\$ 507,467	564,082	594,657	575,750
Proportionate share of the Collective Net Pension Liability as a percentage of covered payroll	138.14%	142.89%	118.22%	100.74%
Plan Fiduciary Net Position as a percentage of the total Pension Liability	82.37%	81.75%	86.30%	86.80%

Notes to Schedule:

Benefit Changes – There were no changes in benefits.

Changes in Assumptions – For the measurement period ended June 30, 2022, there were no change in assumptions.

* Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Plan Contributions – Defined Benefit Pension Plan
Last Ten Fiscal Years ***

Fiscal Year:	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>
Actuarially Determined Contribution	\$ 177,274	147,648	132,752	120,583	118,911
Contributions in Relation to the Actuarially Determined Contribution	<u>(177,274)</u>	<u>(147,648)</u>	<u>(132,752)</u>	<u>(120,583)</u>	<u>(118,911)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 772,382	684,119	622,232	621,077	633,905
Contributions as a Percentage of Covered Payroll	22.95%	21.58%	21.33%	19.42%	18.76%

Notes to Schedule:

Fiscal Year End June 30, 2023

Valuation Date June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Remaining Amortization Period	30 years
Inflation	2.75%
Investment Rate of Return	7.00%, net of pension plan investment expenses
Retirement Age	50-67 years
Mortality	Society of Actuaries Pub-2010 Mortality for Active and Retired Employees with MP-2019 Projection to 2025.

*Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Plan Contributions – Defined Benefit Pension Plan
Last Ten Fiscal Years *
(Continued)**

Fiscal Year:	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Actuarially Determined Contribution	\$ 106,432	84,079	106,091	116,988
Contributions in Relation to the Actuarially Determined Contribution	<u>(106,432)</u>	<u>(84,079)</u>	<u>(106,091)</u>	<u>(116,988)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered Payroll	\$ 597,839	507,467	564,082	594,657
Contributions as a Percentage of Covered Payroll	17.80%	16.56%	18.81%	19.67%

Notes to Schedule:

Fiscal Year End June 30, 2023

Valuation Date June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age
Remaining Amortization Period	30 years
Inflation	2.75%
Investment Rate of Return	7.00%, net of pension plan investment expenses
Retirement Age	50-67 years
Mortality	Society of Actuaries Pub-2010 Mortality for Active and Retired Employees with MP-2019 Projection to 2025.

*Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Fiscal Years***

Measurement date	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total OPEB liability:				
Service cost	\$ 33,504	31,731	30,732	103,250
Interest on the total OPEB liability	57,336	59,702	55,473	50,774
Actual benefit payments from employer	(19,946)	(26,055)	(21,194)	(22,000)
Expected minus actual benefit payments	-	-	(4,971)	2,000
Experience (gains)/losses	-	(105,617)	-	76,365
Changes in assumptions	<u>75,169</u>	<u>32,653</u>	<u>-</u>	<u>(372,195)</u>
Net Change in Total OPEB Liability	146,063	(7,586)	60,040	(161,806)
Total OPEB liability - beginning of year	<u>842,648</u>	<u>850,234</u>	<u>790,194</u>	<u>952,000</u>
Total OPEB liability - End of Year (a)	<u>988,711</u>	<u>842,648</u>	<u>850,234</u>	<u>790,194</u>
Plan Fiduciary Net Position:				
Expected investment income	(60,066)	44,457	15,028	-
Administrative expenses	(119)	(82)	(106)	(43)
Employer contributions as benefit payments	219,946	226,055	21,194	22,000
Actual benefit payments from employer	(19,946)	(26,055)	(21,194)	(22,000)
Investment gains/(losses)	<u>-</u>	<u>-</u>	<u>(3,412)</u>	<u>-</u>
Net change in plan fiduciary net position	139,815	244,375	11,510	(43)
Plan fiduciary net position - beginning of year	<u>470,630</u>	<u>226,255</u>	<u>214,745</u>	<u>200,698</u>
Plan fiduciary net position - end of year (b)	<u>\$ 610,445</u>	<u>470,630</u>	<u>226,255</u>	<u>214,745</u>
Net OPEB liability - ending (a)-(b)	<u>378,266</u>	<u>372,018</u>	<u>623,979</u>	<u>575,449</u>
Plan fiduciary net position as a percentage of the total OPEB liability	61.74%	55.85%	26.61%	27.18%
Covered - employee payroll	\$ 684,119	\$ 622,232	621,077	633,905
Net OPEB liability as a percentage of covered payroll	55.29%	59.79%	100.28%	90.78%

Notes to schedule:

Changes in assumptions:

None in 2020 or 2021. In 2019 the interest assumption changed from 5.11% to 7.00%. The medical trend rate was updated from a schedule to 4.0% in all years. The participation rate was changed to 90% from a schedule based on years of service.

* - Fiscal year 2019 was the first year OPEB was reported as a multiple employer agent plan, therefore only four years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Proportionate Share of the Net OPEB Liability
Last Ten Fiscal Years ***

Measurement Date:	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Proportion of the Collective Total OPEB Liability	0.00385%	0.00355%
Proportionate Share of the Collective Total OPEB Liability	\$ 952,000	940,000
Covered - Employee Payroll	\$ 594,840	504,171
Proportionate Share of the Collective Total OPEB Liability as Percentage of Covered – Employee Payroll	160.04%	186.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.60%	0.00%

* Fiscal year 2018 was the first year of implementation. Only two years of information are shown because the Commission began reporting OPEB as a multiple employer agent plan for the measurement period ending June 30, 2019.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Plan Contributions – Defined Benefit OPEB Plan
Last Ten Fiscal Years ***

Fiscal Year:	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Actuarially Determined Contribution	\$ 20,316	20,353	26,055	21,194	22,000	23,000
Contributions in Relation to the Actuarially Determined Contribution	<u>(20,316)</u>	<u>(220,353)</u>	<u>(226,055)</u>	<u>(21,194)</u>	<u>(22,000)</u>	<u>(223,000)</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Covered Payroll	\$ 772,382	684,119	622,232	621,077	633,905	594,840
Contributions as a Percentage of Covered Payroll	2.63%	32.21%	36.36%	3.41%	3.47%	37.49%

Notes to Schedule:

Fiscal Year End June 30, 2023

Valuation Date June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Investment Rate of Return	6.25% long term rate
Discount Rate	6.25%
Mortality	Society of Actuaries Pub-2010 Mortality for Active Employees with MP-2019 Projection to 2025

* - Fiscal year 2018 was the first year of implementation, therefore only 6 years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
Schedule of Collective OPEB Expense – Defined Benefit OPEB Plan
Last Ten Fiscal Years ***

Measurement Period	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Total Proportionate Share of Collective OPEB Expense	\$ <u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>	<u>126,000</u>	<u>106,000</u>

* - Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Year ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Apportionment	\$ 1,641,843	1,641,843	1,641,843	-
Filing fees	100,000	100,000	179,000	79,000
Charges for services	-	-	338	338
Investment income (loss)	10,000	10,000	52,964	42,964
Total revenues	<u>1,751,843</u>	<u>1,751,843</u>	<u>1,874,145</u>	<u>122,302</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	1,194,400	1,194,400	1,189,614	4,786
Services and supplies	278,438	278,438	149,857	128,581
Professional service charges	279,005	279,005	233,154	45,851
Debt Service:				
Principal	-	-	115,944	(115,944)
Interest	-	-	7,235	(7,235)
Capital outlay	-	-	869	(869)
Total expenditures	<u>1,751,843</u>	<u>1,751,843</u>	<u>1,696,673</u>	<u>55,170</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>177,472</u>	<u>177,472</u>
Net change in fund balances	-	-	177,472	177,472
Fund balances at beginning of year	<u>2,033,940</u>	<u>2,033,940</u>	<u>1,994,466</u>	<u>39,474</u>
Fund balances at end of year	<u>\$ 2,033,940</u>	<u>2,033,940</u>	<u>2,171,938</u>	<u>216,946</u>

See accompanying notes to the required supplementary information.

**LOCAL AGENCY FORMATION COMMISSION
FOR THE COUNTY OF LOS ANGELES**

Notes to the Required Supplementary Information

Year ended June 30, 2023

1) Budgetary Reporting

The Commission adopted an annual budget prepared on the modified accrual basis for the General Fund, which is consistent with generally accepted accounting principles (GAAP). The adopted budget can be amended by the Commission to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the Commission's approval. However, the Executive Officer may authorize changes within funds. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the management to review the budget with the Commission on a quarterly basis and, if necessary, recommend changes.

The surplus of expenditures over appropriations in the Commission's governmental fund is as follows:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Surplus</u>
General Fund	\$1,696,673	1,751,843	55,170

The surplus of expenditures over appropriations is due to fewer expenditures recorded for services and supplies.

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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**

The Commission Members
Los Angeles Local Agency Formation Commission
Pasadena, 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 basic financial statements of the Local Agency Formation Commission for the County of Los Angeles (the Commission), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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*.

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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarr LLP

Irvine, California
December 13, 2023

Staff Report

January 10, 2024

Agenda Item No. 9.b.

Procurement and Reporting Policy Annual Report for 2023

On May 8, 2019, the Commission adopted a Professional Services Procurement and Reporting Policy (Policy), a copy of which is attached. Consistent with Section 4 of the Policy, staff hereby submits an annual report to the Commission, which documents contracts/agreements with outside contractors and vendors for Calendar Year 2023. Several of the existing contracts, agreements, and/or arrangements were updated to reflect current practice and costs.

Additional providers were added in the enclosed spreadsheet, a contract renewal with ESRI GIS/mapping services, an annual contract with ParcelQuest (formerly CoreLogic) for parcel data information, RSG, Inc. for the composition of four Municipal Service Reviews, and Meijun for ongoing website support.

Recommended Action:

Staff recommends that the Commission:

1. Receive and file the Procurement and Reporting Policy Annual Report for 2023.

Attachments:

- Procurement and Reporting Policy
- Procurement and Reporting Policy Annual Report for 2023

Procurement and Reporting Policy Annual Report for 2023
January 10, 2024

<i>Contracts in place prior to Calendar Year 2024</i>				
Provider	Service/Product	Status	Annual Cost	Comment(s)
County Counsel	Legal services	No contract	\$115,000	LAFCO has used County Counsel for legal services for decades. Costs are reported annually, and approved by the Commission during the LAFCO budget process. There is no significant anticipated cost savings with an alternate provider. This report reflects the annual costs for FY 2022-2023 (July 1, 2022 through June 30, 2023).
Eide Bailly (Formerly Platinum Consulting Group (PCG))	Accounting, Budgeting, and Bookkeeping	No contract	\$20,000	Eide Bailly purchased PCG and absorbed its staff. Like PCG, Eide Bailly specializes in providing services to small governmental agencies, including many special districts and Orange LAFCO. Costs are reported annually and approved by the Commission during the LAFCO budget process. Eide Bailly offers a range of services (accounting, bookkeeping, and budgeting) suited to LAFCO's needs.
Joint Powers Risk and Insurance Management Authority (JPRIMA)	Property/Liability Insurance	Policy is renewed annually	~\$22,000	In 2020, staff solicited bids from JPRIMA and SDRMA. JPRIMA was the responsive bidder with the lower price; JPRIMA represents a significant cost savings over any other available insurance provider. JPRIMA and SDRMA provide property/liability insurance to most LAFCOs; no other available insurance provider provides LAFCO with the same level of coverage for equivalent premiums.
Special District Risk Management Authority (SDRMA)	Workers Compensation Insurance	Policy is renewed annually	~\$9,000	Commission-approved annual LAFCO budgets reflect anticipated premium increases. Workers Compensation premium is based upon total annual payroll. In 2020, staff solicited bids from JPRIMA and SDRMA. SDRMA was the responsive bidder with the lower price, and SDRMA represents a significant cost savings over any other available insurance provider. No other available insurance provider provides LAFCO with the same level of coverage for equivalent premiums.
Davis Farr LLP	Annual Audit Services	Contract	\$8,005	Commission awarded a contract for auditing services with Davis Farr on 1/13/2021 through a competitive RFP process involving five LAFCOs (Imperial, Los Angeles, Orange, Riverside, and San Bernardino) to secure lower bids and cost-savings. The contract includes FYs 2020-21 through 2023-2024 with an option to extend one year.
CTS	Computer Maintenance	No contract	\$11,220	LAFCO has used CTS for computer consulting for more than a decade. Staff is comfortable with the quality and service provided by CTS. Annual billing is reasonably consistent with legal costs incurred by similar LAFCOs (Orange and Riverside). There is no significant anticipated cost savings with an alternate provider.
AT&T	Cell Phones & Tablet	Agreement	\$3,600	LAFCO has used AT&T for wireless phones for more than a decade. AT&T provides good coverage, and its rates are comparable to other providers. There is no significant anticipated cost savings with an alternate provider. Any time a device is upgraded, a new contract is entered into with AT&T for a term of approximately two years.
CALPERS/CERBT	OPEB Trust Fund	Agreement	\$500	Commission approved an agreement with the California Employer's Retiree Benefit Trust Fund (CERBT) Division of the California Public Employees' Retirement System (CalPERS) on 5/9/2018; there is no expiration date.
Los Angeles County Employee Retirement Association (LACERA)	Employee/Retiree Pension	Memorandum of Understanding (MOU)	N/A (See Comments)	Commission approved the MOU with LACERA on 11/15/2017; the MOU has no expiration date. LAFCO employees were enrolled in LACERA at the time of LAFCO's separation from the County of Los Angeles in 2001. Employer and employee contributions vary by employee. No alternate vendor provides LAFCO with comparable pensions for equivalent employer and employee contributions.
County of Los Angeles	Employee Medical and Dental Insurance	Memorandum of Understanding (MOU)	N/A (See Comments)	Commission approved the MOU with the County of Los Angeles on 10/11/2017. Rates vary by employee/plan. Rates are reported annually, and approved by the Commission during the LAFCO budget process. No alternate vendor offers LAFCO the same level of coverage for equivalent premiums.
Los Angeles County Employee Retirement Association (LACERA)	Retiree Medical/Dental Insurance Benefits Administration	Memorandum of Understanding (MOU)	N/A (See Comments)	The Commission approved the MOU with LACERA on 11/15/2007; the MOU has no expiration date. Employees were enrolled in LACERA at the time of LAFCO's separation from L.A. County in 2001. Employer and employee contribution rates vary by employee. No alternate vendor provides LAFCO with comparable pensions for equivalent employer and employee contributions.

LA LAFCO Professional Services Agreements Summary Annual Report for 2023 (continued)

January 10, 2024

Provider	Service/Product	Status	Annual Cost	Comments
TRPF 80 SOUTH LAKE AVENUE LP	Office Lease	Lease	~\$126,000	The Commission approved a lease extension on June 9, 2021; the lease extension will expire on 02/28/2027. The approved lease includes annual scheduled rent increases of approximately three-percent (3%).
Yvonne Green	CPA	Agreement	~\$4,200	Yvonne Green has been providing accounting services to LAFCO for approximately four years as a contract staff for Platinum Consulting Group (PCG). When PCG was absorbed by Elde Bailly, LAFCO hired Ms. Green directly, at a lower hourly rate. Ms. Green processes bill payments and reconciles LAFCO's bank statements. She works closely with Staff and Elde Bailly.
Total Compensation Systems, Inc. (TCS)	Actuarial Valuation Report	Contract	\$4,185	The Government Accounting Standards Board (GASB) requires LAFCO to prepare a valuation every three (3) years. Consistent with Section 2 of the Procurement and Reporting Policy ("Delegated Authority," contracts of \$10,000 or less), the EO and TCS Inc's president executed its most recent contract on July 5, 2023. For the 2023 FY, TCS will be preparing a update to the FY 2021 Toll-forward valuation.
Canon Financial Services, Inc. (CFS)	Canon Photocopier	Lease	\$2,368	On November 10, 2021, the Commission authorized the Executive Officer to enter into a lease agreement for photocopying services. A contract was executed for a period of five years in March of 2022.
Quadient (Formerly Neopost)	Postage Meter	Lease	\$2,005	After evaluating alternative three bids, and consistent with Section 2 of the Procurement and Reporting Policy ("Delegated Authority," contracts of \$10,000 or less), the Executive Officer executed a lease renewal, effective January 2022, for a period of five years.
Paychex	Payroll Services	Contract	~\$6,000	Consistent with the Commission's Procurement and Reporting Policy, the Executive Officer is Delegated Authority to execute contracts of \$10,000, or less. In 2022, LAFCO executed its first annual contract in August of 2022. The annual contract is renewed annually.
ParcelQuest	Assessor Parcel Number data	Contract	~\$2,400	Consistent with the Commission's Procurement and Reporting Policy, the Executive Officer is Delegated Authority to execute contracts of \$10,000, or less. In June of 2022, the EO and DEO executed a contract with Paychex to accommodate the retirement/pension contribution needs of the Commission.
RSG, Inc.	Municipal Service Reviews	Contract	\$93,285	On July 13, 2022, the Commission authorized the Executive Officer to enter into agreement for municipal service reviews for the Cities of Bell, Maywood, South El Monte, and Vernon. A contract was subsequently executed in August of 2022, and work was completed August of 2023.

Procurement and Reporting Policy
Adopted May 8, 2019

This policy shall apply to all contracts entered into by the Local Agency Formation Commission for the County of Los Angeles (LAFCO), as authorized by Government Code §§ 56375 (j), 56375(k), and 56380 which authorize the Commission to appoint and assign staff personnel, to employ or contract for professional or consulting services, and to incur usual and necessary expenses to carry out and effect the functions of the Commission and to make its own provision for necessary quarters, equipment and supplies.

This policy is intended to ensure that LAFCO practices ethical, responsible, and reasonable procedures relative to purchasing, financial commitments, contracts, and the hiring of consultants. This policy identifies the procedures which LAFCO will adhere to in the performance of its designated responsibilities, and it is intended to provide for a cost-effective use of public resources, including funds and staff time. This policy applies to LAFCO's contracting practices prospectively, after adoption of the policy by the Commission.

1. Commission Approval

Execution and award of contracts, agreements, and memoranda of understanding (collectively referred to as contracts) that exceed \$10,000, including but not limited to the those for the following types of services shall require Commission approval:

- Preparation of annual audits (this may be awarded in contracts for multiple years, and in concert with other LAFCOs);
- Municipal Service Reviews (MSRs), special studies, and/or equivalent;
- Lease(s), or lease extensions, for office space;
- Primary legal counsel and as-needed alternate counsel;
- Provider(s) of insurance, including employee medical/dental, property/liability, and workers compensation insurance coverage; and
- Provider(s) of employee pension coverage.

Contracts that require Commission approval shall utilize a competitive solicitation process in a form determined by the Executive Officer and approved by LAFCO legal counsel. Prior Commission authorization to release the solicitation is not required.

2. Delegated Authority:

The Commission hereby delegates authority to the Executive Officer to solicit, approve and execute contracts for goods, materials and services that do not exceed \$10,000 and are consistent with the authority provided by Government Code §§ 56375 and 56380. It is expected that this will include, but is not limited to, the following: computer equipment, (including desktop and laptop computers, printers, routers, servers, wireless networks, and similar and related products); miscellaneous services/leases (cell phone(s), postage meter, and plant service); and any other service or product not to exceed \$10,000. Notwithstanding the above, the Commission delegates authority to the Executive Officer to purchase and/or contract for legal advertising (public notice), routine information

Delegated Authority (continued):

technology services, and accounting/bookkeeping services, which exceed \$10,000, provided that these costs are documented in the annual budgets adopted by the Commission, identified in the Mid-Year Budget Report, and listed in the “Procurement and Reporting Policy Annual Report” identified in Section 4, below.

The Executive Officer is authorized to designate the Deputy Executive Officer (“DEO”) as his or her designee for all delegated authority herein. In the absence or unavailability of the Executive Officer, the Commission hereby delegates the foregoing authority to the DEO.

Delegated authority for contracts that are estimated to exceed \$5,000 shall utilize a competitive solicitation process in a form determined by the Executive Officer and approved by LAFCO legal counsel.

3. Emergency Authority

In the event of an emergency issue, as determined by the Executive Officer in consultation with the Commission Chair (or, if unavailable, with the Commission First Vice-Chair or Commission Second Vice Chair); when equipment, materials or services are required to protect the health, welfare and safety of the Commission or staff, and the cost exceeds the delegated authority of the Executive Officer; the Executive Officer shall receive approval of the Commission Chair (or, if unavailable, with the Commission First Vice-Chair or Commission Second Vice Chair); to award a contract and waive the requirements to conduct a competitive solicitation process. The Executive Officer shall notify the Commission either in writing or in a report at the next available Commission Meeting.

4. Reporting Requirements:

Staff shall prepare a written “Procurement and Reporting Policy Annual Report” (“Report”) and agendize the same at a Commission meeting in the first quarter of each calendar year. The Report shall list all outside service providers, and shall include, but not be limited to, the name of the provider; the service/product provided; and the status/term of any contracts, leases, or equivalent.

The Report shall be prepared annually and posted to the LAFCO website. The most recent five (5) years of Reports shall be maintained in the “Transparency” section of the LAFCO website.

5. Conflict(s) of Interest:

LAFCO shall avoid real or potential conflicts of interest in its contracting practices. Contracts shall not be entered into with members of the Commission, LAFCO employees, and vendors in which Commissioners or LAFCO employees have a financial or ownership interest. This provision extends to those who within the immediately preceding 12 months were Commission members or employees of LAFCO who participated in the area of service performed or developing the contract or its service specifications.