EXHIBIT A
2026 MUNICIPAL SERVICE REVIEW UPDATE
FOR THE
TUOLUMNE PARK AND RECREATION DISTRICT

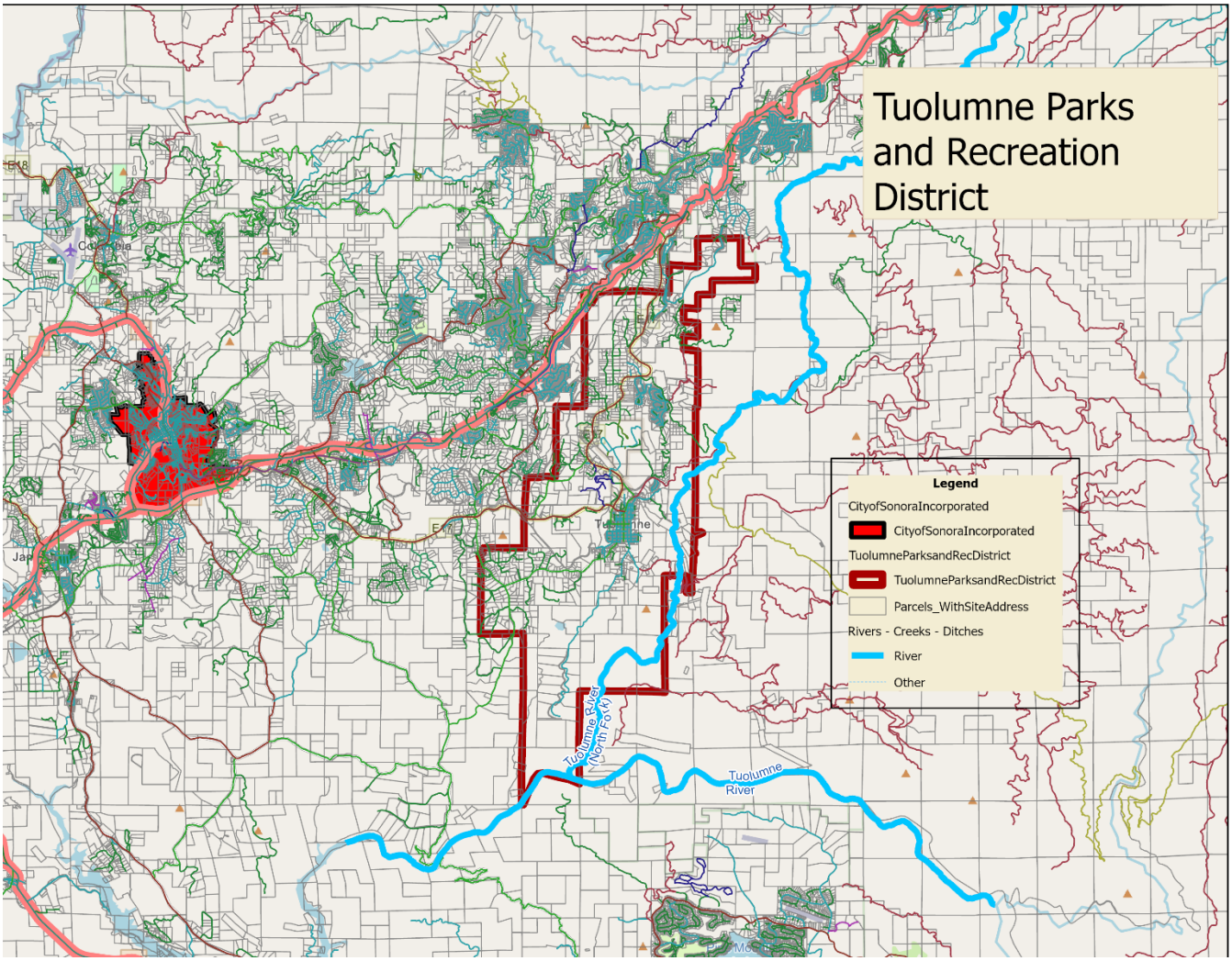
Public Review Draft Final

Prepared by Tuolumne County LAFCO
By Regional Government Services
July 20, 2026

Tuolumne County Local Agency Formation Commission
94 Washington Street | Sonora, California 95370
(Based on data through March 2026)

Abbreviation	Definition
ACS	American Community Survey (U.S. Census Bureau)
ADU	Accessory Dwelling Unit
APN	Assessor's Parcel Number
BLM	Bureau of Land Management
BRIC	Building Resilient Infrastructure and Communities (FEMA grant program)
CALAFCO	California Association of Local Agency Formation Commissions
CAO	Chief Administrative Officer
CAPRD	California Association of Parks and Recreation Districts
CAPRI	California Association of Park and Recreation Insurance
CDP	Census-Designated Place
CEQA	California Environmental Quality Act
CIP	Capital Improvement Plan / Program
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CPA	Certified Public Accountant
CSDA	California Special Districts Association
DOF	California Department of Finance
DUC	Disadvantaged Unincorporated Community
FEMA	Federal Emergency Management Agency
FPPC	California Fair Political Practices Commission
FTE	Full-Time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GC	Government Code (California)
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
MHI	Median Household Income
MPO	Metropolitan Planning Organization
MSR	Municipal Service Review
NRHP	National Register of Historic Places
O&M	Operations and Maintenance
OECD	Office of Economic and Community Development (California HCD grant program)
RFI	Request for Information
SCO	California State Controller's Office

SIMPLE	Savings Incentive Match Plan for Employees
SOI	Sphere of Influence
TCSD	Tuolumne City Sanitary District
TCTC	Tuolumne County Transportation Council
TPRD	Tuolumne Park and Recreation District
USDA	United States Department of Agriculture
USFS	United States Forest Service
ESC	Tuolumne Park and Recreation Economic Services Corporation
WPA	Works Progress Administration



EXECUTIVE SUMMARY

The Tuolumne County Local Agency Formation Commission ("Tuolumne County LAFCO" or "Commission") has prepared this Municipal Service Review ("MSR") Update and will consider an update

to the Sphere of Influence ("SOI") for the Tuolumne Park and Recreation District ("TPRD" or "District"). The report has been prepared by Tuolumne County LAFCO in coordination with District staff.

The overall intent of the report is to provide an independent assessment of TPRD's park and recreation service delivery to its residents as required under both statute and Tuolumne County LAFCO policy. This includes evaluating the current and future relationship between the availability, adequacy, and financial sustainability of park and recreation services within the TPRD service area and SOI.

KEY PREMISES, ASSUMPTIONS, AND BENCHMARKS

Tuolumne County LAFCO will revisit the MSR and key findings on a regular five-year basis consistent with the timetable established by the Legislature under Government Code §56425(g). This MSR Update assesses the service delivery of TPRD and its authorized municipal service functions: (1) parks and recreation (GC §61100(e) and (f)) and (2) acquisition, construction, improvement, maintenance, and operation of community facilities (GC §61100(s)).

Financial data was drawn from the California State Controller's Office Special Districts Financial Transactions Reports (Entity ID 6563) for fiscal years FY2017-18 through FY2023-24, as well as the TPRD internal FY 2025-26 Budget Worksheet (March 2026), the Tuolumne County Budget vs. Actual Report for Account 9060 (through October 2025), the TPRD LAFCO Request for Information (RFI) response, and TPRD Board Meeting Agendas and Minutes (January 2024 through January 2026). The FY2018-19 independent audit by Hawks & Associates CPAs, Inc. was reviewed. Affiliat-ed entity records for the Tuolumne Park and Recreation Economic Services Corporation (ESC) were drawn from the California Secretary of State (Entity No. 2004540, accessed April 2026), the California Attorney General's Registry of Charitable Trusts (CT File No. 106221, accessed April 2026), and the ESC's IRS Form 990-EZ for FY2021 (tax year July 1, 2021–June 30, 2022), filed March 20, 2023. Projections cover the next five-year period through 2031. Population and demographic data are drawn from the 2020 U.S. Decennial Census, the 2024 American Community Survey (ACS) 5-Year Estimates (2020–2024), the California Department of Finance (DOF) Demographic Research Unit projections (2024), and the California Department of Transportation (Caltrans) County Economic Forecast (2023). The 2024 ACS 5-Year Estimates are used as the primary source for median household income and Disadvantaged Unincorporated Community (DUC) threshold analysis, consistent with California Association of Local Agency Formation Commissions (CALAFCO) guidance.

OVERVIEW OF THE TUOLUMNE PARK AND RECREATION DISTRICT

The Tuolumne Park and Recreation District was established on December 27, 1955, following an election that approved formation by a vote of 191 to 8. The District adopted its current name on August 16, 1977, and operates under the Recreation and Parkway District Law (Government Code §61100 et seq.).

The District provides park and recreational services across a 21.3± square mile service area centered on the unincorporated community of Tuolumne, approximately 8.0 miles southeast of Sonora in Tuolumne County. A five-member elected Board of Directors provides governance, supported by a long-tenured General Manager (James Wood, since 1992), an Office/Finance Manager, an Events Coordinator, and part-time staff (approximately 4.5 FTE total). Total revenues for FY2023-24 were $405,974, with total expenditures of $513,169, producing an end-of-year fund balance of $216,611. Preliminary FY2024-25 data indicates the fund balance recovered to approximately $224,662 as of March 2026.

SUMMARY OF RECOMMENDATIONS

- Tuolumne County LAFCO should affirm the TPRD's existing sphere of influence as coterminous with its current boundaries, including the one-parcel SOI extension for APN 87-010-17 (625±

acres, USFS), TPRD is currently engaged with the USFS to create a comprehensive plan for the trail and should defer a comprehensive SOI update to the next five-year review cycle.

- The District should continue coordinating with the U.S. Forest Service regarding the formal status of APN 87-010-17, on which the TPRD maintains the Westside Railroad Grade Trail, and pursue formal annexation if a land transfer becomes feasible.
- Tuolumne County LAFCO should request itemized documentation from In 2023-2024, the District had a larger than expected Services and Supplies expenditure of $264,340 — TPRD confirmed that three projects attributed to this: The building of an Outdoor Theater, The Community Center building renovation and the building of a Bike Park
- The District should confirm compliance with Government Code §26909 independent audit or agreed-upon procedures requirements and provide evidence of current audit compliance to LAFCO.
- The District should continue actively pursuing state and federal grant funding targeting park infrastructure in disadvantaged communities, including Prop 68 Per Capita, OECD grants, and FEMA BRIC programs.
- Tuolumne County LAFCO should encourage the District to explore modest shared-facility or joint-purchasing arrangements with other Tuolumne-area special districts that could reduce operating costs without requiring organizational consolidation.
- The District should explore a formal shared-use agreement with Summerville Union High School District and/or Summerville Elementary School District for use of school athletic facilities during non-school hours.
- The District should develop and adopt a formal Strategic Plan within the next two fiscal years, using CSDA and CAPRD resources to guide the process. A strategic plan will strengthen budget development, grant applications, and long-term organizational accountability.
- The District and its auditor should evaluate whether the Tuolumne Park and Recreation Economic Services Corporation (ESC) qualifies as a component unit of TPRD under GASB Statement No. 14/61 and should ensure that any financial flows between the two entities are disclosed in TPRD's audited financial statements. The ESC should be maintained in good standing with the California Secretary of State and the Attorney General's Registry of Charitable Trusts, and its annual financial reports should be made available to the public alongside TPRD's transparency documents. The District should also clarify whether public donations solicited through Stripe and Venmo are received by TPRD or by the ESC, and disclose this accordingly.

SUMMARY OF DETERMINATIONS

Tuolumne County LAFCO's pertinent determinations for the TPRD are presented in the MSR and SOI Determinations section of this report. Key findings include:

- The TPRD serves a stable-to-declining population of approximately 1,350–1,420 residents in the Tuolumne CDP, with a broader service area population of approximately 4,000–4,500 residents. No significant near-term population growth requiring major facility expansion is anticipated.
- The Tuolumne community has been confirmed as a Disadvantaged Unincorporated Community (DUC). Based on 2024 American Community Survey (ACS) 5-Year Estimates (2020–2024), the statewide median household income is $100,149 and the DUC threshold (80%) is $80,119. The community's median household income remains well below this threshold.
- The TPRD's facilities are generally adequate and well-maintained. Capital improvement priorities include the completed Outdoor Theater Space at Depot Park (funded in part through a $177,000 Proposition 68 grant), the Tuolumne Bike Park currently in development on a 2-acre TPRD-owned parcel, the Bay Street Community Center (now operational in a leased ~2,200 sq ft building), and eventual construction of a permanent Community Center on the Willow Street

lots.This project being built on Willow Street is a project of the Tuolumne Band of the Mi-Wuk Indians.

- The District is financially stable. The FY2023-24 deficit of $107,195 warranted attention but preliminary FY2024-25 data indicates the fund balance has stabilized at approximately $224,662 as of March 2026, suggesting the expenditure spike was largely one-time and related to capital project investments.
- The TPRD provides comprehensive public information and holds regular, accessible monthly board meetings consistent with Brown Act requirements.
- The TPRD's existing sphere of influence is consistent with its service area, present land uses, and the social and economic communities of interest it serves.

LOCAL AGENCY FORMATION COMMISSIONS

LEGAL REQUIREMENTS AND PURPOSE

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH"), Government Code Section 56000 et seq., requires LAFCOs to regularly prepare Municipal Service Reviews of services provided by most local agencies and provides discretion on the manner in which a commission undertakes these reviews. The reviews are instrumental in making determinations on jurisdictional and sphere of influence boundaries, as well as informing commissions, affected agencies, and the general public of opportunities for improving service delivery.

LAFCO RESPONSIBILITIES

CKH directs LAFCOs to discourage urban sprawl, encourage the orderly formation and development of cities and special districts, and preserve agricultural land. LAFCOs act as the county-wide oversight agency responsible for considering logical and timely changes in local governmental boundaries, including annexations and detachments of territory, incorporations of cities, formations of special districts, and consolidations, mergers, and dissolutions of districts. In this manner, LAFCOs play an important role in assuring the thoughtful, appropriate, and efficient reorganization, simplification, and streamlining of quality local governmental services.

As part of these objectives, LAFCOs establish and periodically review spheres of influence for local agencies through a process known as a municipal service review ("MSR") and sphere of influence ("SOI") update.

Tuolumne County LAFCO Commission

Tuolumne County LAFCO is a quasi-legislative body subject to the Ralph M. Brown Act (Government Code §54950 et seq.). The Commission holds regular meetings and is composed of seven regular Commissioners representing the County (two members of the Board of Supervisors), cities (two City Council members), special districts (two Special District Board members), and one General Public Member At-Large, with an alternate Commissioner for each represented category, consistent with Government Code §56325 et seq. The Commission’s adopted policies and procedures can be found at

the Tuolumne County LAFCO website (https://sonoraca.com/tuolumne-county-lafco/). Table 1 below lists the current Commissioners as of 2026.

Table 1: Current Tuolumne LAFCO Commissioners, 2026

Commissioner Name	Position	Representative Agency	Term Expires
Steve Arreguin	Vice-Chair	General Public	May 2026
Janice Kwiatkowski	Commissioner	Special District	May 2028
John Feriani	Chair	Special District	May 2026
Mike Holland	Commissioner	County	
Jaron Brandon	Commissioner	County	
Marker Plummer	Commissioner	City	
Ann Segerstrom	Commissioner	City	June 2028
Adam Artzer	Alternate	Special District	May 2026
Ryan Campbell	Alternate	County	
Andy Merrill	Alternate	City	June 2028

Source: Tuolumne County LAFCO, 2026.

CEQA Exemption. Municipal Service Reviews are planning studies that are statutorily exempt from environmental review pursuant to §15262 of the California Environmental Quality Act (CEQA) Statute and Guidelines. An SOI review or update is a project subject to CEQA. In compliance with CEQA, Tuolumne LAFCO has adopted its own guidelines and policies implementing CEQA, which can be found in the Tuolumne County LAFCO Policy and Procedures Manual (adopted November 16, 2001, and as amended).

Senate Bill 215 and Regional Transportation Plans. Senate Bill 215 (Wiggins) requires LAFCO to consider regional transportation plans and sustainable communities strategies developed pursuant to SB 375 before making boundary decisions. Tuolumne County is not located within a Metropolitan Planning Organization (MPO) boundary and is therefore not subject to the provisions of SB 375. However, LAFCO will review applicable regional transportation and growth plans, including those developed by the Tuolumne County Transportation Council (TCTC), when considering any change of organization or reorganization application affecting the TPRD.

SPHERE OF INFLUENCE

Since 1972, LAFCOs in California have been responsible for determining and overseeing the sphere of influence ("SOI") for local government agencies. A SOI is defined as "a plan for probable physical boundaries and service area of a local agency, as determined by the Commission." Consistent with Commission SOI policies, a SOI can be: (a) coterminous to agency boundaries; (b) extended beyond agency boundaries in anticipation of future growth; (c) smaller, indicating the need to detach areas; or (d) designated a "zero sphere," indicating potential dissolution.

Per Government Code Section 56425, a SOI shall consider and prepare a written statement of determinations on the following factors:

- Present and planned land use in the area, including agricultural and open space lands.
- Present and probable need for public facilities and services in the area.

- Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- Existence of any social or economic communities of interest in the area.
- Present and need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

MUNICIPAL SERVICE REVIEW (MSR) REQUIREMENTS

Section 56425(g) of CKH requires that LAFCOs evaluate a given SOI every five years, as necessary. A MSR must be prepared pursuant to Government Code Section 56430 prior to or in conjunction with SOI reviews. MSRs are to make written determinations on seven required topics based on CKH:

- Growth and population projections for the affected area.
- Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies.
- Financial ability of agencies to provide services.
- Status of, and opportunities for, shared facilities.
- Accountability for community service needs, including government structure and operational efficiencies.
- Any other matter related to effective or efficient service delivery, as required by LAFCO policy.

With this MSR, Tuolumne County LAFCO can make informed decisions based on the best available data for TPRD and its service area. Written determinations, as required by law, are presented in the MSR and SOI Determinations section of this report. LAFCO is the sole authority regarding approval or modification of any determinations, policies, boundaries, SOIs, reorganizations, and provision of services. Ideally, an MSR will support LAFCO's directives and deliberations and will also provide the following benefits to TPRD:

- Provide a broad overview of agency operations including type and extent of services provided;
- Serve as a prerequisite for a Sphere of Influence update;
- Evaluate governance options and financial information;
- Identify areas within the factors noted above that may benefit from improvement;
- Demonstrate accountability and transparency to LAFCO and to the public; and
- Allow the agency to compare its operations and services with other similar agencies.

PURPOSE OF THIS MSR AND SCOPE OF WORK

This MSR's underlying purpose is to produce an independent assessment of the park and recreation services provided by the Tuolumne Park and Recreation District historically and over the next five years. The Commission will use the information collected in: (a) guiding sphere of influence updates; (b) informing potential boundary changes; and, if merited, (c) initiating government reorganization such as special district consolidations and/or dissolutions.

This 2026 MSR Update builds on the 2025 Draft MSR (Version 1) and the 2013 and 2007 MSRs previously approved by the Commission. It incorporates financial data through FY2023-24 from the SCO, supplemented by preliminary FY2024-25 data from District budget records and the Tuolumne County Account 9060 Budget vs. Actual Report through October 2025, board meeting records through January 2026, the TPRD LAFCO RFI response, and updated census and demographic data, and updates all eleven statutory determination factors required under Government Code §56430.

SERVICE REVIEW — TUOLUMNE PARK AND RECREATION DISTRICT

The Tuolumne Park and Recreation District ("TPRD" or "District") is an independent special district formed on December 27, 1955, under an election that approved formation 191 to 8. The District operates under the Recreation and Parkway District Law (Government Code §61100 et seq.), which authorizes park and recreation services and the acquisition, construction, improvement, maintenance, and operation of community facilities.

Originally established as the Tuolumne Park Recreation and Parkway District, the District adopted its current name on August 16, 1977. Over the following decades the District grew to encompass a 21.3-square-mile service area providing recreational facilities, trails, and community programming to the unincorporated Tuolumne community.

Significant developments since the 2013 MSR include: (1) a September 2025 Board of Supervisors vote (4-1) approving a new five-year Facilities Management Agreement at $126,449 per year (year one), following a contentious period in which the county initially voted to end the longstanding contract before reversing course; (2) a September 2023 board vote (3-2) to rescind the 2020 joint resolution with the Tuolumne City Sanitary District (TCSD) to consolidate both agencies into a new Tuolumne Community Services District; (3) significant expansion of programmatic offerings including indoor pickleball, outdoor movie nights, sound baths, and seasonal bingo events; (4) completion of the Outdoor Theater Space at Depot Park (funded in part by a $177,000 Proposition 68 grant toward a $250,000 project); and (5) development of the Tuolumne Bike Park on a 2-acre TPRD-owned parcel at the former Westside Cherry Valley site.

JURISDICTIONAL BOUNDARY AND SPHERE OF INFLUENCE

The TPRD's current jurisdictional boundary encompasses approximately 21.3± square miles (13,040± acres). The District's SOI encompasses approximately 13,652± acres, including one USFS-owned parcel (APN 87-010-17, 625± acres) that lies outside district boundaries but within the SOI. This parcel includes a substantial portion of the Westside Railroad Grade Trail maintained by the TPRD.

The service area is located in and around the community of Tuolumne, approximately 8.0 miles southeast of Sonora at the eastern end of Tuolumne Road. The District office is located at 18603 Pine Street. The service area is a mostly urban community surrounded by rugged hills at an average elevation of 2,580 feet with approximately 33 inches of annual rainfall. The TPRD's service area overlaps with several other agencies: Tuolumne Utilities District (water), Tuolumne City Sanitary District (sewer), Tuolumne Fire Protection District, County Service Area No. 21 (ambulance), Tuolumne Lighting District, Carters Cemetery District, and various school districts. The broader Tuolumne-area recreation landscape has expanded since the 2013 MSR: the Tuolumne Band of Me-Wuk Indians and the Tuolumne Economic Development Authority began construction of Elevate, a 20,000-square-foot indoor recreation facility adjacent to Black Oak Casino Resort, and the nonprofit Youth Sports Foundation opened the Freedom Sports Facility (30,000 sq. ft.) at 19500 Nugget Blvd., hosting youth volleyball, turf sports, and the annual Tuolumne County Elementary School volleyball tournament. These private and nonprofit developments complement TPRD's public facilities and programs, collectively addressing longstanding gaps in recreational options for youth and families in the Tuolumne area.

DEMOGRAPHICS

Population and Housing

The TPRD serves the unincorporated community of Tuolumne and surrounding rural areas. The 2020 U.S. Census indicates approximately 1,400 residents in the Tuolumne Census-Designated Place (CDP), a decline from the 1,865 residents in the 2010 Census — a reduction of approximately 25% over the decade. This reflects broader rural depopulation trends in Tuolumne County and the Sierra Nevada foothills. The TPRD's 21.3-square-mile service area encompasses additional rural and semi-rural lands beyond the CDP; the total service area population is estimated at approximately 4,000–4,500 residents.

Resident Population	2010 Census	2020 Census	2024 Estimate	Annual Change (2020–2024)
TPRD Service Area (CDP)	1,865	~1,400	~1,350–1,420	–0.8%
Tuolumne County	55,365	54,478	~54,000	–0.2%

Source: U.S. Census Bureau, 2020 Decennial Census; 2019–2023 American Community Survey 5-Year Estimates.

An estimated 855 housing units were recorded in the Tuolumne CDP in the 2020 Census, compared to approximately 900 in 2010. Approximately 58% of housing units are owner-occupied, with 29% renter-occupied and 13% vacant. The average household size is approximately 2.4 persons per unit. No significant near-term residential development is anticipated within the TPRD boundary.

Housing Characteristics	TPRD Service Area	Tuolumne County
2010 Total Housing Units	~900	~30,000
2020 Total Housing Units	~855	~29,800
% Change (2010–2020)	–5.0%	–0.7%
Owner-Occupied Units (2020)	~58%	~65%
Renter-Occupied Units (2020)	~29%	~25%
Vacant Units (2020)	~13%	~10%
Average Household Size (2020)	~2.4	~2.5

Source: U.S. Census Bureau, 2020 Decennial Census; American Community Survey 5-Year Estimates.

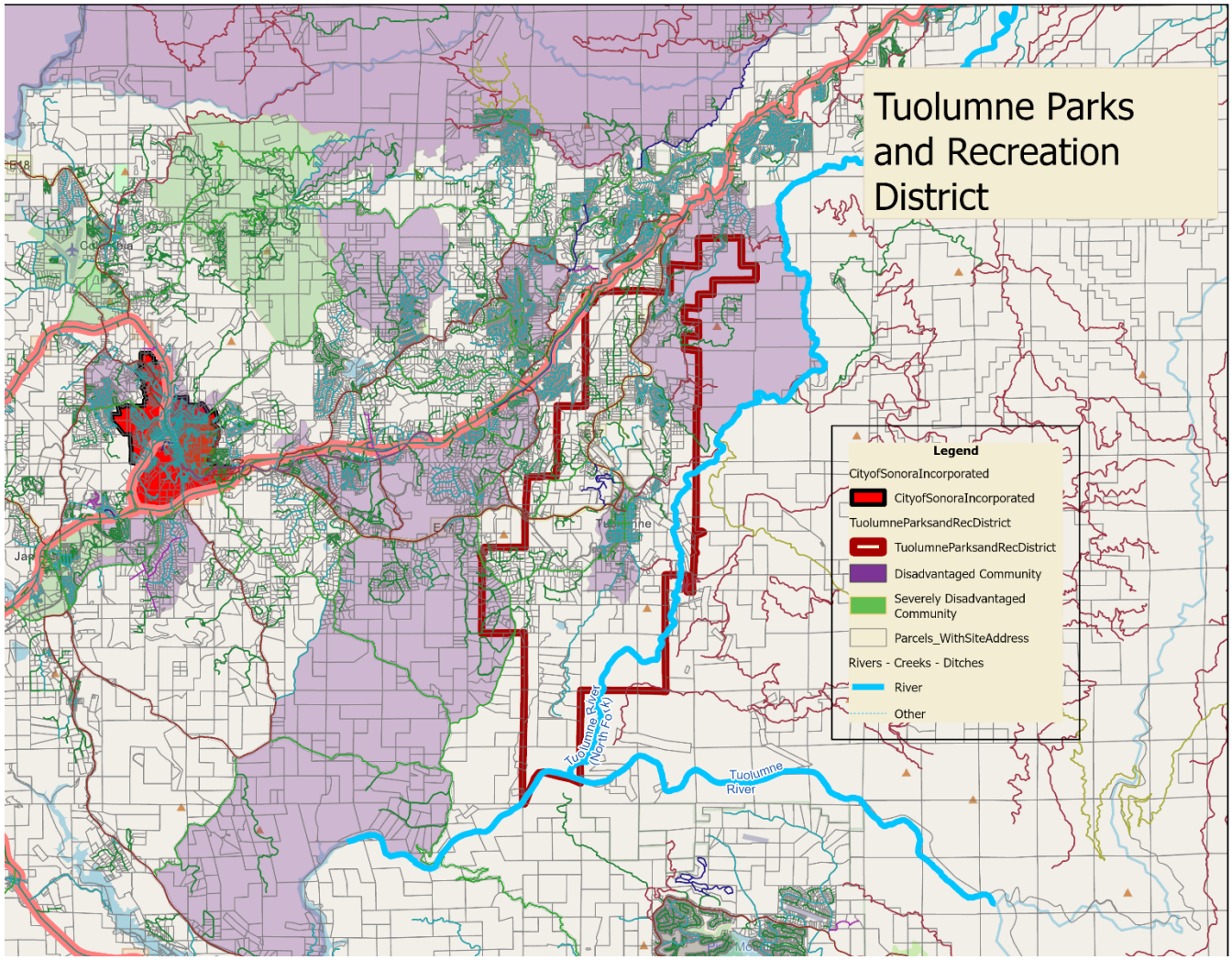
Age Distribution and Income

The TPRD service area is a lower-income, rural community. The median household income for the Tuolumne CDP is estimated at approximately $38,000–$42,000 based on 2020 ACS data, substantially below Tuolumne County's median household income of approximately $77,404 (2024 ACS 5-Year Estimates, 2020–2024) and well below the statewide median of $100,149 (2024 ACS 5-Year Estimates). The poverty rate within the Tuolumne CDP of approximately 18–22% significantly exceeds the statewide average.

Income Characteristics	TPRD / Tuolumne CDP	Tuolumne County
2020 Median Household Income	~$38,000–$42,000	~$56,000
2020 Statewide Median HH Income	—	$100,149
80% of Statewide Median (DUC Threshold)	—	$80,119
DUC Status	YES — qualifies	—
Poverty Level Rate (ACS 2020)	~18–22%	~14%

Source: U.S. Census Bureau, 2019–2023 American Community Survey 5-Year Estimates; Government Code §56033.5; Water Code §79505.5(a).

The Tuolumne community qualifies as a Disadvantaged Unincorporated Community (DUC) under Government Code §56033.5 and §65302.10(a). A DUC is defined as an area wherein the median household income is less than 80% of the statewide median household income and the community has 12 or more registered voters. Per California Association of Local Agency Formation Commissions (CALAFCO) guidance, the applicable DUC threshold uses 80% of the statewide median household income. Based on the 2024 American Community Survey (ACS) 5-Year Estimates (2020–2024), the statewide median household income is $100,149, establishing a DUC threshold of approximately $80,119. The Tuolumne CDP's estimated median household income of $38,000–$42,000 falls well below



this threshold, confirming its DUC status. Notably, even Tuolumne County's broader median household income of $77,404 (2024 ACS 5-Year Estimates) falls below the $80,119 DUC threshold, underscoring the region's economically disadvantaged character.

GOVERNANCE AND STAFFING

The Tuolumne Park and Recreation District operates as an independent special district under Government Code §61100 et seq. (the Recreation and Parkway District Law). This principal act authorizes the District to provide park and recreation services and to acquire, construct, improve, maintain, and operate community facilities. No other services may be provided by the TPRD without LAFCO approval.

The TPRD is governed by a five-member elected Board of Directors. Board members are elected by registered voters within the district. In the District's LAFCO RFI response, the District indicated that board members do not currently receive compensation; however, prior financial audits recorded director stipends, and TPRD confirmed that stipends were voted out a number of years ago. . Officers are elected at the regularly scheduled December board meeting in odd-numbered years to four-year terms. As of 2024-2025, board officers include Aaron Rasmussen (President) Mark Ferriera (Vice President), Laura Burns (Secretary), Holly Bunow (Treasurer) and Marty Anderson (Member at Large). Pursuant to Assembly Bill (AB) 1234, if a local agency provides compensation or reimbursement of expenses to local government officials, all local officials are required to receive two hours of training on public service ethics laws and principles at least once every two years and establish a written policy on reimbursements pursuant to Government Code (GC) §53235. The Political Reform Act requires all board members to disclose investments, interests in real property, and incomes by filing a Statement of Economic Interests (California Fair Political Practices Commission [FPPC] Form 700) each year pursuant to GC §87200. LAFCO should confirm that the District is current on its required Form 700 filings with the Tuolumne County Clerk's Office.

The Board meets on the second Wednesday of each month at 6:00 p.m. at the District office at 18603 Pine Street (the second Tuesday during June, July, and August). Special meetings are convened as needed. The District maintains a detailed and transparent website at tuolumnerecreation.specialdistrict.org (also accessible via www.tuolumnerecreation.com) with board meeting agendas, minutes, financial documents, and District activities and services. In October 2025, updates to the Brown Act enacted under Senate Bill (SB) 707 were signed into law and took effect in January 2026. SB 707 reinstates and restructures numerous provisions, makes permanent certain transparency-related reforms, and establishes new requirements to expand public access and participation in local government proceedings. Key updates include a revised teleconferencing rule permitting remote participation by members under "just cause" for up to two meetings per year, standardized public notice requirements for special and emergency meetings, and a new requirement that copies of the Brown Act be distributed to all elected or appointed members of a governing body upon appointment. The District is encouraged to review the requirements set forth in SB 707 and incorporate any applicable updates into its meeting procedures.

The District is staffed by a General Manager and an Office/Finance Manager as core employees, supplemented by part-time staff. According to the District's LAFCO RFI response, TPRD employs three full-time and three part-time employees, equating to approximately 4.5 FTE (one FTE at 0.75, one at 0.5, and one at 0.25, in addition to three full-time employees). No seasonal staff are currently employed. General Manager James Wood has led the organization since 1992 — more than three decades of

institutional continuity. Office/Finance Manager Kelly Bunnell joined the District in April 2022. An Events Coordinator manages the expanding community programming calendar. The District also relies on two unpaid volunteers, one assisting with events and one with office work. The District Secretary acts as the Events Coordinator as well and several unpaid volunteers help with varying tasks.

MUNICIPAL SERVICES PROVIDED

Park and Recreation Services

The TPRD provides a wide variety of park and recreational services to residents and visitors of the Tuolumne area, consistent with its statutory authorization under Government Code §61100. The District manages and maintains both District-owned facilities and County-owned facilities under the Facilities Management Agreement with Tuolumne County. The following table provides a comprehensive inventory of TPRD facilities:

Facility	Ownership	APN / Size	Status	Notes
Veterans Memorial Hall	County	9-133-03 / 1.2± ac	Active	Art Deco WPA (1936); NRHP-eligible; managed by TPRD
West Side Memorial Park	County	9-133-02 / 1.1± ac	Active	Central gazebo/bandstand; Concerts in the Park venue
Jerry Whitehead Sr. Baseball Field	County	9-133-07 / 1.1± ac	Active	New Deal era; NRHP-eligible; active youth baseball
Tuolumne Library / Youth Center	County	9-133-33 / 0.2± ac	Active	Minor housekeeping by TPRD; primarily County-operated
Depot Park — Horseshoe Courts	TPRD	9-133-32 / 1.3± ac	Active	8 active pits; zoned C-K:D:MX
Depot Park — Basketball/Skate Park	TPRD	9-133-22 / 0.5± ac	Active	Steam engine #2 display; active skate park
Depot Park — Tot Lot Playground	TPRD	Adj. to Library	Active	Constructed with Prop 40 grant; good condition
Tuolumne Community Garden	TPRD	9-073-16 / 0.4± ac	Active	26 raised beds; $30/year rental; established 1996
Reid Park	TPRD	~0.5± ac	Active	Multi-use recreational space
Willow Avenue Ball Field	TPRD	~1.0± ac	Active	Youth sports field
'Lot P' Wetland Trail Parcel	TPRD	N/A	Active	Pedestrian trail corridor
Ralph's Station	TPRD	N/A	Active	Historic structure / trailhead
River Ranch Campground	TPRD	40± ac	Active	Leased; campground revenue source
Westside Railroad Grade Trail	USFS (TPRD-maintained)	APN 87-010-17 / 625± ac	Active	~2 mi equestrian/pedestrian trail; within SOI only

Facility	Ownership	APN / Size	Status	Notes
Indoor Pickleball Courts	TPRD	At Memorial Hall	Active	Established ~2022; $5/session; high community utilization
Outdoor Theater Space	TPRD	TBD	Active (Completed 2025)	Completed summer 2025; funded by $177k Prop 68 grant ($250k total); close-out expenditures recorded FY2024-25
Bike Park	TPRD	TBD	Active (In Progress)	2-acre parcel at former Westside Cherry Valley site; ~$16,832 expended through FY2024-25; ongoing FY2025-26 budget; community-driven development led by Justin Flynn
Bay Street Community Center	TPRD (Leased)	N/A / ~0.05± ac	Active	~2,200 sq ft leased building on Bay Street; remodeled; 60-year-old structure in good condition; acquired ~2022–2023 as operational community center

Source: TPRD Board Meeting Agendas and Minutes (2024–2025); 2025 Draft MSR V1; TPRD Website; TPRD LAFCO RFI Response (2024).

In addition to facility management, the TPRD provides an extensive calendar of community programs and events including: Concerts in the Park; Halloween Parade; Christmas Parade; Easter Egg Hunt; sound baths; indoor pickleball ($5/session); community bingo nights (including the Winter Wonderland Bingo event series); free outdoor movie nights; Annual Car Show and Outdoor Market at West Side Memorial Park;); community garden plot rentals ($30/year for 26 raised beds); and various fundraising events. The District also awards three annual $250 scholarships to Summerville High School seniors in industrial arts and music. In July 2024, a radio phone-a-thon fundraiser raised $33,124 toward a $100,000 goal, with major contributions from Black Oak Casino ($5,000), the Tuolumne Economic Development Authority ($5,000), and Chicken Ranch Casino ($2,500).

Facilities Management Agreement with Tuolumne County

The TPRD's primary contractual service arrangement is its long-standing Facilities Management Agreement with the County of Tuolumne, under which the District manages and maintains County-owned Veterans Memorial Hall, West Side Memorial Park, the Jerry Whitehead Sr. Baseball Field, and performs minor housekeeping at the Library/Youth Center. In 2024, the Board of Supervisors initially voted 4-1 to end this agreement after more than 30 years, directing staff to plan a transition away from TPRD. Former CAO Tracie Riggs subsequently extended the contract on a temporary six-month basis while transition planning proceeded. The Board ultimately reversed course: in September 2025, the Board of Supervisors voted 4-1 to approve a new five-year agreement with TPRD, providing year-one compensation of $126,449, with four optional one-year extensions at 2% annual increases. Either party may terminate the contract with 90-day notice. Under the new agreement, TPRD also assumed outdoor landscaping maintenance only for the Tuolumne Community Resilience Center. Interim CAO Roger Root praised TPRD's performance in overseeing the facilities, and General Manager James Wood noted the partnership had spanned 33 years. Board member Jaron Brandon was the lone dissenting vote, favoring a shorter-term agreement and an eventual transfer of county assets to TPRD ownership.

Affiliated Nonprofit Corporation — Tuolumne Park and Recreation Economic Services Corporation (ESC)

In connection with its capital financing and development activities, TPRD maintains an affiliated California nonprofit public benefit corporation: the Tuolumne Park and Recreation Economic Services Corporation ("ESC"). The ESC was incorporated on March 19, 1997 (California Secretary of State Entity No. 2004540; EIN 77-0462147) and is registered with the California Attorney General's Registry of Charitable Trusts under CT File No. 106221. The ESC is a 501(c)(3) charitable organization and shares TPRD's registered address at 18603 Pine Street, Tuolumne, California 95379. Its registered agent on the most recent Statement of Information (October 7, 2024) is Kelly Bunnell, who also serves as TPRD's Office/Finance Manager.

The ESC's stated exempt purpose, as documented in the Form 990-EZ filed for fiscal year ending June 30, 2022, is "to render assistance to Tuolumne Parks and Recreation District in the creation, development, financing, construction, acquisition, management, and equipping of public services." This mission is explicitly oriented toward capital development and infrastructure activities that TPRD cannot easily finance through its property tax revenues alone, as acknowledged by TPRD board members during the 2023 consolidation debate. The ESC holds Schedule A public charity classification under IRC §170(b)(1)(A)(v) as an organization supporting a governmental unit, confirming its legal role as a financing and support vehicle for the District.

The ESC's most recent publicly available Form 990-EZ (FY2021, tax year July 1, 2021–June 30, 2022) shows total revenues of $1 (interest income), total expenses of $500 (scholarships), and net assets of $2,351 held entirely in cash. The organization's only programmatic expenditure was $500 in annual scholarships — corresponding to the two $250 scholarships to Summerville High School seniors noted elsewhere in this report. The ESC's books are maintained byFinancial Manager Kelly Bunnell. ESC officers and directors for FY2021 were: Jake Feriani (President), Aaron Rasmussen (Director), Ty Atkins (Director), Darren Evans (Director), and Cliff Marchetti (Director). All officers received zero compensation. The same CPA firm that audits TPRD — Hawks & Associates CPAs, Inc. of Sonora — prepared the ESC's Form 990-EZ. ESC governance meetings are conducted concurrently with TPRD board meetings; ESC agendas and minutes have been posted on the TPRD's official board meeting website in October 2023, January 2024, and November 2024.

The ESC's compliance history reflects periodic governance lapses. The California Secretary of State suspended the corporation on April 26, 2018, due to failure to file a Statement of Information; the suspension remained in effect until June 21, 2023, when the ESC filed a current Statement of Information and was revived by the Secretary of State. Concurrent with the SOS suspension period, the California Attorney General's Registry of Charitable Trusts issued a Revocation and Reinstatement Notice on April 11, 2023, for failure to file required annual renewal reports; the ESC submitted a Reinstatement Petition in 2023, and an Order Granting Reinstatement was issued on July 7, 2023. A CT-547 Missing Documents letter (June 29, 2021) had previously documented delinquency for fiscal years 2016 and 2018. As of the preparation of this MSR, the ESC's CA AG Registry status is "Current — Probationary Registration," reflecting its reinstatement from revocation. The most recent annual renewal filing (FY2023–24) was received by the Registry on October 11, 2024, and is listed as "In Process."

The ESC's financial statements have not been consolidated with or disclosed as a component unit of TPRD in the District's audited financial statements reviewed for this MSR. Given the overlap in governance, shared address, shared financial management, and the ESC's exclusive purpose of supporting TPRD, LAFCO recommends that the District's auditor evaluate whether the ESC qualifies as a component unit of TPRD under Governmental Accounting Standards Board (GASB) Statement No. 14/61 criteria, and that any financial flows between the two entities be clearly disclosed in future TPRD audited financial statements. LAFCO also notes that the TPRD's public donation solicitation pages

(Stripe, Venmo) do not currently disclose whether donations are received by TPRD or by the ESC, and recommends that the District clarify this for donors and for the public record.

Source: California Secretary of State, bizfile Entity No. 2004540 (accessed April 2026); California Attorney General Registry of Charitable Trusts, CT File No. 106221 (accessed April 2026); IRS Form 990-EZ, Tuolumne Park & Recreation District Economic Services, FY2021 (tax year July 1, 2021–June 30, 2022), filed March 20, 2023; CT-547 Missing Documents Letter, June 29, 2021.

FISCAL HEALTH

Annual Financial Overview

The TPRD's financial history from FY2017-18 through FY2023-24, as reported to the California State Controller's Office Special Districts Financial Transactions Reports (Entity ID 6563), reveals a District that has recovered from COVID-19 disruptions The following table presents the complete financial record for the six-year report period:

Line Item	FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	AVERAGE	TREND
REVENUES							
Property Tax (Secured)	$161,651	$171,860	$186,250	$211,103	$220,691	$190,311	+36.7%
Prior-Year Taxes	$80	$84	$95	$45	$82	$77	+2.5%
Homeowners Tax Relief	$1,930	$1,878	$2,532	$1,779	$1,740	$1,972	–9.8%
Investment Earnings	$2,412	$4,061	$2,432	—	—	$1,781	—
Rents, Leases & Concessions	$8,045	$8,260	$2,130	$11,037	$11,565	$8,207	+43.8%
Charges for Current Services	$100,000	$100,000	$15,700	$117,858	$120,418	$90,795	+20.4%
Other Revenues	$25,748	$18,678	$10,033	$34,801	$43,601	$26,572	+69.3%
TOTAL REVENUES	**$299,866**	**$304,821**	**$219,172**	**$385,423**	**$405,974**	**$323,051**	**+35.4%**
EXPENDITURES							
Salaries and Wages	$150,113	$161,168	$86,729	$166,313	$187,271	$150,319	+24.8%
Employee Benefits	$55,039	$51,357	$32,827	$44,330	$61,558	$49,022	+11.8%
Services and Supplies	$83,642	$93,549	$64,218	$123,245	$264,340	$125,799	+216.0%
Capital Outlay	—	—	—	—	—	—	—
TOTAL EXPENDITURES	**$288,794**	**$306,074**	**$183,774**	**$333,888**	**$513,169**	**$325,140**	**+77.7%**
FUND BALANCE							
Net Change in Fund Balance	$11,072	($1,253)	$35,398	$51,535	($107,195)	—	—

Line Item	FY 2018-19	FY 2019-20	FY 2021-22	FY 2022-23	FY 2023-24	AVERAGE	TREND
Fund Balance — End of Year	**$203,922**	**$202,669**	**$246,173**	**$323,806**	**$216,611**	**—**	**—**

Source: California State Controller's Office Special Districts Financial Transactions Reports, FY2017-18 through FY2023-24.
Note: FY2020-21 data differs slightly by reporting methodology. Parentheses indicate deficit/negative values.

FY 2024-25 Preliminary Financial Data. SCO Special Districts Financial Transaction Report data for FY 2024-25 is not yet available at the time of this MSR preparation. Based on the District's internal FY 2025-26 Budget Worksheet (March 2026) and the Tuolumne County Budget vs. Actual Report for Account 9060 — Tuolumne Parks & Recreation (through October 2025), the following preliminary picture emerges for FY 2024-25: total property tax revenue grew to approximately $225,089; the County Facilities Management Agreement generated $119,068 in revenue (the new five-year contract at $126,449 per year commenced in FY2025-26); Community Center income reached $22,537; and combined "Other Income" — encompassing facility rentals, pickleball, events, ball field advertising, and the July 2024 radio phone-a-thon fundraiser — jumped to approximately $77,143, more than double the FY2022-23 level, reflecting the District's significantly expanded revenue diversification efforts. Total estimated operating revenues for FY2024-25 are approximately $476,000. On the expenditure side, personnel costs stabilized at approximately $255,703; maintenance expenses remained elevated at approximately $43,489; and events spending reached approximately $40,864. Capital project spending included approximately $47,760 toward final Outdoor Theater completion, $10,471 toward the Bike Park, and $2,438 toward the Bay Street Community Center remodel, for total capital outlays of approximately $60,669. The estimated General Fund balance as of early March 2026 is approximately $224,662, consistent with financial stabilization following the FY2023-24 drawdown and suggesting the FY2023-24 expenditure spike was substantially one-time in character.

Revenue Analysis

Property taxes represent the District's largest and most stable revenue source, growing from $152,288 (55.1% of revenues) in FY2017-18 to $220,691 (54.4% of revenues) in FY2023-24 — a 44.9% increase over seven years, representing a compound annual growth rate of approximately 5.4%. Charges for Current Services — primarily the County park maintenance contract — were disrupted by the COVID-19 pandemic, collapsing to only $15,700 in FY2020-21 before recovering strongly to $120,418 in FY2023-24, confirming the renewed County contract is now at or above pre-pandemic levels.

Other Revenues have grown substantially from $14,096 in FY2017-18 to $43,601 in FY2023-24 — a 209% increase — reflecting the District's expanded programs including pickleball, sound bath events, movie nights, and facility rentals. Total revenues grew from $276,438 in FY2017-18 to $405,974 in FY2023-24, an overall increase of 46.9%. Preliminary FY2024-25 data indicates a further and significant revenue increase, with total estimated operating revenues of approximately $476,000 — driven in part by an estimated $77,143 in combined other income (including the July 2024 radio phone-a-thon that raised $33,124) and $22,537 in Community Center revenue. The new five-year Facilities Management Agreement at $126,449 per year commenced in FY2025-26, providing a modest but meaningful increase in that revenue stream beginning in the current fiscal year.

Expenditure Analysis

Services and Supplies expenditures surged to $264,340 in FY2023-24, more than double the $123,245 recorded in FY2022-23. This single line item is primarily responsible for the District's $107,195 deficit in FY2023-24. Preliminary FY2024-25 internal budget data suggests this spike was largely one-time due to

three projects happening all at once: maintenance expenses remained elevated at approximately $43,489, but total operating expenditures moderated relative to FY2023-24 levels. The elevated FY2023-24 figure likely reflects capital project spending on the Outdoor Theater Space ($47,760 in close-out expenditures recorded in FY2024-25 alone), the Bike Park ($10,471 in FY2024-25), and the Bay Street Community Center ($2,438 in FY2024-25), combined with potential deferred maintenance and increased contract service costs. LAFCO should still request itemized documentation from the District to formally close this finding.

Labor costs grew from $197,599 in FY2017-18 to $248,829 in FY2023-24 (+25.9%), remaining relatively stable as a cost driver. Preliminary FY2024-25 data shows personnel costs of approximately $255,703 — a modest 2.8% increase, consistent with cost-of-living adjustments and the minimum wage increases noted by the District in its RFI response. Total expenditures grew from $287,832 in FY2017-18 to $513,169 in FY2023-24, a 77.7% overall increase that significantly outpaced the 46.9% revenue growth over the same period. Preliminary FY2024-25 data suggests total operating expenditures moderated back toward the $436,000–$450,000 range (excluding capital project spending), and that the revenue-expenditure gap is narrowing. This should be confirmed when FY2024-25 SCO data becomes available, expected in late 2025 or early 2026.

Fund Balance and Reserve Position

The District's general fund balance grew from $192,850 at end of FY2017-18 to a peak of $323,806 at end of FY2022-23, driven by accumulated operating surpluses. The FY2023-24 deficit of $107,195 drew the fund balance down to $216,611 — still above the FY2017-18 starting point and adequate for a district of this scale. Based on preliminary FY2024-25 data from the District's internal budget tracking, the fund balance has stabilized at approximately $224,662 as of early March 2026, suggesting the FY2023-24 expenditure spike was largely one-time in character and that the District has returned to a near-breakeven operating position. The District's CPA has advised maintaining a minimum reserve of approximately $70,000 (two months of liabilities). The current fund balance significantly exceeds this threshold. The FY2025-26 budget (Account 9060) projects a net deficit of $145,122, though this figure includes $129,928 in appropriated contingencies that may not be fully expended; actual year-end results will depend on capital project completion timelines and grant draw-downs.

Gann Appropriations Limit

The TPRD's appropriations subject to the Gann Limit are well below the established constitutional ceiling. In FY2023-24, actual appropriations subject to the limit ($202,168) were approximately 51% of the established Gann Limit ($395,970), indicating significant fiscal headroom. No rate restructuring is required or warranted based on Gann Limit considerations.

Fiscal Year	Appropriations Limit	Total Appropriations Subject to Limit	Revenues Under Limit
FY 2018-19	$300,195	$144,200	$155,995
FY 2019-20	$311,306	$168,423	$142,883
FY 2022-23	$379,744	$202,920	$176,824
FY 2023-24	$395,970	$202,168	$193,802

Source: SCO Special Districts Financial Transactions Reports, SD_APPR_LIMIT_SCHEDULE.

Capital Improvement Priorities

The TPRD does not maintain a formal multi-year Capital Improvement Program document. Capital investments are addressed through the annual budget process and grant applications. Key capital priorities include: (1) Outdoor Theater Space — construction completed in 2025, funded by a $177,000 Proposition 68 grant supplemented by $15,000 in community fundraising toward a $250,000 total project cost; free public movies planned every Friday night in summer; additional expenditures of approximately $47,760 were recorded in FY2024-25 for project close-out and finishing; (2) Bike Park — under active development on a 2-acre TPRD-owned parcel at the former Westside Cherry Valley site, with approximately $16,832 expended through FY2024-25 and ongoing funding in the FY2025-26 budget; community-driven development led by Justin Flynn, a Tuolumne-area resident with a mission to provide productive recreational opportunities for local youth; (3) Bay Street Community Center — the District has leased and remodeled a ~2,200 sq ft building on Bay Street as an operational community center, generating $22,537 in revenue in FY2024-25;; and (4) Veterans Memorial Hall roof — which was replaced 6 years ago and is the responsibility of the County should be re-evaluated, as repairs noted in the 2013 MSR may still be pending. Capital projects have historically been funded through operating reserves and state recreational grants, including Proposition 40 grants totaling over $112,000 prior to 2013.

SOI AND RELATED RECOMMENDATIONS

The following recommendations call for specific action from Tuolumne County LAFCO and/or the Tuolumne Park and Recreation District pertaining to the TPRD's sphere of influence (SOI) and boundary considerations.

1. Sphere of Influence — Affirm Current SOI

Tuolumne County LAFCO should proceed to affirm the TPRD's existing sphere of influence as coterminous with its jurisdictional boundaries, including the one-parcel SOI extension for APN 87-010-17 (625± acres, USFS), and defer a more comprehensive SOI update to the next five-year review cycle. The District's current service area, staffing capacity, and financial resources are appropriately matched to its existing 21.3-square-mile boundary.

2. USFS Parcel (APN 87-010-17) — Evaluate Formal Status

The TPRD has maintained the Westside Railroad Grade Trail on APN 87-010-17 (a 625-acre USFS-owned parcel within the SOI but outside District boundaries) for many years without formal annexation. Tuolumne County LAFCO should encourage the TPRD to coordinate with the U.S. Forest Service to clarify the long-term status of this parcel. If a formal land transfer or annexation becomes feasible, LAFCO should stand ready to process a change of organization application.

3. Services and Supplies Expenditure Documentation

Tuolumne County LAFCO should request, as part of the public review of this MSR, that the District provide itemized documentation of the major expenditures comprising the FY2023-24 Services and Supplies total of $264,340 — more than double the prior year. Preliminary FY2024-25 budget data indicates the District’s total operating expenditures moderated relative to FY2023-24 levels, and the fund balance has stabilized at approximately $224,662 as of March 2026, suggesting the FY2023-24 spike was substantially one-time in character. Nonetheless, confirming the specific nature of those expenditures is essential to accurately characterize the District’s long-term financial trajectory and to

document that capital investments such as the Outdoor Theater, Bike Park, and Community Center were properly accounted for.

4. Independent Audit Compliance

Tuolumne County LAFCO should request confirmation that the TPRD is in compliance with Government Code §26909 independent audit or agreed-upon procedures requirements. In its LAFCO RFI response, the District indicated uncertainty about whether it has been submitting audit reports to LAFCO within the required 12-month window. The most recent available audit in LAFCO's possession is for FY2018-19, prepared by Hawks & Associates CPAs, Inc. (issued January 2, 2020), which included a qualified opinion on government-wide financial statements due to inadequate fixed asset records. LAFCO should request copies of all audits from FY2019-20 through the most recently completed fiscal year and, if audits have not been performed, the District should develop a plan to come into compliance within the next fiscal year.

5. Disadvantaged Community Grant Pursuit

Given the Tuolumne community's confirmed DUC status, the TPRD should actively pursue state and federal grant programs that prioritize park access and recreational infrastructure in disadvantaged communities, including California's Prop 68 Per Capita Program, OECD grants targeting underserved communities, and FEMA BRIC grants for community resilience infrastructure. Tuolumne County LAFCO should note the District's DUC status in any future grant letters of support or LAFCO certifications.

6. Shared Facilities and Purchasing Opportunities

More modest cooperation opportunities are available and should be pursued, including: (a) a formal shared-use agreement with Summerville Union High School District or Summerville Elementary School District for use of school athletic facilities during non-school hours; and (b) joint purchasing or shared equipment maintenance arrangements with the Tuolumne Fire Protection District or other area special districts. These arrangements could reduce costs without requiring organizational consolidation.

7. Strategic Plan Development

The TPRD does not currently maintain a formal adopted strategic plan. In its LAFCO RFI response, the District noted that budget creation and mid-year reviews serve as its primary performance management tools. A formal strategic plan would benefit the District by establishing multi-year goals and measurable outcomes, guiding annual budget development, strengthening grant applications, and demonstrating long-term organizational accountability to LAFCO, the public, and potential funders. Comparable California special districts — including the Tuolumne Utilities District, which adopted a Strategic Plan in 2019 and publishes annual progress reports — use strategic plans as a foundational management document. Tuolumne County LAFCO should encourage TPRD to develop and adopt a strategic plan within the next two years, incorporating input from the Board, staff, and the community it serves. Resources available through the California Special Districts Association (CSDA) and the California Association of Parks and Recreation Districts (CAPRD) can assist in this process.

8. ESC Governance Transparency and Financial Disclosure

The TPRD should take the following actions with respect to the Tuolumne Park and Recreation Economic Services Corporation (ESC), which is documented in full in the "Affiliated Nonprofit Corporation" subsection of this MSR:

- GASB Component Unit Evaluation. The District's auditor should evaluate whether the ESC meets the criteria for blended or discrete component unit presentation under GASB Statement No. 14 (as amended by GASB No. 61) based on the ESC's exclusive mission, shared governance, shared address and financial management, and concurrent meeting practice. If the ESC is determined to be a component unit, it should be presented accordingly in future TPRD audited financial statements.
- Regulatory Good Standing. The ESC must maintain current, non-probationary registration with the California Attorney General's Registry of Charitable Trusts and active good standing with the California Secretary of State. The current "Probationary" CA AG registration status, which resulted from the 2023 revocation and reinstatement, should be resolved through timely annual filings. The period of SOS suspension (April 26, 2018–June 21, 2023) and the CA AG revocation period should be reviewed to determine whether any activities conducted during that time require retroactive disclosure.
- Transparency Page Disclosure. The ESC's annual IRS Form 990 or 990-EZ filings and CA AG RRF-1 renewal reports should be posted on TPRD's public District Transparency page, consistent with the transparency expectations that apply to the District itself under Government Code §12463.4 and CSDA's model transparency standards. The ESC's existence, purpose, officers, and relationship to TPRD should be disclosed in a dedicated section of the transparency page.
- Donation Routing Clarification. The District's online donation solicitations (currently via Stripe and Venmo under the TPRD name) do not disclose whether contributions are received by TPRD or by the ESC. Because TPRD is a government agency and not a 501(c)(3) organization, donations received directly by TPRD are not federally tax-deductible charitable contributions. The District should clarify the routing of public donations and, if donations are intended to be tax-deductible, ensure they are routed through the ESC with appropriate acknowledgment language identifying the ESC as the receiving 501(c)(3) organization.
- FPPC Form 700 Disclosure. To the extent TPRD board members serve as ESC officers or directors, the ESC may constitute a "business entity in which an official holds a position" for purposes of FPPC Form 700 disclosure requirements (GC §87206). The District's designated FPPC filing officer should confirm that all affected board members are disclosing their ESC roles appropriately on their Statements of Economic Interests, consistent with TPRD's adopted Conflict of Interest Code and Policy.
- Capital Acquisition Planning. If the ESC is intended to serve as the vehicle for acquiring the Bay Street Community Center building or other capital assets — as suggested by TPRD's stated goal to "purchase this building by December 2026" — any such transaction should be formally approved by both the TPRD Board and the ESC Board, documented in both entities' meeting minutes, and disclosed in TPRD's audited financial statements and SCO Special Districts Financial Transactions Report for the relevant fiscal year.

Note: Tuolumne County LAFCO acknowledges that the Commission's current Chair, John Feriani, is the father of TPRD board member and ESC President Jake Feriani. LAFCO's ability to conduct a fully independent review of this matter should be confirmed by County Counsel consistent with applicable conflict of interest provisions. If a conflict is found to apply, an alternate review arrangement should be established.

MSR AND SOI DETERMINATIONS

Tuolumne County LAFCO is directed to prepare written determinations to address the various governance factors enumerated under Government Code Section 56430 whenever it prepares a municipal service review. These determinations serve as independent statements derived from information collected, analyzed, and presented in this report.

SERVICE PROVISION DETERMINATIONS

1. Population Projections and Growth

Growth and population projections for the affected area. (GC §56430(a))

1-1 The TPRD serves the unincorporated community of Tuolumne and surrounding rural areas. The 2020 U.S. Decennial Census indicates approximately 1,400 residents in the Tuolumne CDP, a decline from approximately 1,865 residents in 2010 — a reduction of approximately 25%.

1-2 The TPRD's full 21.3-square-mile service area is estimated to include approximately 4,000–4,500 residents when rural and semi-rural lands beyond the Tuolumne CDP are considered.

1-3 No significant near-term population growth requiring major facility expansion is anticipated. The primary service challenge is sustaining adequate service levels and financial stability for a stable-to-declining resident population. County-wide, the California Department of Finance (DOF) projects that Tuolumne County's population will decline by approximately 6.3 percent over the next ten years, from 52,932 in 2023 to an estimated 49,681 by 2033 (DOF 2024). The California Department of Transportation (Caltrans) projects a similar average annual decline of approximately 0.4 percent over the next five years, noting that Tuolumne County experienced significant net out-migration in 2022 and has a growing proportion of residents aged 75 and older, with deaths exceeding births (Caltrans 2023).

1-4 The Tuolumne Community Plan's Urban Development Boundary and development guidelines adopted in 2007 remain the applicable planning framework. Significant residential subdivisions noted in the 2013 MSR have not progressed materially. State housing legislation has incrementally expanded opportunities for infill development: SB 299 and SB 1069 (2017) expanded accessory dwelling unit (ADU) provisions for parcels zoned for single- and multi-family residential use. While ADU development in a low-density rural community such as Tuolumne is likely to be modest, any incremental housing growth modestly increases the resident population served by TPRD facilities and should be accounted for in future service planning.

1-5 The Black Oak Casino and associated hotel and conference center facilities remain significant non-residential land uses and visitor generators within the District, creating seasonal and event-driven demand for District facilities beyond the base residential population. In its LAFCO RFI response, the District noted that the Tuolumne Band of Mi Wuk Indians is considering developing property adjacent to park facilities, including approximately 20 to 30 new residential homes and a small commercial space. If realized, this development would modestly increase service demand and could expand the District's tax base if those parcels fall within District boundaries. This development was not confirmed as approved or underway at the time of this MSR preparation, but should be monitored through the next review cycle.

2. Disadvantaged Unincorporated Communities in or Contiguous to SOI

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence. (GC §56430(b))

2-1 The community of Tuolumne has been confirmed as a Disadvantaged Unincorporated Community (DUC) under Government Code §56033.5, §65302.10, and Water Code §79505.5(a). Based on the 2024 ACS 5-Year Estimates (2020–2024), the statewide California median household income is $100,149 and the DUC income threshold (80%) is approximately $80,119. The Tuolumne CDP's estimated median household income of $38,000–$42,000 remains well below this threshold, confirming its continued DUC designation. Tuolumne County's broader median household income of $77,404 also falls below the $80,119 threshold, consistent with CALAFCO's recommended DUC methodology (U.S. Census Bureau 2024).

2-2 No other disadvantaged unincorporated communities are located adjacent to but outside the TPRD's sphere of influence that would warrant an SOI expansion to address service needs.

3. Present and Planned Capacity of Public Facilities

Present and planned capacity of public facilities and adequacy of public services, including infrastructure needs or deficiencies. (GC §56430(c))

3-1 The TPRD owns and/or manages 19 distinct facilities and trail segments within and adjacent to its jurisdictional boundary, providing a comprehensive park and recreation infrastructure for a district of its scale and revenue base.

3-2 The TPRD's facilities are generally adequate for the current service population and are reported to be well-maintained and in good operating condition based on board meeting records and the 2025 Draft MSR V1.

3-3 Capital improvement priorities for the near term include: the completed Outdoor Theater Space at Depot Park (Prop 68-funded, 2025); the Bike Park currently under development on a 2-acre TPRD parcel;

3-4 The FY2023-24 expenditure spike to $513,169 (versus $333,888 in FY2022-23) was driven primarily by Services and Supplies of $264,340. Preliminary FY2024-25 budget data indicates that operating expenditures moderated substantially in FY2024-25 and the fund balance stabilized at approximately $224,662 as of March 2026, suggesting the spike was largely one-time and associated with capital project spending on the Outdoor Theater, Bike Park, and Bay Street Community Center. Documentation from the District confirming the itemized expenditures is still requested to fully close this finding.

3-5 Veterans Memorial Hall roof condition (County responsibility) should be re-evaluated; repairs noted as pending in the 2013 MSR may still be outstanding.

4. Financial Ability to Provide Services

Financial ability of agencies to provide services. (GC §56430(d))

4-1 The TPRD is financially stable. The District maintained a positive general fund balance throughout the review period, ranging from $192,850 in FY2017-18 to a peak of $323,806 in FY2022-23. The FY2023-24 deficit of $107,195 reduced the fund balance to $216,611. Preliminary FY2024-25 internal budget data indicates the fund balance has stabilized at approximately $224,662 as of March 2026, suggesting the FY2023-24 expenditure spike was largely one-time in nature and substantially related to capital project spending on the Outdoor Theater, Bike Park, and Bay Street Community Center.

4-2 Total revenues grew 46.9% from FY2017-18 to FY2023-24 ($276,438 to $405,974), driven primarily by property tax appreciation (44.9%) and growth in program and rental revenues. Preliminary FY2024-25 data indicates a further increase to approximately $476,000, driven by substantial growth in event income, Community Center revenue, and fundraising proceeds.

4-3 Total expenditures grew 77.7% from FY2017-18 to FY2023-24 ($287,832 to $513,169) — significantly outpacing revenue growth of 46.9%. Preliminary FY2024-25 data indicates operating expenditures moderated substantially from the FY2023-24 peak, suggesting the imbalance was substantially one-time rather than structural. This should be confirmed when FY2024-25 SCO data is published.

4-4 Property taxes represent approximately 54.4% of total revenues and provide a stable revenue baseline. The District does not levy any special assessments, parcel taxes, or carry any long-term bonded debt.

4-5 The TPRD's Gann Appropriations Limit is not a binding constraint. Actual appropriations subject to the limit ($202,168) were approximately 51% of the established limit ($395,970) in FY2023-24, providing substantial fiscal headroom.

4-6 The District's LAFCO RFI response indicated uncertainty about whether audit reports have been submitted to LAFCO within the 12-month statutory window. The most recent audit provided to LAFCO is for FY2018-19 (Hawks & Associates CPAs, Inc., issued January 2, 2020), which rendered a qualified opinion on government-wide financial statements due to inadequate fixed asset accounting records. The District reported in its RFI that it performs annual audits and that it "certainly can" provide them to LAFCO at any time. LAFCO should request copies of all audits from FY2019-20 forward and establish a protocol for timely receipt of future audits per Government Code §26909.

5. Opportunities for Shared Facilities

Status of, and opportunities for, shared facilities. (GC §56430(e))

5-1 The TPRD's primary facility-sharing arrangement is the long-standing Facilities Management Agreement with the County of Tuolumne, renewed for a new five-year term in September 2025 at $126,449 (year one), following a brief period of uncertainty in which the Board of Supervisors initially voted to end the arrangement before reversing course. TPRD's scope under the new agreement was expanded to include the Tuolumne Community Resilience Center. This arrangement remains cost-effective for both parties.

5-2 No formal shared-use agreements with Summerville Union High School District or Summerville Elementary School District are currently in place. Such agreements could expand recreational programming options for the TPRD at low incremental cost and should be explored.

5-3 The TPRD does not currently share personnel, equipment, or administrative services with other Tuolumne-area special districts. Modest joint purchasing or shared equipment maintenance arrangements could reduce costs without requiring organizational consolidation.

6. Accountability for Community Service Needs

Accountability for community service needs, including government structure and operational efficiencies. (GC §56430(f))

6-1 The TPRD maintains a robust public engagement program through its website (tuolumnerecreation.specialdistrict.org, also at www.tuolumnerecreation.com), social media presence (Facebook, 1,700+ likes; Instagram), monthly board meetings open to the public, and an extensive calendar of community events.

6-2 Board meetings are held regularly, are open to the public, and are advertised in compliance with the Ralph M. Brown Act (GC §54950 et seq.). Agendas and minutes are posted online; audio recordings of selected meetings are publicly accessible. Senate Bill 707 (effective January 2026) updated the Brown Act with new teleconferencing rules, standardized notice requirements for special and emergency meetings, and a requirement that copies of the Brown Act be distributed

to all new governing body members. The District is encouraged to confirm its practices are current with SB 707 requirements.

6-3 The District's website includes a posted Public Records Request policy, District Transparency report link, and Website Accessibility Statement, consistent with Government Code §12463.4 and related statutory transparency requirements. With the passage of SB 929 in 2018, all special districts are required to establish and maintain a website with specific information and accessibility requirements. Additionally, per Americans with Disabilities Act (ADA) requirements, updated federal accessibility standards for state and local government agency websites went into effect July 1, 2024, and were further updated in 2025. The District is encouraged to confirm its website meets current accessibility standards under SB 929 and the updated ADA requirements.

6-4 Community event programming (Concerts in the Park, Halloween Parade, Christmas Parade, Easter Egg Hunt, sound baths, pickleball, bingo nights including the Winter Wonderland Bingo series, outdoor movie nights, the Annual Car Show and Outdoor Market, and others) remains a distinctive strength of the TPRD, fulfilling its recreational mission in ways that extend beyond physical park maintenance.

6-5 The TPRD maintains an affiliated California nonprofit public benefit corporation, the Tuolumne Park and Recreation Economic Services Corporation (ESC; CA SOS Entity No. 2004540; EIN 77-0462147; CA AG CT File No. 106221), incorporated March 19, 1997. The ESC shares TPRD's address, is managed by TPRD staff, and holds governance meetings concurrent with TPRD board meetings. The ESC's stated purpose is to support TPRD in the creation, development, financing, construction, acquisition, management, and equipping of public services. Based on the most recently available Form 990-EZ (FY2021), the ESC is financially dormant — holding $2,351 in net assets — with its only programmatic activity consisting of $500 in annual scholarships. Two TPRD board members (Jake Feriani and Aaron Rasmussen) served as ESC officers during that period, and the ESC's books are maintained by Finance Manager Kelly Bunnell. The ESC's CA AG Registry status is currently "Current — Probationary Registration" following revocation and reinstatement in 2023. The ESC has not been disclosed as a component unit or related organization in TPRD's audited financial statements reviewed for this MSR. LAFCO recommends that the District's auditor evaluate whether GASB component unit disclosure is required, and that the ESC's annual filings and financial reports be made publicly available alongside TPRD's transparency documents.

7. Any Other Matter Related to Effective or Efficient Service Delivery

Any other matter related to effective or efficient service delivery, as required by LAFCO policy. (GC §56430(g))

7-1 The September 2023 TPRD board vote (3-2) to rescind the 2020 joint resolution with TCSD to consolidate into a new Tuolumne Community Services District forecloses organizational merger in the near term. LAFCO does not recommend revisiting consolidation unless both agencies independently bring forward such a proposal in a future MSR cycle.

7-2 No other matters related to effective or efficient service delivery as required by LAFCO policy were identified in the preparation of this MSR. However, the following items are noted for the District's attention: (a) the TPRD does not have a formal adopted Strategic Plan; LAFCO encourages the District to develop one within the next two fiscal years to guide multi-year goal-setting, budget development, and grant applications; (b) Senate Bill 707, which took effect in January 2026, updated the Ralph M. Brown Act with new teleconferencing, notice, and training requirements — the District should review and incorporate applicable provisions; and (c) updated ADA website accessibility standards for local government agencies that took effect July 1, 2024,

and SB 929 (2018) website requirements should be reviewed to ensure the District's web presence remains compliant.

SPHERE OF INFLUENCE DETERMINATIONS

1. Present and Planned Land Uses

The present and planned land uses in the area, including agricultural and open space lands. (GC §56425(e)(1))

SOI-1 Land within the TPRD's sphere of influence consists primarily of single-family residential uses, with significant community facilities, commercial uses along Tuolumne Road, agricultural lands, and U.S. Forest Service holdings at the perimeter. The update to affirm the sphere — including the existing one-parcel SOI extension for APN 87-010-17 — supports these present and planned land uses.

2. Present and Probable Need for Public Facilities and Services

The present and probable need for public facilities and services in the area. (GC §56425(e)(2))

SOI-2 The TPRD's sphere of influence demarks the District's current and probable future boundary and service area. Given the stable-to-declining residential population and modest development pressure, no expansion of the SOI is warranted at this time. The update to affirm the existing SOI supports present and probable future service needs.

3. Present Capacity and Adequacy of Public Facilities

The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide. (GC §56425(e)(3))

SOI-3 The TPRD has sufficient facilities and programmatic infrastructure to continue providing park and recreation services to its residents now and in the near future. The District's 19 managed facilities, extensive community programming calendar, and active capital improvement initiatives support the adequacy of service delivery within the existing SOI.

4. Presence of Social or Economic Communities of Interest

The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. (GC §56425(e)(4))

SOI-4 The TPRD's sphere of influence appropriately reflects the existing and relevant social and economic communities of interest. The Tuolumne community — including its rural residential character, the Black Oak Casino and resort complex, and the surrounding foothills landscape — constitutes a coherent community of interest. The update to affirm the existing SOI supports these communities of interest.

5. Present and Probable Need for Public Facilities of Disadvantaged Unincorporated Communities

The present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence. (GC §56425(e)(5))

SOI-5-1 The Tuolumne community has been confirmed as a Disadvantaged Unincorporated Community. The TPRD's entire service area is within the District's jurisdictional boundary and SOI. The TPRD provides the full range of park and recreation services to this community at minimal cost, with core park facilities open at no charge and most programmatic offerings at low cost.

SOI-5-2 The TPRD does not provide sewers, municipal or industrial water, or structural fire protection services. Other agencies (Tuolumne City Sanitary District, Tuolumne Utilities District, Tuolumne Fire Protection District) provide these services within the DUC area.

SOI-5-3 The TPRD should be encouraged to continue applying for state and federal grants specifically targeting park access and recreational infrastructure in disadvantaged communities, and Tuolumne County LAFCO should support the District's grant applications as applicable.

REFERENCES

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APPENDIX A — OPEN GOVERNMENT RESOURCES

The following resources provide guidance on open government laws and standards applicable to the TPRD Board of Directors and staff. Consistent with the TUD MSR (2026), Tuolumne County LAFCO recommends that TPRD Board members familiarize themselves with these resources as part of ongoing governance and ethics training obligations.

- **Ralph M. Brown Act (GC §54950 et seq.)** — governs open and public meetings of local legislative bodies. Updated by SB 707 (effective January 2026). leginfo.legislature.ca.gov.

- **California Public Records Act (GC §7920 et seq.)** — governs public access to government records. Effective January 1, 2023 (recodified). oag.ca.gov/government/cpra.
- **Political Reform Act / FPPC Form 700 (GC §87200)** — requires elected officials to file annual Statements of Economic Interests. fppc.ca.gov.
- **AB 1234 Ethics Training (GC §53235)** — requires two hours of public service ethics training at least once every two years for officials receiving compensation or reimbursement. csda.net/education.
- **SB 929 / Website Accessibility (GC §53087.5)** — requires special districts to maintain public websites with specific content and accessibility standards. Updated ADA standards for government websites took effect July 1, 2024. ada.gov.
- **Special District Leadership Foundation (SDLF)** — provides governance education, accreditation, and transparency certification programs for California special districts. sdlf.org.
- **California Special Districts Association (CSDA)** — provides training, resources, and advocacy for California special districts. csda.net.