MONTEREY PENINSULA REGIONAL PARK DISTRICT

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2022

MONTEREY PENINSULA REGIONAL PARK DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

MONTEREY PENINSULA REGIONAL PARK DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BOARD OF DIRECTORS
YEAR ENDED JUNE 30, 2022

NAME	OFFICE	TERM EXPIRES
Monta Potter	President	December 31, 2022
Kathleen Lee	Vice President	December 31, 2022
Kevin Raskoff	Secretary/Treasurer	December 31, 2022
Shane Anderson	Director	December 31, 2024
Kelly Sorenson	Director	December 31, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Monterey Peninsula Regional Park District
Monterey, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Monterey Peninsula Regional Park District (the District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of a Matter

Change in Accounting Principle
As described in Note 1F to the financial statements, effective July 1, 2021, the District adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

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 Monterey Peninsula Regional Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Monterey Peninsula Regional Park District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Monterey Peninsula Regional Park District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability and the schedule of contributions for the CalPERS pension plans, the schedule of changes in net pension liability and related ratios and the schedule for contributions for the PARS pension plan, the schedule of changes in the net OPEB liability and related ratios and the budgetary comparison schedule by department - 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
January 27, 2023

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This section of Monterey Peninsula Regional Park District's (or, the District) annual financial report presents Management's Discussion and Analysis (MD&A) of the District's financial performance during Fiscal Year 2021-22 which ended June 30, 2022. Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements. Comparisons to and analysis of the prior year are incorporated where appropriate.

FINANCIAL HIGHLIGHTS

- The District's net position increased by $6,128,176 for the year ended June 30, 2022 from $94,912,229 as of June 30, 2021, to $101,040,405, as of June 30, 2022.
- The District's total general revenues were $7,242,985, program revenues were $40,976 and total expenses were $1,155,785 for the Fiscal Year 2021-22.
- The District has adopted Governmental Accounting Standards Board (GASB) Statement 87, Leases, during the fiscal year ended June 30, 2022 which added a lease receivable balance and a deferred inflow of resources balance to the statement of net position.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District has chosen to present its basic financial statements using the reporting model for special-purpose governments engaged only in a single governmental program. This model allows the fund financial statements and the government-wide financial statements to be combined. The effect of internal activity between funds or groups of funds has been eliminated from these financial statements. The financial statements include: a Statement of Net Position; Statement of Activities; Balance Sheet – Governmental Fund; Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position; Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund; Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities; Notes to Basic Financial Statements; an Independent Auditors' Report thereon; a Budgetary Comparison Statement by Department – General Fund; and, this MD&A. Readers of these financial statements are encouraged to consider the report as a whole to obtain a complete understanding of the District's financial condition.

The Statement of Net Position is a report of the District's assets, deferred outflow of resources, liabilities, deferred inflows of resources and net position. Assets and liabilities are reported at book value on an accrual basis as of the statement date. Net position is reported in major categories reflecting any restriction thereon.

The Statement of Activities presents the District's revenues earned and expenses incurred during the year on an accrual basis.

COMPARATIVE ANALYSIS

Statement of Net Position

A comparative summary of the District's Statement of Net Position as of June 30, 2022 and 2021, respectively, is as follows:

	2022	2021
ASSETS		
Cash	$ 3,178,197	$ 932,838
Investments	18,342,127	17,821,023
Accounts receivables	77,266	65,795
Lease receivable	3,463,485	-
Net pension assets	1,696,564	95,430
Net OPEB asset	1,068,859	-
Capital assets	77,555,096	76,390,288
Total assets	105,381,594	95,305,374
DEFERRED OUTFLOWS		
Deferred amounts on pensions	2,026,258	2,973,945
Deferred amounts on OPEB	9,328	138,141
Total deferred outflows	2,035,586	3,112,086
LIABILITIES		
Current	1,502,746	394,127
Current portion of long-term debt	87,914	92,708
Long-term liabilities	58,151	62,019
Net Pension liability	18,805	2,469,890
Net OPEB Liability	-	312,156
Total liabilities	1,667,616	3,330,900
DEFERRED INFLOWS		
Deferred amounts on pensions	190,253	130,710
Deferred amounts on OPEB	1,100,413	43,621
Deferred amounts on lease	3,418,493	-
Total deferred inflows	4,709,159	174,331
NET POSITION		
Net investment in capital assets	77,105,719	76,390,288
Restricted for:		
Purchase of coastal property	2,501,997	2,519,146
Pensions	2,765,423	95,430
Unrestricted	18,667,266	15,907,365
Total net position	$101,040,405	$94,912,229

MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Net position increased by $6,128,176 over the prior year primarily from property tax, CFD revenues received, COVID relief funds received from the State, and increased rent revenue, which were used to acquire capital assets.

CAPITAL ASSETS

As of June 30, 2022, the District's capital assets totaled $77,555,096 which is an increase of $1,164,808, over the capital asset balance at June 30, 2021, of $76,390,288. The change is primarily due to the acquisition of vehicles and equipment, as well as land improvements.

LONG-TERM DEBT

As of June 30, 2022, the District had $76,956 in outstanding long-term liabilities compared to $2,844,065 at June 30, 2021. The decrease is primarily due to reduced pension and OPEB liabilities.

Statement of Activities

A comparative summary of the District's Statement of Activities for the years ended June 30, 2022 and 2021, respectively, is as follows:

	2022	2021
GENERAL REVENUES		
Property taxes	$4,846,809	$4,690,007
Special taxes and assessments	1,288,833	1,264,476
Intergovernmental revenue	1,059,975	-
Rent	175,574	91,764
Investment earnings (loss)	(323,312)	63,032
Donations, fees and other charges	195,106	104,106
Total general revenues	7,242,985	6,213,385
PROGRAM REVENUES		
Operating Contributions and Grants	40,976	-
EXPENSES		
Operations and maintenance	(112,207)	1,547,104
General and administrative	214,207	1,311,480
Education and outreach	(97,501)	456,703
Planning and conservation management	427,968	915,262
Assessment district	723,318	241,999
Total expenses	1,155,785	4,472,548
Change in net position	$6,128,176	$1,740,837

MAJOR FACTORS AFFECTING THE STATEMENT OF ACTIVITIES

The District collected property taxes of $4,846,809; special tax and assessment revenues of $1,288,833; one-time intergovernmental revenue of $1,059,975 for COVID pandemic relief, grants of $40,976, and other income of $47,368; and incurred expenses of $1,155,785 that resulted in changes in net position of $6,128,176 for the year ended June 30, 2022. Of particular note is the change in investment earnings (loss) that resulted from the inflationary market conditions on investments that was in existence as of June 30, 2022. The District recognized an unrealized loss of $ 461,667 in 2022 as a result. In addition, current year expenses are significantly lower (and even negative for some functional categories) than the prior year due to the recognition and allocation of an estimated pension credit of $2,833,707 that resulted from the difference in estimated investment earnings and actual investment earnings and the District's additional contributions made towards the unfunded pension liability for the measurement year ended June 30, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget compared to final budget. During the year, there was no need for any amendments to increase either the original estimated revenues or original budgeted appropriations.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

Revenue Source	Estimated revenues	Actual Revenues	Difference
Grants	$ 1,199,800	$ 40,976	$ (1,158,824)

The shortfall in the above revenue source was due to not receiving anticipated grants during the current year as well as deferring revenue related to a grant contingent on a future event that was received.

FACTORS AFFECTING FUTURE PERIODS AND OTHER ISSUES

Significant factors noted by management affecting future periods are as follows:

The District implemented GASB 87 (See Note 3 in the Notes to Basic Financial Statements) as required for lease accounting in FY21-22 and will continue to do so in future periods. GASB 87, as defined by the Governmental Accounting Standards Board, explains these new requirements objective as:

"The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments leasing activities."

The Environmental Education and Community Outreach (EECO) program continues to develop school and public programs, activities, and volunteer endeavors. Moving towards in-person programing, the EECO Division continues to invest staff resources in the development of online and mobile educational programs and events. To remain connected with the community, outreach includes two seasons of the LGO! Guide: Winter 2022 and Spring/Summer 2023. Staff is working on the annual CA Wildlife Day event, which is anticipated to draw 600-800 participants to the Palo Corona Regional Park property in March of 2023. In cooperation with other local agencies and organizations, the District's aim is to offer a variety of environmental education and outdoor recreation programs to residents. It is also developing temporary and permanent exhibits for display at the Garland Ranch Regional Park Visitor Center and the Palo Coronal Regional Park Discovery Center. The District is in the process of developing a comprehensive interpretive master plan. This plan will guide the development of individual park site master and management plans.

FACTORS AFFECTING FUTURE PERIODS AND OTHER ISSUES (CONTINUED)

The District continues to explore the acquisition of open space, particularly as it relates to the expansion of existing parks and preserves in parts of the District where the District may be under-represented or where it may help expand or enhance recreational, environmental education, and natural and cultural resource protection opportunities.

The District is actively working to meet the Goals and Objectives developed in the 2021- 2025 Strategic Plan, to guide the next three-year period.

The District will endeavor to enhance K-12 student access to programs, parks, and open spaces. Subject to availability of funding, it will provide transportation grants to schools within MPRPD's boundaries for student participation at MPRPD's properties and collaborators' sites. The District will work with the Community Foundation of Monterey County to establish the transportation fund.

In addition, the District will work with the Community Foundation of Monterey County to establish the LGO! Fund, for charitable donations that will help fund important District and community goals.

The District continues to fund other postemployment health care benefits (OPEB) for its retirees through the California Employer's Retiree Benefit Trust (Trust) prefunding program.

The District paid off its entire unfunded pension liability in FY20-21 and will continue to monitor annually in an effort to keep this paid in full.

The District is continuing to aggressively search and apply for grants and other revenue generating opportunities. To meet this Strategic Plan Goal, the District is working with a grant writing consultant.

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Monterey Peninsula Regional Park District's finances to all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Monterey Peninsula Regional Park District, Attn: Finance Manager, P.O. Box 223340, Carmel, CA 93922.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash	$ 3,178,197
Investments	18,342,127
Accounts Receivable	77,266
Lease Receivable, Current	68,309
Noncurrent Assets:	
Lease Receivable, Noncurrent	3,395,176
Net Pension Asset	1,696,564
Net OPEB Asset	1,068,859
Capital Assets, Not Being Depreciated	68,519,632
Capital Assets, Net of Depreciation	9,035,464
Total Assets	105,381,594
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts on Pensions	2,026,258
Deferred Amounts on OPEB	9,328
Total Deferred Outflows of Resources	2,035,586
LIABILITIES	
Accounts Payable	659,749
Accrued Payroll	191,451
Security Deposits	27,200
Unearned Revenue	624,346
Noncurrent Liabilities:	
Compensated Absences, Due Within One Year	87,914
Compensated Absences, Due in More Than One Year	58,151
Net Pension Liability	18,805
Total Liabilities	1,667,616
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts on Pensions	190,253
Deferred Amounts on OPEB	1,100,413
Deferred Amounts on Lease	3,418,493
Total Deferred Inflows of Resources	4,709,159
NET POSITION	
Net Investment in Capital Assets	77,105,719
Restricted for Purchase of Coastal Property	2,501,997
Restricted for Retirement Benefits	2,765,423
Unrestricted	18,667,266
Total Net Position	$ 101,040,405

See accompanying Notes to Basic Financial Statements.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Operations and Maintenance	$ (112,207)	$ -	$ -	$ -	$ 112,207
General and Administrative	214,207	-	-	-	(214,207)
Education and Outreach	(97,501)	-	-	-	97,501
Planning and Conservation	427,968	-	-	-	(427,968)
Assessment District	723,318	-	40,976	-	(682,342)
Total Governmental Activities	$ 1,155,785	$ -	$ 40,976	$ -	(1,114,809)
GENERAL REVENUES					
Property Taxes					4,846,809
Special Taxes and Assessments					1,288,833
Intergovernmental Revenue					1,059,975
Investment Earnings (Loss)					(323,312)
Rent					175,574
Other Revenues					195,106
Total General Revenues					7,242,985
CHANGE IN NET POSITION					6,128,176
Net Position - Beginning of Year					94,912,229
NET POSITION - END OF YEAR					$ 101,040,405

See accompanying Notes to Basic Financial Statements.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BALANCE SHEET – GOVERNMENTAL FUND
JUNE 30, 2022

	General Fund
ASSETS	
Cash	$ 3,178,197
Investments	18,342,127
Receivables:	
Lease	3,463,485
Administrative Fee	5,825
Interest	211
Other	71,230
Total Assets	$ 25,061,075
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE	
LIABILITIES	
Accounts Payable	$ 659,749
Accrued Payroll	191,451
Security Deposits	27,200
Unearned Revenue	624,346
Total Liabilities	1,502,746
DEFERRED INFLOW OF RESOURCES	
Deferred Inflow Related to Leases	3,418,493
FUND BALANCE	
Nonspendable	44,992
Restricted:	
Purchase of Coastal Property	2,501,997
Unassigned	17,592,847
Total Fund Balance	20,139,836
Total Liabilities, Deferred Inflow of Resources, and Fund Balance	$ 25,061,075

See accompanying Notes to Basic Financial Statements.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund Balances - Total Governmental Fund	$ 20,139,836
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in the governmental fund activity.	77,555,096
Long-term liabilities do not consume resources to pay for current period expenditures and, therefore, are not reported in the governmental fund. Long-term liabilities consist of the following:	
Compensated Absences	(146,065)
Net Pension Liability	(18,805)
Long-term assets are not available to pay for current period expenditures of the governmental fund and, therefore, are not reported as assets in the governmental fund:	
Net Pension Asset	1,696,564
Net OPEB Asset	1,068,859
Items related to pensions and OPEB:	
Deferred Outflows Related to Pensions	2,026,258
Deferred Outflows Related to OPEB	9,328
Deferred Inflows Related to Pensions	(190,253)
Deferred Inflows to OPEB	(1,100,413)
Net Position of Governmental Activities	$ 101,040,405

See accompanying Notes to Basic Financial Statements.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2022

	General Fund
REVENUES	
Property Taxes	$ 4,846,809
Special Taxes and Assessments	1,288,833
Intergovernmental Revenues	1,059,975
Grants	40,976
Investment Earnings (Loss)	(323,312)
Donations, Fees, and Other Charges	2,720
Rent	175,574
Other Revenue	192,386
Total Revenues	7,283,961
EXPENDITURES	
Current:	
General and Administrative	1,172,024
Operations and Maintenance	1,241,659
Education and Outreach	574,397
Assessment District	2,084,927
Planning and Conservation Management	496,647
Total Expenditures	5,569,654
NET CHANGE IN FUND BALANCE	1,714,307
Fund Balance - Beginning of Year	18,425,529
FUND BALANCE - END OF YEAR	$ 20,139,836

See accompanying Notes to Basic Financial Statements.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balance - Total Governmental Fund	$	1,714,307
Amounts reported for governmental activities in the Statement of Activities are different because:		
The governmental fund reports capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital Outlay		1,459,823
Depreciation		(295,015)
Changes to the net pension asset and liability (due to differences in actual activity as compared to actuarial assumptions) are reported as expenses in the statement of activities but do not require the use of current financial resources and, therefore, are excluded from governmental fund expenditures.		3,044,989
Changes to the net OPEB liability/asset (due to differences in actual activity as compared to actuarial assumptions) are reported as expenses in the statement of activities but do not require the use of current financial resources and, therefore, are excluded from governmental fund expenditures.		195,410
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.		8,662
Change in Net Position of Governmental Activities	$	6,128,176

See accompanying Notes to Basic Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Monterey Peninsula Regional Park District (the District) was created in 1972 by a local voter initiative with the primary purpose of protecting and preserving open space and historical lands within Monterey County and adjacent areas. The District acquires lands through purchases, donation, and joint partnership with other agencies and nonprofit organizations. The District is supported primarily through revenues from property taxes, donor contributions and grants from governmental agencies. Since 1972, the District has acquired and helped acquire over 20,000 acres of land, parks and preserves.

On June 6, 2016, the District established Community Facilities District No. 2016-01 (Parks. Open Space and Coastal Preservation) (CFD No. 2016-01) under the Mello-Roos Community Facilities Act of 1982 in order to finance the acquisition, maintenance, improvement, servicing, protection, and preservation of parks, open space, coastal lands and facilities owned or managed by the District within the CFD No. 2016-01. The CFD No. 2016-01 is a blended component unit of the District since it has a common governing board and provides a financial benefit to the District. As a result, the activities of CFD No. 2016-01 are included as part of the financial reporting of the District.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Government-Wide and Fund Financial Statements

<u>Government-Wide Financial Statements</u>

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures, or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The fund financial statements provide information about the District's funds. Separate financial statements for the District's governmental fund are presented after the government-wide financial statements. These statements display information about the major fund individually. The District reports the following major governmental fund:

The General Fund is used to account for all financial activity in the District except for that which is required to be accounted for in other funds.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations are reported in the government-wide financial statements. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes and special taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund financial statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Measurable means that amounts can be estimated, or otherwise determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Property taxes, special taxes and assessments, rental income, charges for services, and investment earnings associated with the current fiscal period are all considered to be measurable and available and have been recognized as revenues of the current fiscal period. All other revenue items are recorded as revenue when cash is received by the District.

D. Investments

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All investment earnings, including changes in the fair value of investments, are recognized as revenue in the operating statement.

E. Capital Assets

Capital assets, which include land, buildings, improvements and machinery and equipment, are reported in the Government-Wide Financial Statements. Capital assets are defined by the District as an individual cost $5,000 or more and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated or annexed capital assets are recorded at acquisition value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation is recorded in the Government-Wide Financial Statements on a straight-line basis over the estimated useful life of the assets as follows:

Building and Improvements	50 Years
Equipment	7 to 10 Years

Land and construction in progress are not depreciated.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Leases

The District adopted the requirements of Governmental Accounting Standards Board Statement No. 87, *Leases*, effective July 1, 2021. This standard requires the recognition of certain lease assets and liabilities that were previously classified as operating leases. The implementation of this guidance did not result in any restatement of net position or fund balance.

The District is a lessor for a noncancellable lease of land and building. The District recognizes a lease receivable and a deferred inflow of resources in the statement of net position and in the governmental fund balance sheet. At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) the lease term, and (3) the lease receipts.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

G. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. Deferred outflows of resources represent 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 categories of deferred outflows of resources reported in the statement of net position relate to pensions and other postemployment benefits which are more fully discussed in Notes 6, 7, and 9.

In addition to liabilities, the statement of net position and the governmental fund balance sheet include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The categories of deferred outflows of resources reported in the statement of net position related to pensions and other postemployment benefits are more fully discussed in Notes 6, 7, and 9. The statement of net position and governmental fund balance sheet also report a deferred inflow of resources related to leases which is more fully discussed in Note 1F.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

Compensated absences (vacation, compensatory time off, and sick leave) are reported as expenditures in the general fund when paid. Any remaining unpaid liability at year-end is recorded on the statement of net position since such obligation is not payable with currently available financial resources and paid by resources in the District's General Fund.

District employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination, retirement, or death. Accumulated vacation pay to a maximum of twice the annual accrual rate of an employee may be paid upon termination of employment. Accumulated sick pay is not paid at termination.

I. Property and Special Taxes

Property taxes are levied by Monterey County on January 1 and are payable in two installments on April 10 and December 10. Monterey County bills and collects the property taxes. Property tax revenues are recognized when levied to the extent they result in current receivables.

The County assesses properties and bills for and collects property tax as follows:

	Secured	Unsecured
Valuation/Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 (December 10)	March 1 (August 31)
(Delinquent as of)	50% on February 1 (April 10)	

The term "unsecured" refers to taxes on personal property other than land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within 60 days after fiscal year-end.

CFD No. 2016-01 special taxes are levied annually by the District. Monterey County bills and collects the special tax concurrently with the property taxes based on the time frames described above.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted 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 District's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied (if eligible).

K. Net Position

In the government-wide financial statements, net position may be classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, laws, or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position" as defined above.

L. Fund Balances

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws, or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Balances (Continued)

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body through council resolutions, etc., and that remain binding unless removed in the same manner. The Board of Directors is considered the highest authority for the District.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The Board of Directors has the authority to assign fund balance.

Unassigned – This category is for any balances that have no restrictions placed upon them.

M. Spending Policy

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the District's policy is to apply in the following order:

- Restricted
- Committed
- Assigned
- Unassigned

N. Pensions and OPEB

<u>Pensions</u>
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 District's California Public Employees' Retirement System (CalPERS) and the Public Agency Retirement System (PARS) plans (collectively, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Pensions and OPEB (Continued)

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB Plan and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the District's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

NOTE 2 CASH AND INVESTMENTS

Cash and Investments

Cash and investments consist of deposits and investments, as noted below:

Deposits with Financial Institutions	$ 3,178,197
Investments	18,342,127
Total Cash and Investments	$ 21,520,324

The District has adopted an investment policy which authorizes it to invest in various investments.

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

The District's Investment Policy is reviewed and adopted by the Board of Directors each year. Investment vehicles not specifically mentioned in the District's investment policy, are not authorized unless the policy is amended by the Board of Directors. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the California Government Code and the District's Investment Policy (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
United States Treasury Issues	5 Years	None	None
United States Government Sponsored Agency Securities	5 Years	None	50%
Banker's Acceptance	180 Days	None	30%
Certificates of Deposit	5 Years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	N/A
California Pooled Investment Authority	None	None	None
The Investment Trust of California (CalTRUST)	N/A	None	None
Money Market Mutual Funds	N/A	None	10%

N/A - Not Applicable

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022.

Investment Type	Remaining Maturity (in Months) Less Than 12 Months
CalTRUST Investment Pool	$ 18,229,247
LAIF	112,880
Total	$ 18,342,127

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented in the following table are the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements and the actual Standard & Poor's credit rating as of June 30, 2022, for each investment type.

Investment Type	Minimum Legal Rating	Total	Not Rated	Aaf	AA-f
CalTRUST Investment Pool	N/A	$ 18,229,247	$ -	$ 7,107,912	$ 11,121,335
LAIF	N/A	112,880	112,880	-	-
Total		$ 18,342,127	$ 112,880	$ 7,107,912	$ 11,121,335

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and CalTRUST Investment Pool).

The California Government Code and the District'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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022, all of the District's deposits with financial institutions were either covered by federal depository insurance limits or were held in collateralized accounts.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in CalTRUST Investment Pool

CalTRUST is a Joint Powers Agency Authority created by local public agencies to provide a convenient method for local public agencies to pool their assets for investment purposes. CalTRUST is governed by a Board of Trustees made up of experienced local agency treasurers and investment officers. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. CalTRUST maintains and administers four pooled accounts within the program: Money Market, Short-Term, Medium-Term, and Long-Term. The Money Market account permits daily transactions, with same-day liquidity (provided redemption requests are received by 1:00 p.m. Pacific time), with no limit on the amount of funds that may be invested. The Short-Term account permits an unlimited number of transactions per month (with prior day notice), with no limit on the amount of funds that may be invested. The Medium- and Long-Term accounts permit investments, withdrawals, and transfers once per month, with five days advance notice. The District has invested in the Short-Term and Medium-Term funds. All CalTRUST accounts comply with the limits and restrictions placed on local agency investments by the California Government Code. CalTRUST imposes a $250,000 minimum investment; however, there is no maximum limit. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's percentage interest of the fair value provided by CalTRUST for the CalTRUST accounts (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CalTRUST.

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The District's investments are in LAIF and CalTRUST, which are not subject to the fair value hierarchy.

NOTE 3 LEASE RECEIVABLE

The District, acting as lessor, leases land, building and structures under a long-term, noncancellable lease agreement. The lease expires December 31, 2031 with lessee having the option to extend the terms for two consecutive extension terms of five years each. During the year ended June 30, 2022, the District recognized $87,654 and $43,471 in lease revenue and interest revenue respectively, pursuant to this lease agreement.

The lease provides for increases in future minimum annual rent payments, subject to certain minimum increases.

NOTE 4 CAPITAL ASSETS

The following is a summary of capital assets for governmental activities for the year ended June 30, 2022:

Governmental Activities

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022
Capital Assets, Not Depreciated:				
Land and Improvements	$ 66,851,245	$ -	$ -	$ 66,851,245
Construction in Progress	806,325	1,264,082	(402,020)	1,668,387
Total Capital Assets, Not Depreciated	67,657,570	1,264,082	(402,020)	68,519,632
Capital Assets, Being Depreciated:				
Buildings and Improvements	9,336,643	550,688	-	9,887,331
Equipment	1,383,891	47,073	(98,175)	1,332,789
Total Capital Assets, Being Depreciated	10,720,534	597,761	(98,175)	11,220,120
Less Accumulated Depreciation for:				
Buildings and Improvements	(1,126,264)	(188,790)	-	(1,315,054)
Equipment	(861,552)	(106,225)	98,175	(869,602)
Total Accumulated Depreciation	(1,987,816)	(295,015)	98,175	(2,184,656)
Total Capital Assets, Being Depreciated, Net	8,732,718	302,746	-	9,035,464
Capital Assets, Net	$ 76,390,288	$ 1,566,828	$ (402,020)	$ 77,555,096

NOTE 4 CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

General and Administrative	$ 85,111
Operations Maintenance	208,205
Education and Outreach	1,699
Total Depreciation Expense - Governmental Activities	$ 295,015

NOTE 5 LONG-TERM LIABILITIES

The following is a summary of changes in the District's long-term liabilities for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 154,727	$ 87,914	$ (96,576)	$ 146,065	$ 87,914
Total Governmental Activities	$ 154,727	$ 87,914	$ (96,576)	$ 146,065	$ 87,914

Compensated Absences

The District employees accumulate earned but unused vacation benefits, which can be converted to cash at termination of employment.

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)

A. General Information About the Pension Plan

Plan Description

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

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

A. General Information About the Pension Plans (Continued)

Benefits Provided

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

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 67	52 - 67
Monthly Benefits, as a Percent of Eligible Compensation	2.0% to 2.7%	1.0% to 2.5%
Required Employee Contribution Rates	8%	7.25%
Required Employer Contribution Rates:		
Normal Cost Rate	15.02%	7.70%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the year ended June 30, 2022, the District made contributions to the plan totaling $180,370.

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

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

As of June 30, 2022, the District reported a net pension asset for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Asset
Miscellaneous	$ 1,696,564

The District's net pension asset is measured as the proportionate share of the net pension liability. The net pension asset is measured as of June 30, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of the measurement dates ended June 30, 2021 and 2020 was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.05855%
Proportion - June 30, 2021	-0.08935%
Change - Increase (Decrease)	-0.14790%

For the year ended June 30, 2022, the District recognized pension income of $2,833,707. At June 30, 2022, the District 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	$ 180,370	$ -
Differences Between Expected and Actual Experience	-	(190,253)
Change in Employer's Proportion and Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	312,711	-
Net Differences Between Projected and Actual Earnings on Plan Investments	1,481,010	-
Total	$ 1,974,091	$ (190,253)

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

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

$180,370 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as an addition to the net pension asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	$ 396,487
2024	399,776
2025	397,930
2026	409,275
2027	-
Thereafter	-
Total	$ 1,603,468

Actuarial Assumptions

For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability determined in the June 30, 2020 actuarial accounting valuation. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Increase	(3)

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

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

Actuarial Assumptions (Continued)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017, that can be found on the CalPERS website.

(3) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

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

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Estate	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92
Total	100.00%		

(a) In the CalPERS CAFR, fixed income is included in Global Debt Securities; liquidity is included in short-term investments; and inflation assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

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

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

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

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability (Asset)	$ (121,852)
Current Discount Rate	7.15%
Net Pension Liability (Asset)	$ (1,696,564)
1% Increase	8.15%
Net Pension Liability (Asset)	$ (2,998,357)

NOTE 6 PENSION PLAN – PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) (CONTINUED)

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

Pension Plans Fiduciary Net Position

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

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the Board elected to defer any changes to the asset allocation until the ALM process concluded, and the Board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the Board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the Board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

C. Payable to the Pension Plans

At June 30, 2022, the District had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 7 PENSION PLAN – PUBLIC AGENCY RETIREMENT SYSTEM (PARS)

A. General Information About the Pension Plan

Plan Description and Benefits

Effective July 1, 2006, pursuant to sections 401(a), 415(m) and 501(a) of the Internal Revenue Code, the District adopted a tax-qualified governmental defined benefit plan and qualified governmental excess benefit program through the agent, multiple-employer, California defined benefit pension plan program offered and administered for the District by Public Agency Retirement Service (PARS). The plan was established to provide eligible employees employed on or after January 1, 2006 supplemental retirement benefits in addition to the benefits employees will receive from the California Public Employees Retirement System (CalPERS). Eligible employees are those who have accumulated prior CalPERS service credit from previous employers before employment with the District. For those employees whose combined CalPERS and PARS benefit exceed the Section 415(b) limitations for defined benefit plans, PARS benefits shall be paid through the Section 415(m) excess benefit plan established by the District instead of the 401(a) plan. This benefit has been discontinued for employees hired after May 15, 2012.

The supplemental benefit for covered employees is equal to the difference between the CalPERS “2.7% at 55” formula and the CalPERS “2% at 55” formula for years of CalPERS service with other CalPERS covered agencies, up to a maximum of 10 years. Employees will be eligible for the benefit upon attaining age 55 and concurrently retiring under CalPERS with either (a) at least five years of District service and 20 or more years of prior CalPERS services, or (b) at least seven years of District service.

Contributions

The Board establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the actuarially determined rate. For the year ended June 30, 2022, the District’s contribution rate is 1.5% of covered CalPERS payroll which totaled $20,600.

Employees Covered

At June 30, 2022, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive Employees or Beneficiaries Currently Receiving Benefits	5
Inactive Employees Entitled to But Not Yet Receiving Benefits	-
Active Employees	3
Total	8

NOTE 7 PENSION PLAN – PUBLIC AGENCY RETIREMENT SYSTEM (PARS) (CONTINUED)

B. Net Pension Liability (Asset)

The District's net pension liability (asset) for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability (asset) of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of January 31, 2022 rolled forward to June 30, 2022 using standard update procedures. There were no significant changes between the valuation date and the measurement date. A summary of principal assumptions and methods used to determine the net pension liability (asset) is shown below.

Actuarial Assumptions

The total pension liability in the January 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	January 31, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method:	
Level Percent or Level Dollar	Level Dollar
Closed, Open, or Layered Periods	Closed
Amortization Period at January 31, 2022	3.9 Years
Amortization Growth Rate	0.00%
Inflation	2.50%
Salary Increases	3.00%
Investment Rate of Return	6.50%
Cost of Living Adjustments	2.00%
Withdrawal/Disability	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans after 6/30/21
Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CalPERS Pension Plans after June 30, 2021.
Retirement	Participants are assumed to retire at age 59, or current age, if older.

Change of Assumptions

In the January 31, 2022 valuation, the pre- and post-retirement mortality, withdrawal, and disability assumptions were updated.

NOTE 7 PENSION PLAN – PUBLIC AGENCY RETIREMENT SYSTEM (PARS) (CONTINUED)

B. Net Pension Liability (Asset) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.5%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of June 30, 2022.

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

Asset Class	Index	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
Cash	Bank of America Merrill Lynch 3-Month T-Bills	6.93%	0.21%	0.20%
U.S. Core Fixed Income	Bloomberg Barclays Aggregate	35.92	1.95	1.84
U.S. Equity Market	Russell 3000 TR	45.81	5.70	4.10
Foreign Developed Equity	MSCI EAFE NR	5.59	7.30	5.56
Emerging Markets Equity	MSCI EM NR	3.75	9.44	5.97
U.S. REITs	FTSW NAREIT Equity REIT	2.00	6.27	4.11
Assumed Inflation - Mean			2.35	2.35
Assumed Inflation - Standard Deviation			1.25	1.25
Portfolio Real Mean Return			4.21	3.66
Portfolio Nominal Mean Return			6.56	6.12
Portfolio Standard Deviation				9.96
Long-Term Expected Rate of Return				6.50

NOTE 7 PENSION PLAN – PUBLIC AGENCY RETIREMENT SYSTEM (PARS) (CONTINUED)

C. Changes in the Net Pension Liability (Asset)

The changes in the net pension liability (asset) for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021	$ 676,839	$ 772,269	$ (95,430)
Changes in the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	42,553	-	42,553
Assumptions	(10,737)	-	(10,737)
Differences Between Expected and Actual Experience	(4,297)	-	(4,297)
Benefit Payments, Including Refunds of Employee Contributions	(45,064)	(45,064)	-
Contributions - Employer	-	20,600	(20,600)
Net Investment Income (Loss)	-	(102,809)	102,809
Administrative Expenses	-	(4,507)	4,507
Net Changes	(17,545)	(131,780)	114,235
Balance at June 30, 2022	$ 659,294	$ 640,489	$ 18,805

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the District for the Plan, calculated using the discount rate for the Plan, as well as what the District's net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Miscellaneous
1% Decrease	5.50%
Net Pension Liability (Asset)	$ 81,917
Current Discount Rate	6.50%
Net Pension Liability (Asset)	$ 18,805
1% Increase	7.50%
Net Pension Liability (Asset)	$ (35,341)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position as of June 30, 2022 is not publicly available.

NOTE 7 PENSION PLAN – PUBLIC AGENCY RETIREMENT SYSTEM (PARS) (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the District recognized pension expense (income) of $(10,314). At June 30, 2022, the District 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
Net Differences Between Projected and Actual Earnings on Plan Investments	$ 52,167	$ -
Total	$ 52,167	$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction of pension expense as follows:

Year Ending June 30,	Amount
2023	$ 8,520
2024	8,609
2025	4,553
2026	30,485
Thereafter	-
Total	$ 52,167

E. Payable to the Pension Plan

At June 30, 2022, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2022.

NOTE 8 DEFERRED COMPENSATION PLAN

The District offers a deferred compensation plan in accordance with the Internal Revenue Code Section 457 for its eligible employees wherein amounts earned by the employee are paid· at a future date. All full-time, regular, salaried employees are permitted to participate in the Plan beginning on the first day of the month following their hire date. The employee may elect to make contributions up to the limits established by the Internal Revenue Service for this type of plan. The employees become 100% vested in their own contributions from the first date of participation. The District does not make contributions to the plan.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District and are not subject to claims of the District’s general creditors and, therefore, are excluded from these financial statements.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION

A. General Information About the OPEB Plan

Plan Description

The District has established an agent multiple-employer Defined Benefit Postemployment Healthcare Plan (DPHP) that provides post-retirement medical benefits to retirees through the California Public Employees Medical and Hospital Care Act (PEMCHA) and managed through the California Retiree Benefit Trust (CEBRT). The Plan provides benefits for its retirees, spouses and survivors. The District is obligated to contribute toward health insurance premiums for certain employees retired from the District at the age of 55 or older with at least five years of continuous employment with the District. The District pays a maximum contribution of $1,592 per month for health insurance premiums for all eligible employees and retirees. For non-Medicare eligible retirees, premiums are the same as for active employees. Reduced premiums are applied for Medicare eligible retirees and the coverage is adjusted to supplement Medicare.

The District Plan does not issue a separate financial report. The District contracts with an actuarial consultant to provide an actuarial valuation of the District's net OPEB liability (asset) under GASB Statement 75.

Employees Covered

As of June 30, 2022; the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	6
Active Employees	13
Total	19

Contributions

The OPEB plan and its contribution requirements are established by District policy and may be amended by the District, District's Board of Directors and/or the employee associations. Currently, contributions are not required from plan members. The District has established a trust to fund future OPEB benefits with California Employers' Retiree Benefit Trust (CERBT). CERBT issues financial statements that are available on the CalPERS website. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2022, the District's contributions to the OPEB plan totaled $9,328 ($3,637 in benefit payments and an implied subsidy of $5,691).

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

B. Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability at June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Long-Term Expected Rate of Return on Investments	6.50%
General Inflation	2.75%
Payroll Increases	2.75%
Healthcare Trend	Increase 4% Per Year
Mortality Factors	2017 CalPERS Valuation
Retirement Factors	2017 CalPERS Pension valuation for "public agency miscellaneous 2.7% at 55"

Change in Assumptions

There were no changes in actuarial assumptions from the June 30, 2021, valuation.

Long-Term Expected Rate of Return on Investments

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of the CERBT trust, and the expected yields are taken from a recent CalPERS publication for the Pension Fund.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

B. Net OPEB Liability (Asset) (Continued)

Long-Term Expected Rate of Return on Investments (Continued)

The long-term expected real rates of return for each major asset class in the CERBT, included in the OPEB plan's target asset allocation as of June 30, 2021, measurement period, are summarized in the following table:

Asset Class	Target Allocation	Real Return Next 10 Years
CERBT Trust:		
Global Equity	59.00%	5.25%
Fixed Income	25.00	0.99
Treasury Securities	5.00	0.45
Real Estate Trusts	8.00	4.50
Commodities	3.00	3.90
Total	100.00%	

The estimated yield of 3.9% for commodities was obtained from various sources and is an estimate. Using these figures, the weighted-average real rate of return is estimated to be 3.84%. Adding estimated inflation of 2.75%, 6.59% is obtained as an estimate of the expected rate of return, which is rounded to 6.50%.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The cash flows of the OPEB plan were projected to future years, assuming that the District will contribute an amount, so the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 6.50%.

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

C. Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2021 (Measurement Date)	$ 2,948,045	$ 2,635,889	$ 312,156
Changes in the Year:			
Service Cost	27,261	-	27,261
Interest on the Total OPEB Liability	188,315	-	188,315
Differences Between Expected and Actual Experience	(771,217)	-	(771,217)
Changes in Assumptions	-	-	-
Contributions - Employer	-	101,781	(101,781)
Net Investment Income	-	724,590	(724,590)
Benefit Payments	(101,781)	(101,781)	-
Administrative Expenses	-	(997)	997
Net Changes	(657,422)	723,593	(1,381,015)
Balance at June 30, 2022 (Measurement Date)	$ 2,290,623	$ 3,359,482	$ (1,068,859)

Change of Benefit Terms

There were no changes of benefit terms.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.5%) or one percentage point higher (7.5%) than the current discount rate:

	One Percent Decrease (5.50%)	Discount Rate (6.50%)	One Percent Increase (7.50%)
Net OPEB Liability (Asset)	$ (732,898)	$ (1,068,859)	$ (1,343,058)

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

C. Changes in the Net OPEB Liability (Asset) (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	One Percent Decrease 3.0%	Current Healthcare Cost Trend Rates 4.0%	One Percent Increase 5.0%
Net OPEB Liability (Asset)	$ (1,240,821)	$ (1,068,859)	$ (923,912)

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

For the year ended June 30, 2022, the District recognized OPEB expense (income) of $(186,082). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	$ 9,328	$ -
Differences Between Actual and Expected Experience	-	690,349
Change in Assumptions	-	9,122
Net Differences Between Projected and Actual Earnings	-	400,942
Total	$ 9,328	$ 1,100,413

$9,328 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2023	$ (215,549)
2024	(209,919)
2025	(210,917)
2026	(226,025)
2027	(115,367)
Thereafter	(122,636)
Total	$ (1,100,413)

NOTE 9 OTHER POSTEMPLOYMENT BENEFIT OBLIGATION (CONTINUED)

E. Payable to the OPEB Plan

At June 30, 2022, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 10 RISK MANAGEMENT

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Monterey Peninsula Regional Park District is a member of the California Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq.

The purpose of the Insurance Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance and to arrange for group purchased insurance for property and other lines of coverage. The Insurance Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a nine-member Executive Committee.

Self-Insurance Programs of the Insurance Authority

Each member pays an annual contribution to cover estimated losses for the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

In the primary liability program, claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $100,000 to $500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $500,000 to $50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 10 RISK MANAGEMENT (CONTINUED)

Self-Insurance Programs of the Insurance Authority (Continued)

Primary Liability Program (Continued)

The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. Subsidence losses also have a $50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/.

Workers' Compensation Program

The District also participates in the workers' compensation pool administered by the Insurance Authority. In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second of losses includes incurred costs from $75,000 to $200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess from $200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2021-22, the Insurance Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Purchased Insurance

Crime Insurance

The District purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Insurance Authority.

Property Insurance

The District participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The currently insured according to a schedule of covered property submitted by the District to the Authority. The District property currently has all-risk property insurance protection in the amount of $16,325,518. There is a $10,000 deductible per occurrence except for nonemergency vehicle insurance which has a $2,500 deductible.

NOTE 10 RISK MANAGEMENT (CONTINUED)

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were no significant reductions in pooled or insured liability coverage in the fiscal year 2021-22.

NOTE 11 SEAWALL MITIGATION FEE

The District was notified on September 22, 2009 by California Coastal Commission that the District is assigned as a beneficiary of Irrevocable Standby Letter of Credit No. LCCA 20-14882, dated March 19, 2007. Three annual drafts were received and deposited by the District totaling $2,225,241. The final draft was received by the District on March 21, 2011.

California Coastal Commission assigned the Letter of Credit to the District on September 22, 2009, with the condition of purchase of beachfront/dune property for public recreational use in the southern Monterey Bay area. The entire fee and any accrued interest shall be used for the above stated purpose, in consultation with the Executive Director of California Coastal Commission, within 10 years of the final fee being deposited into the District account.

As the 10-year time frame was set to expire in March 2021 and the purchase of the beachfront/dune property had not been completed, the District successfully negotiated with the California Coastal Commission to eliminate the time requirement and allow for the expenditure of the funds for the purpose of coastal land acquisition(s) in general.

Any portion of the fee that remains after the coastal land acquisition(s) will be donated to one or more of the State Parks located along southern Monterey Bay (Fort Ord State Park, Marina State Beach, Monterey State Beach), or other organization acceptable to the Executive Director of California Coastal Commission, for the purpose of providing public access and recreation improvements to and along the shoreline, including improvements to the California Coastal Trail.

NOTE 12 FUND BALANCE ASSIGNMENTS/RESTRICTIONS

As of June 30, 2022, the District had restricted fund balances/net position of $2,501,997, which pertains to the Seawall Mitigation fees.

In addition the District reports a restricted net position of $2,765,423 on the statement of net position that pertains to its net pension asset ($1,696,564) and net OPEB asset ($1,068,859).

NOTE 13 BOARD DESIGNATION OF (UNASSIGNED) GENERAL FUND BALANCE

As of June 30, 2022, the District had unassigned fund balance of $17,592,847. The District's Board approved a policy to establish prudent target reserve levels to assist the District in managing financial risks. The Board's designated (unassigned) fund balance reserves are as follows:

	Amount
Operating Budget (100%)	$ 8,798,655
Accumulated Depreciation (100%)	2,184,656
Emergency Contingency	1,000,000
Total Board-Designated Reserve	$ 11,983,311

REQUIRED SUPPLEMENTARY INFORMATION

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-CALPERS

LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	-0.08935%	0.05855%	0.06907%	0.07875%
Plan's Proportionate Share of the Net Pension Liability	$ (1,696,564)	$ 2,469,890	$ 2,766,108	$ 2,967,787
Plan's Covered Payroll	$ 1,363,054	$ 1,317,299	$ 1,287,720	$ 1,276,980
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-124.47%	187.50%	214.81%	232.41%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	114.22%	78.15%	75.26%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 535,830	$ 394,663	$ 327,805	$ 273,317

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
From fiscal year June 30, 2015 to June 30, 2016:
GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:
There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:
The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:
Demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

From fiscal year June 30, 2019 to June 30, 2020 to June 30, 2021 to June 30, 2022:
There were no changes in assumptions.

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

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-CALPERS (CONTINUED)
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.07842%	0.07966%	0.08532%	0.07984%
Plan's Proportionate Share of the Net Pension Liability	$ 3,091,498	$ 2,767,371	$ 2,340,633	$ 1,973,232
Plan's Covered Payroll	$ 1,318,917	$ 1,201,877	$ 1,018,700	$ 989,029
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	234.40%	230.25%	229.77%	199.51%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.60%	78.40%	76.83%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 268,814	$ 239,757	$ 226,858	$ 176,921

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS-CALPERS
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year Ended	2022	2021	2020	2019
Contractually Required Contribution (Actuarially Determined)	$ 180,370	$ 442,385	$ 423,750	$ 480,366
Contributions in Relation to the Actuarially Determined Contributions	(180,370)	(2,702,308)	(835,133)	(807,961)
Contribution Deficiency (Excess)	$ -	$ (2,259,923)	$ (411,383)	$ (327,595)
Covered Payroll	$ 1,450,191	$ 1,363,054	$ 1,317,299	$ 1,287,720
Contributions as a Percentage of Covered Payroll	12.44%	32.46%	32.17%	37.30%
Notes to Schedule:				
Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.63%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed
(2) Depending on age, service, and type of employment
(3) Net of pension plan investment expense, including inflation
(4) 2.7% @ 55 and 2% at 62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS-CALPERS (CONTINUED)
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year Ended	2018	2017	2016	2015
Contractually Required Contribution (Actuarially Determined)	$ 358,807	$ 340,407	$ 307,912	$ 265,789
Contributions in Relation to the Actuarially Determined Contributions	(358,807)	(340,407)	(307,912)	(265,789)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 1,276,980	$ 1,318,917	$ 1,201,877	$ 1,018,700
Contributions as a Percentage of Covered Payroll	28.10%	25.81%	25.62%	26.09%
Notes to Schedule:				
Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Market Value	Market Value	Market Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS-PARS

LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

	2022	2021	2020	2019
Total Pension Liability:				
Service Cost	$ -	$ 3,931	$ 3,817	$ 4,873
Interest on Total Pension Liability	42,553	42,653	39,725	39,377
Differences Between Expected and Actual Experience	(4,297)	-	43,085	-
Changes in Assumptions	(10,737)	-	-	-
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(45,064)	(43,357)	(40,042)	(35,713)
Net Change in Total Pension Liability	(17,545)	3,227	46,585	8,537
Total Pension Liability - Beginning of Year	676,839	673,612	627,027	618,490
Total Pension Liability - End of Year (a)	$ 659,294	$ 676,839	$ 673,612	$ 627,027
Plan Fiduciary Net Position:				
Contributions - Employer	$ 20,600	$ 20,600	$ 20,600	$ 20,600
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	(102,809)	170,132	20,493	39,584
Benefit Payments	(45,064)	(43,357)	(40,042)	(35,713)
Administrative Expenses	(4,507)	(4,274)	(3,789)	(3,658)
Net Change in Plan Fiduciary Net Position	(131,780)	143,101	(2,738)	20,813
Plan Fiduciary Net Position - Beginning of Year	772,269	629,168	631,906	611,093
Plan Fiduciary Net Position - End of Year (b)	$ 640,489	$ 772,269	$ 629,168	$ 631,906
Net Pension Liability (Asset) - Ending (a)-(b)	$ 18,805	$ (95,430)	$ 44,444	$ (4,879)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.15%	114.10%	93.40%	100.78%
Covered Payroll	$ 286,448	$ 289,272	$ 280,847	$ 347,843
Net Pension (Asset) Liability as a Percentage of Covered Payroll	6.56%	-32.99%	15.82%	-1.40%

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
For fiscal year 2016, disability and pre-retirement mortality assumptions were updated.
For fiscal year 2018, the discount rate was changed from 7.0% to 6.5%.
For fiscal year 2022, pre- and post-retirement mortality, withdrawal, and disability assumptions were updated.
There were no changes in assumptions for fiscal years 2015, 2017, 2019, 2020, and 2021.

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

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS-PARS (CONTINUED)
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

	2018	2017	2016	2015
Total Pension Liability:				
Service Cost	$ 4,567	$ 4,405	$ 4,277	$ 4,360
Interest on Total Pension Liability	38,873	38,279	34,787	34,341
Differences Between Expected and Actual Experience	6,038	-	27,118	-
Changes in Assumptions	35,883	-	18,051	-
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(34,690)	(34,010)	(34,940)	(29,640)
Net Change in Total Pension Liability	50,671	8,674	49,293	9,061
Total Pension Liability - Beginning of Year	509,852	559,145	509,852	500,791
Total Pension Liability - End of Year (a)	$ 560,523	$ 567,819	$ 559,145	$ 509,852
Plan Fiduciary Net Position:				
Contributions - Employer	$ 19,000	$ 19,000	$ 19,000	$ 19,000
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	47,095	67,466	(5,184)	14,913
Benefit Payments	(34,690)	(34,010)	(34,940)	(29,640)
Administrative Expenses	(3,437)	(2,854)	(2,680)	-
Net Change in Plan Fiduciary Net Position	27,968	49,602	(23,804)	4,273
Plan Fiduciary Net Position - Beginning of Year	557,327	533,523	557,327	553,054
Plan Fiduciary Net Position - End of Year (b)	$ 585,295	$ 583,125	$ 533,523	$ 557,327
Net Pension Liability (Asset) - Ending (a)-(b)	$ (24,772)	$ (15,306)	$ 25,622	$ (47,475)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	104.42%	102.70%	95.42%	109.31%
Covered Payroll	$ 337,819	$ 325,778	$ 316,289	$ 379,340
Net Pension (Asset) Liability as a Percentage of Covered Payroll	-7.33%	-4.70%	8.10%	-12.52%

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS-PARS
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

	2022	2021	2020	2019
Actuarially Determined Contribution	$ 5,699	$ 5,533	$ 661	$ 642
Contributions in Relation to the Actuarially Determined Contributions	(20,600)	(20,600)	(20,600)	(20,600)
Contribution Deficiency (Excess)	$ (14,901)	$ (15,067)	$ (19,939)	$ (19,958)
Covered Payroll	$ 286,448	$ 289,272	$ 280,847	$ 347,953
Contributions as a Percentage of Covered Payroll	7.19%	7.12%	7.33%	5.92%
Notes to Schedule:				
Valuation Date	1/31/2022	1/31/2020	1/31/2020	1/31/2018
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Remaining Amortization Period	3.9 Years	5.9 Years	5.9 Years	7.9 Years
Asset Valuation Method	None	None	None	None
Inflation	2.50%	2.50%	2.50%	2.50%
Investment Rate of Return	6.50%	6.50%	6.50%	6.50%
Salary Increases	3.00%	3.00%	3.00%	3.00%
Cost of Living Adjustment	2.00%	2.00%	2.00%	2.00%
Mortality	(2)	(2)	(2)	(2)
Retirement Age	(3)	(3)	(3)	(3)

(1) Level dollar, closed
(2) Consistent with Non-Industrial rates used to value the CalPERS Miscellaneous Public Agency Pension Plans.
(3) Age 59 or current age, if older

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

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS-PARS (CONTINUED)
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

	2018	2017	2016	2015
Actuarially Determined Contribution	$ 10,490	$ 10,185	$ 4,492	$ 4,361
Contributions in Relation to the Actuarially Determined Contributions	(19,000)	(19,000)	(19,000)	(19,000)
Contribution Deficiency (Excess)	$ (8,510)	$ (8,815)	$ (14,508)	$ (14,639)
Covered Payroll	$ 337,819	$ 325,778	$ 316,289	$ 379,340
Contributions as a Percentage of Covered Payroll	5.62%	5.83%	6.01%	5.01%
Notes to Schedule:				
Valuation Date	1/31/2018	1/31/2016	1/31/2016	1/31/2014
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Remaining Amortization Period	7.9 Years	9.9 Years	9.9 Years	11.9 Years
Asset Valuation Method	None	None	None	None
Inflation	2.50%	2.50%	2.50%	2.50%
Investment Rate of Return	6.50%	7.00%	7.00%	7.00%
Salary Increases	3.00%	3.00%	3.00%	3.00%
Cost of Living Adjustment	2.00%	2.00%	2.00%	2.00%
Mortality	(2)	(2)	(2)	(2)
Retirement Age	(3)	(3)	(3)	(3)

MONTEREY PENINSULA REGIONAL PARK DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABLITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*
(SEE INDEPENDENT AUDITORS' REPORT)

Fiscal Year-End	2022	2021	2020	2019	2018
Measurement Date	2021	2020	2019	2018	2017
Total OPEB Pension Liability:					
Service Cost	$ 27,261	$ 26,531	$ 74,479	$ 72,486	$ 70,546
Interest	188,315	181,949	176,482	167,467	158,389
Differences Between Expected and Actual Experience	(771,217)	-	(41,186)	-	-
Changes of Assumptions	-	-	(12,821)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(101,781)	(119,309)	(106,387)	(96,136)	(82,412)
Net Change in Total OPEB Liability	(657,422)	89,171	90,567	143,817	146,523
Total OPEB Liability - Beginning of Year	2,948,045	2,858,874	2,768,307	2,624,490	2,477,967
Total OPEB Liability - End of Year (a)	2,290,623	2,948,045	2,858,874	2,768,307	2,624,490
Plan Fiduciary Net Position:					
Contributions - Employer	101,781	119,309	191,642	183,831	-
Net Investment Income	724,590	89,992	145,569	162,532	205,459
Administrative Expenses	(997)	(1,244)	(499)	(1,105)	(1,000)
Benefit Payments, Including Refunds of Employee Contributions	(101,781)	(119,309)	(106,387)	(96,136)	(82,412)
Net Change in Plan Fiduciary Net Position	723,593	88,748	230,325	249,122	122,047
Plan Fiduciary Net Position - Beginning of Year	2,635,889	2,547,141	2,316,816	2,067,694	1,945,647
Plan Fiduciary Net Position - End of Year (b)	3,359,482	2,635,889	2,547,141	2,316,816	2,067,694
Net OPEB Liability (Asset) - Ending (a)-(b)	$ (1,068,859)	$ 312,156	$ 311,733	$ 451,491	$ 556,796
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	146.66%	89.41%	89.10%	83.69%	78.78%
Covered - Employee Payroll	$ 1,363,054	$ 1,317,299	$ 1,287,720	$ 1,276,980	$ 1,293,817
Net OPEB Liability (Asset) as Percentage of Covered - Employee Payroll	-78.42%	23.70%	24.21%	35.36%	43.04%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

For the fiscal years ended June 30, 2018, 2019, 2021, and 2022, there were no changes in assumptions.

For fiscal year ended June 30, 2020, the probabilities for retirement, termination and mortality were changed from 2014 CalPERS assumptions to the 2017 CalPERS assumptions.

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

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT – GENERAL FUND
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 4,350,100	$ 4,350,100	$ 4,846,809	$ 496,709
Assessment District	1,280,800	1,280,800	1,288,833	8,033
Grants	1,199,800	1,199,800	40,976	(1,158,824)
Investment Earnings	157,500	157,500	(323,312)	(480,812)
Donations, Fees, and Other Charges	1,000	1,000	2,720	1,720
Rent	100,000	100,000	175,574	75,574
Intergovernmental Revenue	-	-	1,059,975	1,059,975
Other Revenue	54,000	54,000	192,386	138,386
Total Revenues	7,143,200	7,143,200	7,283,961	140,761
EXPENDITURES				
Current:				
General and Administrative:				
Salaries and Wages	497,300	497,300	468,135	29,165
Employee Benefits and Payroll Taxes	220,400	220,400	191,303	29,097
Insurance	130,000	130,000	130,698	(698)
Professional Services	227,200	227,200	182,843	44,357
Other Postemployment Benefits	10,500	10,500	-	10,500
Utilities	85,000	85,000	103,232	(18,232)
Publications and Memberships	20,000	20,000	14,361	5,639
Computer Maintenance and Supplies	30,000	30,000	27,453	2,547
Board Compensation	7,000	7,000	7,500	(500)
Travel, Conferences, and Meetings	5,000	5,000	4,266	734
Equipment Rentals and Leases	5,500	5,500	3,291	2,209
Office Supplies and Equipment	25,000	25,000	5,168	19,832
Legal	8,000	8,000	4,424	3,576
Job Training and Education	5,000	5,000	5,731	(731)
Taxes and Assessments	30,000	30,000	19,465	10,535
Postage	3,000	3,000	427	2,573
Vehicle Maintenance and Fuel	2,000	2,000	207	1,793
Mileage Reimbursement	1,000	1,000	-	1,000
Printing	15,000	15,000	1,984	13,016
District Anniversary	-	20,000	454	19,546
Advertising	5,000	5,000	1,082	3,918
Total General and Administrative	1,331,900	1,351,900	1,172,024	179,876

See accompanying Note to Required Supplementary Information.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES (CONTINUED)				
Current (Continued):				
Operations and Maintenance:				
Salaries and Wages	$ 781,800	$ 781,800	$ 625,302	$ 156,498
Employee Benefits	349,300	349,300	244,682	104,618
Other Postemployment Benefits	17,300	17,300	-	17,300
Utilities	60,000	60,000	57,075	2,925
Vehicle Maintenance and Fuel	18,000	18,000	30,082	(12,082)
Supplies	24,500	24,500	20,971	3,529
Building Repairs	18,000	18,000	7,712	10,288
Computer Maintenance and Supplies	21,000	21,000	18,067	2,933
Parking Lot, Signs and Other	38,300	38,300	61,735	(23,435)
Janitorial Supplies	14,500	14,500	10,918	3,582
Equipment Maintenance	16,500	16,500	21,777	(5,277)
Tools	2,000	2,000	1,794	206
Uniforms	3,000	3,000	3,000	-
Miscellaneous	5,300	5,300	534	4,766
Job Training and Education	3,500	3,500	252	3,248
COVID-19 Response	10,000	10,000	56,131	(46,131)
Carmel Fire	60,000	60,000	78,679	(18,679)
Printing	5,000	5,000	2,948	2,052
Total Operations and Maintenance	1,448,000	1,448,000	1,241,659	206,341
Education and Outreach:				
Salaries and Wages	369,800	369,800	336,873	32,927
Employee Benefits	114,200	114,200	111,443	2,757
Other Postemployment Benefits	3,800	3,800	-	3,800
Printing	32,000	32,000	30,251	1,749
Postage	24,000	24,000	25,026	(1,026)
Professional Services	15,000	15,000	16,656	(1,656)
Equipment Rental and Leases	6,200	6,200	514	5,686
Environmental Education - Schools	8,000	8,000	1,137	6,863
Interpretive Programs - Parks	20,000	20,000	9,597	10,403
Computer Maintenance and Supplies	22,300	22,300	18,184	4,116
Docent and Volunteer Programs	7,000	7,000	1,413	5,587
Utilities	15,000	15,000	10,679	4,321
Advertising	7,000	7,000	4,069	2,931
Miscellaneous	1,600	1,600	870	730
Supplies	5,700	5,700	1,507	4,193
Job Training and Education	4,000	4,000	676	3,324
Vehicle Maintenance and Fuel	2,000	2,000	927	1,073
Special Events - Outreach	3,000	3,000	1,244	1,756
Travel, Conferences, and Meetings	5,000	5,000	149	4,851
Insurance	1,000	1,000	-	1,000
VC Garden/Arboreum	5,000	5,000	3,182	1,818
Total Education and Outreach	671,600	671,600	574,397	97,203

See accompanying Note to Required Supplementary Information.

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE BY DEPARTMENT – GENERAL FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022
(SEE INDEPENDENT AUDITORS' REPORT)

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
EXPENDITURES (CONTINUED)				
Current (Continued):				
Assessment District:				
Palo Corona Improvements	$ 2,765,259	$ 2,765,259	$ 1,450,843	$ 1,314,416
Grant Program	40,000	40,000	-	40,000
Seasonal and Contract Services	345,000	345,000	58,787	286,213
Professional Services	200,000	200,000	419,959	(219,959)
Maintenance	395,000	395,000	99,979	295,021
Equipment	180,000	180,000	53,000	127,000
Trail Construction and Rehabilitation	5,000	5,000	-	5,000
Garland Ranch Improvements	160,000	160,000	2,359	157,641
Total Assessment District	4,090,259	4,090,259	2,084,927	2,005,332
Planning and Conservation Management:				
Salaries and Wages	153,100	153,100	65,498	87,602
Resource Management - PCRP	232,500	232,500	26,278	206,222
Employee Benefits	64,600	64,600	15,263	49,337
Other Postemployment Benefits	3,800	3,800	-	3,800
Professional Services	418,000	418,000	287,270	130,730
Resource Management - Eolian Dunes	10,000	10,000	-	10,000
Resource Management - Marina Dunes	315,000	315,000	81,665	233,335
Resource management - GRRP	10,000	10,000	-	10,000
Resource management - Frog Pond	250,000	250,000	14,082	235,918
Vehicle Maintenance and Fuel	1,000	1,000	-	1,000
Miscellaneous	6,000	6,000	537	5,463
Computer Maintenance and Supplies	4,000	4,000	6,054	(2,054)
Total Planning and Conservation Management	1,468,000	1,468,000	496,647	971,353
Capital Outlay				
Land Acquisition/Improvements	550,000	550,000	-	550,000
Cachagua Improvements	120,000	120,000	-	120,000
Total Capital Outlay	670,000	670,000	-	120,000
Total Expenditures	9,679,759	9,699,759	5,569,654	3,580,105
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,536,559)	(2,556,559)	1,714,307	4,270,866
Fund Balance - Beginning of Year	18,425,529	18,425,529	18,425,529	-
FUND BALANCE - END OF YEAR	$ 15,888,970	$ 15,868,970	$ 20,139,836	$ 4,270,866

See accompanying Note to Required Supplementary Information.

NOTE 1 BUDGETS

The Board of Directors of the District legally adopts an annual budget on a basis consistent with generally accepted accounting principles. The budget may be amended by the Board of Directors throughout the year. The budget is prepared on the modified accrual basis of accounting.

Budget amounts reflect the original budget adopted by the Board of Directors and the final budget after all applicable amendments. The Board approves all budget amendments. The budget appropriations lapse at year-end.

INDEPENDENT AUDITORS' 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*

Board of Directors
Monterey Peninsula Regional Park District
Monterey, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Monterey Peninsula Regional Park District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 27, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. 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.

Board of Directors
Monterey Peninsula Regional Park District

Report on Compliance and Other Matters

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

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
January 27, 2023

STATISTICAL SECTION

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MONTEREY PENINSULA REGIONAL PARK DISTRICT
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2022

This part of the District's financial statements presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial health.

Contents:

MONTEREY PENINSULA REGIONAL PARK DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Primary Government-Governmental Activities:					
Net investment in capital assets	$ 50,426,792	$ 52,536,873	$ 54,741,932	$ 56,538,897	$ 58,179,273
Restricted	2,349,824	2,306,896	2,314,109	2,329,847	2,348,249
Unrestricted	8,803,133	9,498,442	8,112,689	9,927,792	11,459,961
Total Primary Government-Governmental Activities Net Position	$ 61,579,749	$ 64,342,211	$ 65,168,730	$ 68,796,536	$ 71,987,483

Source: District Finance Department

MONTEREY PENINSULA REGIONAL PARK DISTRICT
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Primary Government-Governmental Activities:					
Net investment in capital assets	$ 71,394,277	$ 73,211,509	$ 74,741,202	$ 76,390,288	$ 77,105,719
Restricted	2,382,889	2,448,777	2,511,841	2,614,576	5,267,420
Unrestricted	10,211,894	14,192,860	15,918,349	15,907,365	18,667,266
Total Primary Government-Governmental Activities Net Position	$ 83,989,060	$ 89,853,146	$ 93,171,392	$ 94,912,229	$ 101,040,405

MONTEREY PENINSULA REGIONAL PARK DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Revenues:					
Property taxes	$ 3,119,076	$ 3,197,620	$ 3,253,592	$ 3,548,890	$ 3,689,571
Special taxes and assessments	1,021,218	1,095,396	1,130,794	1,164,640	1,212,450
Grants	2,116,417	1,570,788	2,050,000	1,789,255	1,529,061
Investment earnings	25,305	83,355	45,615	153,757	59,066
Donations fees and other charges	55,476	36,269	16,887	10,502	7,819
Rent	36,749	38,869	31,508	33,013	31,765
Other	4,186	95,126	71,036	20,742	9,966
Total revenues	6,378,427	6,117,423	6,599,432	6,720,799	6,539,698
Expenditures:					
Current:					
General and administrative	2,558,532	951,459	1,146,076	1,193,396	1,348,342
Operations and maintenance	917,210	924,291	786,793	851,986	968,927
Education and outreach	566,533	609,113	517,122	424,904	456,683
Assessment district	295,428	963,643	409,365	636,526	545,467
Planning and conservation management	484,503	490,366	850,247	426,779	354,598
Capital outlay	4,222,877	-	6,950,000	-	-
Debt service:					
Principal retirement	2,067,807	1,587,233	1,605,273	1,500,000	1,500,000
Interest and fiscal charges	55,626	15,848	2,483	-	-
Total expenditures	11,168,516	5,541,953	12,267,359	5,033,591	5,174,017
Excess (deficiency) of revenues over (under) expenditures	(4,790,089)	695,470	(5,667,927)	1,687,208	1,365,681
Other financing sources (uses):					
Issuance of notes	4,000,000	-	6,950,000	-	-
Net change in fund balances	$ (790,089)	$ 695,470	$ 1,282,073	$ 1,687,208	$ 1,365,681

Source: District Finance Department

MONTEREY PENINSULA REGIONAL PARK DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30,				
	2018	2019	2020	2021	2022
Revenues:					
Property taxes	$ 3,913,528	$ 4,165,633	$ 4,476,657	$ 4,690,007	$ 4,846,809
Special taxes and assessments	1,235,679	1,304,840	1,209,399	1,264,476	1,288,833
Grants	11,193,156	2,116,857	950,000	-	40,976
Investment earnings	121,457	539,850	550,082	63,032	(337,764)
Donations fees and other charges	806,877	4,745	4,219	1,120	2,720
Rent	63,776	109,145	133,998	91,764	150,956
Other	38,223	1,415,337	94,155	102,986	1,252,361
Total revenues	17,372,696	9,656,407	7,418,510	6,213,385	7,244,891
Expenditures:					
Current:					
General and administrative	1,248,363	1,600,282	1,738,600	3,603,685	1,172,024
Operations and maintenance	2,201,383	1,387,149	1,118,206	1,189,345	1,241,659
Education and outreach	475,002	488,631	489,845	472,865	574,397
Assessment district	955,804	910,829	1,251,266	1,524,832	2,082,568
Planning and conservation management	304,452	183,195	295,883	949,863	496,647
Capital outlay	10,237,985	18,995	47,135	15,490	2,359
Debt service:					
Principal retirement	1,500,000	1,500,000	950,200	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	16,922,989	6,089,081	5,891,135	7,756,080	5,569,654
Excess (deficiency) of revenues over (under) expenditures	449,707	3,567,326	1,527,375	(1,542,695)	1,675,237
Other financing sources (uses):					
Issuance of notes	-	-	-	-	-
Net change in fund balances	$ 449,707	$ 3,567,326	$ 1,527,375	$ (1,542,695)	$ 1,675,237

MONTEREY PENINSULA REGIONAL PARK DISTRICT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration	3.00	3.00	2.50	3.00	3.25	3.25	3.75	3.75	3.75	3.75
Operations and Maintenance	7.00	7.00	7.00	7.50	7.25	7.25	8.25	8.25	8.25	8.25
Environmental Education Community Outreach	4.25	4.25	3.25	2.25	2.25	2.25	4.25	4.25	4.25	4.25
Planning and Conservation	1.25	1.25	1.25	1.25	1.25	1.25	0.25	0.25	0.25	1.25
Total	15.50	15.50	14.00	14.00	14.00	14.00	16.50	16.50	16.50	17.50

Source: District Approved Operating Budgets