



Agenda

Kensington Police Protection and Community Services District

Board of Directors
Special & Regular Meetings (**Hybrid**)

Thursday, August 10, 2023
6:30 p.m. Special Meeting (Closed Session)
7:00 p.m. Regular Meeting
Kensington Community Center
59 Arlington Avenue, Kensington, CA

www.kppcsd.org/2023-08-10-kppcsd-board-meeting

The page at the URL above will have instructions on how to join the
online meetings.

Virtual Access:

<https://us02web.zoom.us/j/89952379111?pwd=QkQreEV0c1M2K2Q3TUI2S0lITXFkZz09>

Webinar ID: 899 5237 9111 Passcode: 049949

The Board may hold hybrid meetings, where most or all of the Directors attend in person but the District offers the public the option of attending by Zoom or other teleconferencing methods. Please be advised that those participating in such meetings remotely do so at their own risk. The Board meeting will not be cancelled if any technical problems occur during the meeting.

Special Meeting (Closed Session) – 6:30 p.m.

Call to Order

Roll Call

Special Meeting Agenda Item Public Comments

*Individuals wishing to address the Board of Directors concerning the Special Meeting agenda are invited to make oral comments of up to 3 minutes. **For Zoom attendees:** Please raise your hand via Zoom. When you are called on by the Board President, you will be unmuted and you can address the Board of Directors. Please state your name clearly for the audio recording. You are requested to address your comments to the Board of Directors and not to staff and/or the audience. By state law, the Board is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the Board, please mail or email it to the Clerk of the Board at 10940 San Pablo Ave., Bldg. B, El Cerrito, CA 94530 or llewis@kppcsd.org. For other concerns or needs contact David Aranda at (510) 960-0716.*

Adjourn to Closed Session

1. Public Employment Pursuant to Section 54957(b)(1): General Manager.

Regular Meeting - 7:00 p.m.

1. **Call to Order**
2. **Roll Call**
3. **President's Comments**
4. **Public Comment**

*Individuals wishing to address the Board of Directors concerning any items not on the agenda may make oral comments of up to three minutes. **For Zoom attendees:** Please raise your hand via Zoom. When you are called on by the Board President, you will be unmuted and you can address the Board of Directors. Please state your name clearly for the audio recording. You are requested to address your comments to the President and Board of Directors and not to staff and/or the audience. By state law, the Board is not permitted to undertake any action or discussion on any item not appearing on the posted agenda. If you have any documentation that you would like distributed to the Board, please mail or email it to the Clerk of the Board at 10940 San Pablo Ave., Bldg. B, El Cerrito, CA 94530 or llewis@kppcsd.org. For other concerns or needs contact David Aranda at (510) 960-0716.*

Consent Calendar

5. Minutes for the Special/Regular Meetings of July 13, 2023.
6. Receive and file financial reports and ratify the July 2023 bills paid.

Comments & Reports

7. Police Chief Report.
 - Monthly Report
8. General Manager's Report.
 - Monthly Report
 - KCC Recreation Office Report July 1, 2023
9. Verbal update from the Ad Hoc Consolidation Committee.
10. Verbal update by the Police Department and District Office Permanent Location Ad Hoc Committee.
11. Director Comments.

Discussion and Action

12. Receive and File 2022 Fiscal Year Audit after the Presentation by Nigro and Nigro.
13. Discuss and adopt Resolution No. 2023-03 (Revised), A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Authorizing Appointment Of The General Manager As Treasurer And Authorizing Transfer Of Treasurer Authority From Contra Costa County To The Board Of Directors Of The Kensington Police Protection And Community Services District.

Adjournment

The next regular meeting is scheduled for September 14, 2023. A special meeting is scheduled for Sunday, September 17 from 2:00-3:30 p.m. by Good Guest Kensington.

General Information

- All proceedings of the Open Session will be audio and video recorded if possible.
- Upon request, the Kensington Police Protection and Community Services District will provide written agenda materials in appropriate alternative formats or disability-related modification of disabilities to participate in public meeting. Please send written request, including your name, mailing address, phone number, and a brief description of the requested materials and preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be sent to Kensington Police Protection & Community Service District at *10940 San Pablo Ave., Building B, El Cerrito, CA 94530*.
- To be added to the Board Agenda Mailing List, complete and submit the form at <https://www.kppcsd.org/agenda-mailing-list> or by notifying the Clerk of the Board at llewis@kppcsd.org.

Posted Agenda

Kensington Police Department – Colusa Food Market – Arlington Kiosk and at www.kppcsd.org
Complete agenda packets are available at the Public Safety Building at *10940 San Pablo Ave., Building B, El Cerrito, CA 94530*.

All public records that relate to an open session item of a meeting of the Kensington Police Protection & Community Service District that are distributed to a majority of the Board less than 72 hours before the meeting, excluding records that are exempt from disclosure pursuant to the California Public Records Act, will be available for inspection at the District offices at *10940 San Pablo Ave., Building B, El Cerrito, CA 94530* at the same time that those records are distributed or made available to a majority of the Board.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Item #05

BOARD OF DIRECTORS MEETING MINUTES
Thursday, July 13, 2023
Special & Regular Meeting (Hybrid)

Special Meeting (Closed Session) – 6:30 p.m.

Call to Order [[TS 1:04](#)]

President Aquino-Fike called the meeting to order at 6:34 p.m.

Roll Call [[TS 1:13](#)]

Director Cassandra Duggan, Vice-President Sarah Gough, Director Sylvia Hacaj, Director David Spath, and President Alexandra Aquino-Fike were present at roll call.

Staff present included Interim General Manager David Aranda, General Counsel Ann Danforth, and Clerk of the Board Lynelle M. Lewis.

Special Meeting Agenda Item Public Comments [[TS 1:28](#)]

None.

Adjourn to Closed Session [[TS 2:20](#)]

The Board adjourned to closed session at 6:35 p.m. to discuss public employment pursuant to Section 54957(b)(1): General Manager.

Announcements from Closed Session [[TS 36:43](#)]

President Aquino-Fike announced that in Closed Session, the Board gave direction to the Interim General Manager regarding the search for the next permanent General Manager.

Regular Meeting - 7:00 p.m.

1. **Call to Order** [[TS 36:50](#)]

President Aquino-Fike called the meeting to order at 7:07 p.m.

2. **Roll Call** [[TS 36:55](#)]

Director Cassandra Duggan, Vice-President Sarah Gough, Director Sylvia Hacaj, Director David Spath, and President Alexandra Aquino-Fike were present at roll call.

Staff present included Interim General Manager David Aranda, General Counsel Ann Danforth, and Clerk of the Board Lynelle M. Lewis.

3. **President's Comments** [TS – inaudible]

President Aquino-Fike provided an updated on District activities including formation of a new Ad Hoc Consolidation Committee.

4. **Public Comment** [[TS 40:36](#)]

- Addressing the Board was Catya de Neergaard who offered thanks for the work on researching Public Safety Building space for the Police Department.

Consent Calendar [[TS 42.21](#)]

- Motion by Director Duggan, seconded by Director Spath, to adopt the Consent Calendar, carried (5-0) by voice vote.

4. **Meeting Minutes for Special Joint Meeting of April 24, and the Special/Regular meetings of May 11 and June 8, 2023.** (Approved)

5. **Ratify the June 2023 Bills Paid.** (Ratified)

6. **Ratify Ad Hoc Consolidation Committee of Directors Sylvia Hacaj and David Spath.** (Ratified)

Director Hacaj suggested changing the name to Ad Hoc Committee on Reorganization. President Aquino-Fike concurred with the suggestion.

Comments & Reports

8. **Police Chief Report.** [[TS 45.07](#)]

Police Chief Mike Gancasz reported that the June 2023 Police Chief's Report had been submitted as part of the agenda packet. Next, Chief Gancasz presented the retirement plaque for Lieutenant Brad. Harms in recognition of his retirement after 33 years of distinguished service in law enforcement. To commemorate a remarkable career, Lieutenant Brad Harms was presented with two plaques as tokens of gratitude and admiration. The first plaque was awarded by Chief Gancasz on behalf of the Kensington Police Department, recognizing his exemplary service, commitment to excellence, and unwavering dedication to safeguarding our community. The second plaque was presented on behalf of the Kensington Police Officers Association, expressing their heartfelt appreciation for his mentorship, guidance, and genuine friendship.

9. **General Manager's Report.** [[TS 1:10:05](#)]

Interim General Manager Aranda said that his written report and the KCC Recreation Office Report for June 1, 2023 had been submitted as part of the agenda packet.

10. **Verbal Update from the Ad Hoc Consolidation Committee.** [[TS 1:11:03](#)]

Director Spath reported that a rough draft of a request for proposal for financial analysis had been developed and would be shared with both the KPPCSD and the KFPD boards. There was board discussion about the process for reviewing and handling comments to the draft proposal.

11. **Verbal Update by the Police Department and District Office Permanent Location Ad Hoc Committee.** [[TS 1:17:20](#)]

President Aquino-Fike reported meeting with the Unitarian Universalist Church Board of Directors and their staff about a portion of their property in Kensington. The Committee is also looking for parcels in Kensington.

12. **Director Comments.** [[TS 1:19:52](#)]

None.

Discussion and Action

13. **Discussion Regarding Parks Facilities, Improvements, And Protection.** [[TS 1:20:11](#)]

Interim General Manager Aranda provided an overview of findings from our risk liability insurer that did an inspection of the park. Issues that came up include concerns about the stove in the kitchen meeting state guidelines and code, lack of barriers with the upper parking railing, the Annex Building, and other park improvements.

IGM Aranda said that Vice-President Gough and Director Duggan were tasked with developing a park improvement plan in conjunction with the loss of some trees. This agenda item requested board approval to expend up to \$50,000 to begin implementing that plan and possibly purchasing additional items for safety reasons. Director Gough presented highlights on the park improvements proposal for Board consideration (i.e. tree replanting, platform with seating, soil testing). Vice-President Gough noted that if the Board approves funding for the park improvements, the Kensington Park Replanting Committee would be dissolved as it had accomplished its purpose.

- Addressing the Board were the following persons: 1) Catya de Neergaard commented on the Annex report, planting plan, the need for a trained professional to look at the overall park, and questioned the need for soil testing; 2) Sylvia Elsbury supported the

park improvement proposal phase 1; and 3) Mabry Benson commented on the planting suggestions.

14. **Approval To Make Park Improvements Up To \$50,000.** [[TS 2:06:28](#)]

Interim General Manager Aranda answered questions about the proposal (i.e. prioritizing the safety improvements going forward).

- Addressing the Board was Catya de Neegaard who said the Lossi family benches should be left where they are and offered to buy a bench for the upper level.
- Motion by Director Hacaj, seconded by Director Spath, to approve the General Manager expending up to \$50,000 for park improvements and safety improvements being guided by the Kensington Park Replanting Committee proposal with the exception of moving the planting of lawn trees to phase 2 and have the General Manager report back to the Board on his priority list of improvements and safety issues, carried (4-1) by voice vote with Director Duggan voting “no.”

15. **Approve and Adopt Resolution No. 2023-15, Approving Changes and Additions to the Kensington Police Protection Community Services District Fee Schedule Effective July 15, 2023.** [[TS 2:19:04](#)]

Interim General Manager Aranda provided an overview of the recommended action and noted that the prices were comparable to other police agencies. General Counsel Danforth recommended adding a finding that says “whereas the Board of Directors now finds the cost of providing these services by the police and administrative staff are justified by the cost of said services.”

- Addressing the Board was Mabry Benson who commented that the fees for use of the buildings may be unaffordable for non-profits and youth groups.
- Motion by Director Spath, seconded by President Aquino-Fike, to adopt Resolution No. 2023-15 of the Board of Directors of the Kensington Police Protection & Community Services District establishing rates and charges for services and facilities the District provides effective July 15, 2023 with the amendment (by Director Hacaj) to add an additional finding of “whereas the Board finds that the costs of services are justifiable based on the cost of the services”, carried (5-0) by voice vote.

Resolution No. 2023-15 – A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Establishing Rates And Charges For Services And Facilities The District Provides Effective July 15, 2023.

16. **Approve the CalPERS Pay Scale for Fiscal Year 2024.** [[TS 2:28:38](#)]

Interim General Manager Aranda provided an overview of the recommendation. He pointed out that California Law, which CalPERS has their own section, requires that agencies in the

CalPERS program, provide in an open meeting the pay scales for the job positions that appear on a District's organization chart. With the board's approval, the pay scale would then be made for both public view and for CalPERS.

- Motion by President Aquino-Fike, seconded by Vice-President Gough, to approve the CalPERS pay scale for Fiscal Year 2024 for the Kensington Police Protection & Community Services District, carried (5-0) by voice vote.

17. **Approve and Adopt Resolution 2023-20, To Accept Grant Funds For Fiscal Year 24 From The California Highway Patrol (CHP) And The Cannabis Tax Fund Grant Program (CTFGP) And Authorize The Appropriate District Staff To Execute The Necessary Agreements And Contracts Associated With This Grant. [TS 2:31:47]**

Interim General Manager Aranda reported that the Kensington Police Department was notified it was awarded \$89,800.00 from the CHP Cannabis Tax Fund Grant Program (CTFGP). The police department will use the grant funding to reduce and mitigate the impacts of impaired driving in our community.

- Motion by Director Duggan, seconded by Vice-President Gough, to adopt Resolution No. 2023-20, to accept grant funds for Fiscal Year 24 from the California Highway Patrol and the Cannabis Tax Fund Grant Program (CTFGP) and authorize the appropriate district staff to execute the necessary agreements and contracts associated with this grant, carried (5-0) by voice vote.

Resolution No. 2023-20 – A Resolution of the Kensington Police Protection and Community Services District, To Accept Grant Funds For Fiscal Year 24 From The California Highway Patrol (CHP) And The Cannabis Tax Fund Grant Program (CTFGP) And Authorize The Appropriate District Staff To Execute The Necessary Agreements And Contracts Associated With This Grant.

Adjournment [TS 2:39:19]

President Aquino-Fike adjourned the meeting at 9:12 p.m.

The next regular meeting is scheduled for August 10, 2023.

SUBMITTED BY:

Lynelle M. Lewis, District Clerk of the Board

APPROVED: August 10, 2023

David Aranda, Interim General Manager

Alexandra Aquino-Fike, President of the Board

Kensington Police Protection & Community Services District
Transaction List by Date
July 12, 2023

	Type	Date	Num	Name	Memo	Account	Class	Clr	Split	Amount
Jul 12, 23	Bill Pmt -Check	07/12/2023	30116	AFLAC	M1F02 June billing period	101 · Five Star Checking			210 · Accounts Payable	-489.14
	Bill Pmt -Check	07/12/2023	30117	All City Management, Inc.	May 28, 2023 - June 10, 2023	101 · Five Star Checking			210 · Accounts Payable	-1,102.82
	Bill Pmt -Check	07/12/2023	30118	Amazon	A1297SCF5R73DC	101 · Five Star Checking			210 · Accounts Payable	-786.50
	Bill Pmt -Check	07/12/2023	30119	Amit H. Nath	Travel and meal reimbursement for PC	101 · Five Star Checking			210 · Accounts Payable	-928.00
	Bill Pmt -Check	07/12/2023	30120	AT&T - CalNET 3	Statement 06/03/23-07/02/23 for BAN	101 · Five Star Checking			210 · Accounts Payable	-2.97
	Bill Pmt -Check	07/12/2023	30121	AT&T CalNET 3	BAN 9391062077 Stmt 06/03/2023-0	101 · Five Star Checking			210 · Accounts Payable	-920.81
	Bill Pmt -Check	07/12/2023	30122	Bay Area News Group	2010129 Classified Ad for Park Asse	101 · Five Star Checking			210 · Accounts Payable	-754.20
	Bill Pmt -Check	07/12/2023	30123	C & J Cleaning Services	June 2023	101 · Five Star Checking			210 · Accounts Payable	-2,950.00
	Bill Pmt -Check	07/12/2023	30124	C. L. E. A.	July 2023 Billing	101 · Five Star Checking			210 · Accounts Payable	-216.00
	Bill Pmt -Check	07/12/2023	30125	CC SDA	Dues Assessed for Fiscal Year 2023-	101 · Five Star Checking			210 · Accounts Payable	-150.00
	Bill Pmt -Check	07/12/2023	30126	City of El Cerrito	Household: 30555 Invoice 215313 &	101 · Five Star Checking			210 · Accounts Payable	-2,142.00
	Bill Pmt -Check	07/12/2023	30127	Comcast	8155 40 044 0278610	101 · Five Star Checking			210 · Accounts Payable	-195.64
	Bill Pmt -Check	07/12/2023	30128	David Aranda		101 · Five Star Checking			210 · Accounts Payable	-2,632.75
	Bill Pmt -Check	07/12/2023	30129	Delta Dental	05-0491200004	101 · Five Star Checking			210 · Accounts Payable	-1,326.97
	Bill Pmt -Check	07/12/2023	30130	Department of Justice	155717	101 · Five Star Checking			210 · Accounts Payable	-132.00
	Bill Pmt -Check	07/12/2023	30131	DH Distribution	Invoice 2741	101 · Five Star Checking			210 · Accounts Payable	-2,124.49
	Bill Pmt -Check	07/12/2023	30132	Eide Bailly LLP		101 · Five Star Checking			210 · Accounts Payable	-39,938.15
	Bill Pmt -Check	07/12/2023	30133	Galls Incorporated		101 · Five Star Checking			210 · Accounts Payable	-146.34
	Bill Pmt -Check	07/12/2023	30134	Great America Financial Services	015-1439943-000	101 · Five Star Checking			210 · Accounts Payable	-241.79
	Bill Pmt -Check	07/12/2023	30135	Major Alarm	15004603	101 · Five Star Checking			210 · Accounts Payable	-30.50
	Bill Pmt -Check	07/12/2023	30136	Minuteman Press		101 · Five Star Checking			210 · Accounts Payable	-150.26
	Bill Pmt -Check	07/12/2023	30137	Mobile Modular	R1031374	101 · Five Star Checking			210 · Accounts Payable	-5,630.25
	Bill Pmt -Check	07/12/2023	30138	NBS Government Finance Group	INV# 202306-2181 & INV# 202306-2	101 · Five Star Checking			210 · Accounts Payable	-2,621.13
	Bill Pmt -Check	07/12/2023	30139	Nicolay Consulting Group, Inc	Acturial consulting services and deliv	101 · Five Star Checking			210 · Accounts Payable	-4,000.00
	Bill Pmt -Check	07/12/2023	30140	PG&E	1525420294-6	101 · Five Star Checking			210 · Accounts Payable	-1,044.66
	Bill Pmt -Check	07/12/2023	30141	Professional Tree Care Company	Invoice 31598 & 31599	101 · Five Star Checking			210 · Accounts Payable	-57,950.00
	Bill Pmt -Check	07/12/2023	30142	Renne Public Law Group	Legal services rendered through June	101 · Five Star Checking			210 · Accounts Payable	-2,992.50
	Bill Pmt -Check	07/12/2023	30143	Rubiconn LLC	July Billing	101 · Five Star Checking			210 · Accounts Payable	-4,482.00
	Bill Pmt -Check	07/12/2023	30144	S.D.R.M.A.		101 · Five Star Checking			210 · Accounts Payable	-150,873.37
	Bill Pmt -Check	07/12/2023	30145	Stericycle, Inc	1000464965	101 · Five Star Checking			210 · Accounts Payable	-411.40
	Bill Pmt -Check	07/12/2023	30146	Streamline		101 · Five Star Checking			210 · Accounts Payable	-249.00
	Bill Pmt -Check	07/12/2023	30147	Sun Ridge Systems, Inc	Annual support services from July 1, ;	101 · Five Star Checking			210 · Accounts Payable	-8,696.00
	Bill Pmt -Check	07/12/2023	30148	TransUnion	813540	101 · Five Star Checking			210 · Accounts Payable	-75.00
	Bill Pmt -Check	07/12/2023	30149	US Bank CCard	4866 9145 5552 5747	101 · Five Star Checking			210 · Accounts Payable	-3,331.44
	Bill Pmt -Check	07/12/2023	30150	USbancorp	1783852 Contract# 077-0000620-00C	101 · Five Star Checking			210 · Accounts Payable	-3,309.54
	Bill Pmt -Check	07/12/2023	30151	Vision Service Plan	00102808	101 · Five Star Checking			210 · Accounts Payable	-129.24
	Bill Pmt -Check	07/12/2023	30152	Wex Bank - Chevron	0496-00-526644-0	101 · Five Star Checking			210 · Accounts Payable	-962.90
	Bill Pmt -Check	07/12/2023	30153	Wex Bank - Exxon	369-677-649-5	101 · Five Star Checking			210 · Accounts Payable	-1,886.64
Jul 12, 23	Bill Pmt -Check	07/12/2023	30154	Eide Bailly LLP	Inv# EI01535715	101 Five Star Checking			210 Accounts Payable	-6.750
									Total Paid Amount:	-312,756.40

From: Cindy Byerrum <cbyerrum@eidebailly.com>
Sent: Saturday, August 5, 2023 10:30 AM
To: David Aranda <DAranda@kppcsd.org>; Mike Gancasz <MGancasz@kppcsd.org>
Cc: Kamiko Tsuchida <ktsuchida@eidebailly.com>; Adrian Concepcion <aconcepcion@eidebailly.com>; James Ramsey <jramsey@eidebailly.com>
Subject: FY 23 FS and July 23

Good morning all,

Attached are the financials for FY 23 and July 23.

First file:

1. *Balance Sheet YE 6/30/23*
2. *Budget to Actual for all funds, YE 6/30/23*
3. *Income Statement by Fund, YE 6/30/23*

Things to note:

1. Credit card payable is negative because Karn is not finished coding the statements
2. All audit adjustments, accruals, property tax true up has not been performed yet.
3. No pension or retiree health entries (GASB 68 and 75) have been prepared.
4. No adjustments for leases and software contracts have been recorded (GASB 87 and 96)
5. The Waste Management transfer to General Fund has not been done.

That said, the year ended pretty well. The District budgeted at \$565K loss as a whole and only has a \$222K loss. This is primarily due to vacancies in the Police department (saving \$200K), not making the budgeted \$150K payment to the medical trust, fleet savings, vacancies and lower expenses in the Parks fund, and lower than planned capital outlay spending. The savings were offset somewhat by higher than planned and unusual accounting and legal costs that the District should not incur to such an extent in the future.

Second file

1. *Balance Sheet 7/31/23*
2. *Total budget to actual for month end 7/31/23*
3. *Budget to actual for month end 7/31/23 by fund*

No property taxes received yet, so all the funds look negative. Worker's comp and liability insurance 100% paid. Annual dispatch fee paid in July. No activity in the Waste Management fund to date.

Please let me know if you have any other questions.

Cindy Byerrum, MPA, CPA
Partner
Government Advisory Services
Eide Bailly LLP
909-204-8858 (cell)



WHAT INSPIRES YOU, INSPIRES US.

Kensington Police Protection & Community Services District

Balance Sheet

As of June 30, 2023

	<u>Jun 30, 23</u>
ASSETS	
Current Assets	
Checking/Savings	
100 · Petty Cash	100.00
101 · Five Star Checking	270,022.23
102 · Five Star Payroll	15.00
103 · Five Star Saving	300,872.52
110 · CCC Cash Accts	1,108,207.89
117b · Admin - Cash	25,883.16
133b · Resv - Cash	93,430.00
134 · CCC LAIF Accounts	640,361.03
Total Checking/Savings	<u>2,438,891.83</u>
Accounts Receivable	201,061.34
Other Current Assets	18,724.31
Total Current Assets	<u>2,658,677.48</u>
Fixed Assets	
160 · Police Fixed Assets	823,753.49
170 · Park/Rec Fixed Assets	6,230,721.22
189 · Accumulated Depreciation	-1,537,784.61
Total Fixed Assets	<u>5,516,690.10</u>
Other Assets	
190 · Deferred Outflows - OPEB	420,721.00
191 · Deferred Outflows - Pension	423,477.00
194 · Net Pension Asset	2,327,970.00
Total Other Assets	<u>3,172,168.00</u>
TOTAL ASSETS	<u><u>11,347,535.58</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
210 · Accounts Payable	122,017.92
Total Accounts Payable	<u>122,017.92</u>
Credit Cards	-10,590.82
Other Current Liabilities	
220 · Payroll Liabilities	15,130.79
Total Other Current Liabilities	<u>15,130.79</u>
Total Current Liabilities	<u>126,557.89</u>
Long Term Liabilities	
240 · 2020 Pension Obligation Bond	4,244,000.00
265 · Compensated Absence/Vac Buyback	95,792.82
290 · Community Center Loan	161,053.53
293 · Vehicle Capital Lease	133,987.35
295 · Net OPEB Liability	579,377.00
297 · Deferred Inflows - OPEB	507,406.00
298 · Deferred Inflows - Pension	1,267,514.00
Total Long Term Liabilities	<u>6,989,130.70</u>
Total Liabilities	<u>7,115,688.59</u>
Equity	4,231,846.99
TOTAL LIABILITIES & EQUITY	<u><u>11,347,535.58</u></u>

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
July 2022 through June 2023

Draft - All Numbers Subject to Change
All Funds - Preliminary Before Audit Adjustments

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
Income				
400 · Property Tax Revenue				
401 · Levy Tax Police- Co. Prop. 1%	\$ 2,313,726	\$ 2,201,900	\$ 111,826	105.1%
402 · Special Tax-Police	685,470	720,000	-34,530	95.2%
404 · Measure G Supplemental Tax PD	651,974	652,300	-326	100.0%
410 · Police Fees/Service Charges	9,478	12,000	-2,522	79.0%
414 · POST Reimbursement	13,065	125,000	-111,935	10.5%
415 · COPS/Other PD Grants	196,495	175,000	21,495	112.3%
418 · Reimbursements/Refunds	0	6,000	-6,000	0.0%
400 · Property Tax Revenue - Other	0	20	-20	0.0%
Total 400 · Property Tax Revenue	3,870,209	3,892,220	-22,011	99.4%
420 · Park/Rec Activities Revenue				
424 · Special Tax-L&L Parks	44,359	44,400	-41	99.9%
427 · Community Center Revenue	61,573	57,700	3,873	106.7%
438 · Tennis Court Revenue	1,435	1,500	-65	95.7%
439 · Other Community Center Revenue	456	15,000	-14,544	3.0%
Total 420 · Park/Rec Activities Revenue	107,823	118,600	-10,777	90.9%
440 · District Activities Revenue				
448a · Franchise Fees Gross	0	108,250	-108,250	0.0%
448b · less Franchise Fees Paid Out	0	-46,393	46,393	0.0%
456 · Interest-District	13,068	5,000	8,068	261.4%
458 · Other District Revenue	35,048	9,700	25,348	361.3%
Total 440 · District Activities Revenue	48,116	76,557	-28,441	62.9%
460 · Waste Removal Revenue				
461 · Waste Removal Franchise Fee	114,399	110,000	4,399	104.0%
Total 460 · Waste Removal Revenue	114,399	110,000	4,399	104.0%
480 · Rental Revenue - KPFD	26,824			
Total Income	4,167,371	4,197,377	-30,006	99.3%
Gross Profit	4,167,371	4,197,377	-30,006	99.3%
Expense				
500 · Police Salary and Benefit Exp				
502 · Salary - Officers	989,104	1,187,300	-198,196	83.3%
506 · Overtime	123,413	100,000	23,413	123.4%
508 · Salary - Non-Sworn	60,902	68,100	-7,198	89.4%
509 · Hiring Bonus	25,000	20,000	5,000	125.0%
516 · Uniform Allowance	9,176	0	9,176	100.0%
521-A · Medical/Vision/Dental-Active	141,763	172,700	-30,937	82.1%
521-R · Medical/Vision/Dental-Retired	167,523	160,400	7,123	104.4%
521-T · Medical/Vision/Dental-Trust	0	151,500	-151,500	0.0%
522 · Officer Life Insurance	4,900	10,100	-5,200	48.5%
523 · SocialSecurity/Medicare-Police	22,288	15,300	6,988	145.7%
524 · Social Security - District	3,584	11,600	-8,016	30.9%
527 · PERS - District Portion	215,994	233,750	-17,756	92.4%
529 · Pension Obln Bond Payment	249,697	331,450	-81,753	75.3%
530 · Workers Comp	39,533	44,900	-5,367	88.0%
548 · GASB 75 - Expense	3,800	0	3,800	100.0%
Total 500 · Police Salary and Benefit Exp	2,056,678	2,507,100	-450,422	82.0%
520 · In Lieu Health Expense	5,750			
550 · Police Operating Expenses				
552 · Office Supplies and Expenses	11,335	13,300	-1,965	85%
553 · Police Equipment and Supplies	26,432	28,500	-2,068	93%
554 · Traffic Safety	14,792	32,000	-17,208	46%
560 · Crossing Guard	21,566	17,800	3,766	121%

Kensington Police Protection & Community Services District

Profit & Loss Budget vs. Actual

July 2022 through June 2023

Draft - All Numbers Subject to Change
All Funds - Preliminary Before Audit Adjustments

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
561 · Fleet Expense	44,888	91,500	-46,612	49%
562 · Vehicle Operation	8,062	0	8,062	100%
563 · Vehicle Lease	47,515	21,478	26,036	221%
564 · Annual Law Encfmt. Tec/Dispatch	222,536	193,300	29,236	115%
568 · Evidence	24,295	6,000	18,295	405%
570 · Training and Travel Exp	32,196	25,000	7,196	129%
571 · Records	300	6,000	-5,700	5%
572 · Hiring	11,874	20,000	-8,126	59%
574 · Reserve Officers	200	3,500	-3,300	6%
576 · Dues and Subscriptions	6,661	5,000	1,661	133%
580 · Utilities - Police	14,366	0	14,366	100%
581 · Bldg Repairs/Maint.	437	0	437	100%
587 · IT Contract	303	0	303	100%
588 · Telephone	21,467	30,300	-8,833	71%
591 · General Liability Insurance	40,177	42,100	-1,923	95%
592 · Online Services/Business Accts	417	9,200	-8,783	5%
593 · Volunteer Programs	1,542	2,500	-958	62%
594 · Community Events	2,108	5,000	-2,892	42%
595 · Legal/Consulting - Police	29,134	9,000	20,134	324%
597 · Police Bldg. Lease	66,719	48,000	18,719	139%
597.1 · Bldg Maintenance/Repair	4,303	3,500	803	123%
597.2 · Utilities	0	13,500	-13,500	0%
597.3 · Janitorial - Police Building	7,178	7,200	-22	100%
599 · Police Taxes Administration	1,049	5,500	-4,451	19%
Total 550 · Police Operating Expenses	661,853	639,178	22,675	104%
600 · Park/Rec Sal & Ben				
601 · Park & Rec Administrator	31,020	41,500	-10,480	75%
602 · Custodial/Cleaning Services	12,700	45,000	-32,300	28%
623 · Social Security/Medicare - Dist	0	10,800	-10,800	0%
Total 600 · Park/Rec Sal & Ben	43,720	97,300	-53,580	45%
635 · Park/Recreation Expenses				
640 · Community Center Expenses				
641 · General Maintenance	28,595	3,000	25,595	953%
642 · Utilities-Community Center	13,653	19,500	-5,847	70%
643 · Janitorial Supplies	1,640	1,200	440	137%
644 · Landscaping	29,430	13,000	16,430	226%
645 · General Liab./Workers Comp	9,390	3,500	5,890	268%
646 · Community Center Repairs	5,104	7,500	-2,396	68%
647 · Legal/Consulting	6,768	25,000	-18,232	27%
649 · Interest Expense	7,046	0	7,046	100%
640 · Community Center Expenses - Other	64	0	64	100%
Total 640 · Community Center Expenses	101,690	72,700	28,990	140%
650 · Park				
651 · General Maintenance	33,431	35,400	-1,969	94%
652 · Repairs	9,897	12,000	-2,103	82%
653 · Landscaping	10,610	55,000	-44,390	19%
656 · Utilities	10,110	2,400	7,710	421%
657 · General Liab/Workers Comp	9,390	9,600	-210	98%
658 · Levy Administration	10,003	9,500	503	105%
659 · Other Park Expenses	0	500	-500	0%
674 · Tennis Court Maint/Repair	2,124	500	1,624	425%
Total 650 · Park	85,566	124,900	-39,334	69%
Total 635 · Park/Recreation Expenses	187,255	197,600	-10,345	95%
750 · Waste Management Expenses				
751 · Waste Removal Franchise Fee Exp	49,100	47,300	1,800	104%

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
July 2022 through June 2023

Draft - All Numbers Subject to Change
All Funds - Preliminary Before Audit Adjustments

	Jul '22 - Jun 23	Budget	\$ Over Budget	% of Budget
752 · Waste Management Program Admin	0	3,000	-3,000	0%
753 · Other Waste Management Exp	225	500	-275	45%
Total 750 · Waste Management Expenses	49,325	50,800	-1,475	97%
800 · District Expenses				
807 · Salaries	350,917	384,200	-33,283	91%
808 · Payroll Taxes	32,800	57,700	-24,900	57%
809 · Benefits	0	50,500	-50,500	0%
810 · IT Contract	7,097	27,800	-20,703	26%
815 · Admin Communications	8,106	4,300	3,806	189%
816 · Office Supplies	4,793	1,600	3,193	300%
817 · Postage	624	700	-76	89%
818 · Mileage Reimbursement	553	400	153	138%
819 · Dues/Subscriptions	7,836	10,600	-2,764	74%
820 · Copier Contract	5,282	6,600	-1,318	80%
825 · Board Continuing Ed/Conferences	282	12,500	-12,218	2%
830 · Legal (District/Personnel)	186,841	45,000	141,841	415%
831 · Training and Travel Admin	19,477	6,500	12,977	300%
835 · Consulting	44,287	35,000	9,287	127%
840 · Accounting/Audit	239,585	75,000	164,585	319%
850 · Insurance	36,595	31,900	4,695	115%
851 · Workers Comp	13,178	4,500	8,678	293%
860 · Election	7,630	7,500	130	102%
861 · LAFCO	1,505	2,100	-595	72%
870 · County Expenditures	22,409	25,000	-2,591	90%
890 · Waste/Recycle	510	0	510	100%
898 · Other Expenses	27,055	1,000	26,055	2,705%
Total 800 · District Expenses	1,017,360	790,400	226,960	129%
950 · Capital Outlay				
963 · Patrol Car Accessories	29,956	15,000	14,956	200%
965 · Personal Police Equipment-Asset	0	15,000	-15,000	0%
966 · Police Traffic Equipment	0	25,000	-25,000	0%
967 · Station Equipment	50,235	50,000	235	100%
968 · Office Furn/Eq	25,438	50,000	-24,563	51%
969 · Computer Equipment	20,756	25,000	-4,244	83%
970 · Upgrade Phone System	10,214	25,000	-14,786	41%
972 · Park Buildings Improvement	0	95,000	-95,000	0%
974 · Other Park Improvements	99,715	25,000	74,715	399%
978 · Pk/Rec Furn/Eq	21,800	25,000	-3,200	87%
983 · Building Temporary Relocation	108,788	100,000	8,788	109%
Total 950 · Capital Outlay	366,901	450,000	-83,099	82%
997 · Payroll Expenses	603			
Total Expense	4,389,445	4,732,378	-342,933	93%
	-222,075	-535,001		
Other Expense				
700 · Bond Expense				
975 · Community Center Loan Repayment	0	30,600		
Total 700 · Bond Expense	0	30,600		
Total Other Expense	0	30,600		
	0	-30,600		
Net Income / (Loss)	\$ (222,075)	\$ (565,601)		

Kensington Police Protection & Community Services District

Profit & Loss by Class

July 2022 through June 2023

	General Fund	Parks	Waste Management Fund	Police	TOTAL
Income					
400 · Property Tax Revenue					
401 · Levy Tax Police- Co. Prop. 1%	\$ 2,313,726	\$ -	\$ -	\$ -	\$ 2,313,726
402 · Special Tax-Police	-	-	-	685,470	685,470
404 · Measure G Supplemental Tax PD	-	-	-	651,974	651,974
410 · Police Fees/Service Charges	-	-	-	9,478	9,478
414 · POST Reimbursement	-	-	-	13,065	13,065
415 · COPS/Other PD Grants	-	-	-	196,495	196,495
Total 400 · Property Tax Revenue	2,313,726	-	-	1,556,483	3,870,209
420 · Park/Rec Activities Revenue					
424 · Special Tax-L&L Parks	-	44,359	-	-	44,359
427 · Community Center Revenue	-	61,573	-	-	61,573
438 · Tennis Court Revenue	-	1,435	-	-	1,435
439 · Other Community Center Revenue	-	456	-	-	456
Total 420 · Park/Rec Activities Revenue	-	107,823	-	-	107,823
440 · District Activities Revenue					
456 · Interest-District	13,068	-	-	-	13,068
458 · Other District Revenue	35,048	-	-	-	35,048
Total 440 · District Activities Revenue	48,116	-	-	-	48,116
460 · Waste Removal Revenue					
461 · Waste Removal Franchise Fee	-	-	114,399	-	114,399
Total 460 · Waste Removal Revenue	-	-	114,399	-	114,399
480 · Rental Revenue - KPFD	26,824	-	-	-	26,824
Total Income	2,388,666	107,823	114,399	1,556,483	4,167,371
Gross Profit	2,388,666	107,823	114,399	1,556,483	4,167,371
Expense					
500 · Police Salary and Benefit Exp					
502 · Salary - Officers	-	-	-	989,104	989,104
506 · Overtime	-	-	-	123,413	123,413
508 · Salary - Non-Sworn	-	-	-	60,902	60,902
509 · Hiring Bonus	-	-	-	25,000	25,000
516 · Uniform Allowance	-	-	-	9,176	9,176
521-A · Medical/Vision/Dental-Active	-	-	-	141,763	141,763
521-R · Medical/Vision/Dental-Retired	-	-	-	167,523	167,523
522 · Officer Life Insurance	-	-	-	4,900	4,900

Kensington Police Protection & Community Services District

Profit & Loss by Class

July 2022 through June 2023

	General Fund	Parks	Waste Management Fund	Police	TOTAL
523 · SocialSecurity/Medicare-Police	-	-	-	22,288	22,288
524 · Social Security - District	-	-	-	3,584	3,584
527 · PERS - District Portion	-	-	-	215,994	215,994
529 · Pension Obln Bond Payment	-	-	-	249,697	249,697
530 · Workers Comp	-	-	-	39,533	39,533
548 · GASB 75 - Expense	-	-	-	3,800	3,800
Total 500 · Police Salary and Benefit Exp	-	-	-	2,056,678	2,056,678
520 · In Lieu Health Expense	-	-	-	5,750	5,750
550 · Police Operating Expenses					
552 · Office Supplies and Expenses	-	-	-	11,335	11,335
553 · Police Equipent and Supplies	-	-	-	26,432	26,432
554 · Traffic Safety	-	-	-	14,792	14,792
560 · Crossing Guard	-	-	-	21,566	21,566
561 · Fleet Expense	-	-	-	44,888	44,888
562 · Vehicle Operation	-	-	-	8,062	8,062
563 · Vehicle Lease	-	-	-	47,515	47,515
564 · Annual Law Enfcmnt. Tec/Dispatch	-	-	-	222,536	222,536
568 · Evidence	-	-	-	24,295	24,295
570 · Training and Travel Exp	-	-	-	32,196	32,196
571 · Records	-	-	-	300	300
572 · Hiring	-	-	-	11,874	11,874
574 · Reserve Officers	-	-	-	200	200
576 · Dues and Subscriptions	-	-	-	6,661	6,661
580 · Utilities - Police	-	-	-	14,366	14,366
581 · Bldg Repairs/Maint.	-	-	-	437	437
587 · IT Contract	-	-	-	303	303
588 · Telephone	-	-	-	21,467	21,467
591 · General Liability Insurance	-	-	-	40,177	40,177
592 · Online Services/Business Accts	-	-	-	417	417
593 · Volunteer Programs	-	-	-	1,542	1,542
594 · Community Events	-	-	-	2,108	2,108
595 · Legal/Consulting - Police	-	-	-	29,134	29,134
597 · Police Bldg. Lease	-	-	-	66,719	66,719
597.1 · Bldg Maintenance/Repair	-	-	-	4,303	4,303
597.3 · Janitorial - Police Building	-	-	-	7,178	7,178
599 · Police Taxes Administration	-	-	-	1,049	1,049

Kensington Police Protection & Community Services District

Profit & Loss by Class

July 2022 through June 2023

	General Fund	Parks	Waste Management Fund	Police	TOTAL
816 · Office Supplies	4,793	-	-	-	4,793
817 · Postage	624	-	-	-	624
818 · Mileage Reimbursement	553	-	-	-	553
819 · Dues/Subscriptions	7,671	-	-	164	7,836
820 · Copier Contract	5,282	-	-	-	5,282
825 · Board Continuing Ed/Conferences	282	-	-	-	282
830 · Legal (District/Personnel)	186,841	-	-	-	186,841
831 · Training and Travel Admin	19,477	-	-	-	19,477
835 · Consulting	44,287	-	-	-	44,287
840 · Accounting/Audit	239,585	-	-	-	239,585
850 · Insurance	37,560	-	-	(964)	36,595
851 · Workers Comp	13,178	-	-	-	13,178
860 · Election	7,630	-	-	-	7,630
861 · LAFCO	1,505	-	-	-	1,505
870 · County Expenditures	22,409	-	-	-	22,409
890 · Waste/Recycle	510	-	-	-	510
898 · Other Expenses	27,055	-	0	-	27,055
Total 800 · District Expenses	1,018,161	-	0	(800)	1,017,360
950 · Capital Outlay					
963 · Patrol Car Accessories	-	-	-	29,956	29,956
967 · Station Equipment	-	-	-	50,091	50,235
968 · Office Furn/Eq	-	-	-	25,438	25,438
969 · Computer Equipment	-	-	-	20,756	20,756
970 · Upgrade Phone System	-	-	-	10,214	10,214
974 · Other Park Improvements	-	99,715	-	-	99,715
978 · Pk/Rec Furn/Eq	-	21,800	-	-	21,800
983 · Building Temporary Relocation	-	-	-	108,788	108,788
Total 950 · Capital Outlay	-	121,515	-	245,243	366,901
997 · Payroll Expenses	603	-	-	-	603
Total Expense	1,018,763	352,490	49,325	2,968,724	4,389,445
Net Income / (Loss)	\$ 1,369,903	\$ (244,667)	\$ 65,074	\$ (1,412,241)	\$ (222,075)

Balance Sheet

As of July 31, 2023

Jul 31, 23

ASSETS

Current Assets

Checking/Savings

100 · Petty Cash	\$	100.00
101 · Five Star Checking		84,209
102 · Five Star Payroll		-279
103 · Five Star Saving		100,873
110 · CCC Cash Accts		1,108,208
117b · Admin - Cash		25,883
133b · Resv - Cash		93,430
134 · CCC LAIF Accounts		640,361

Total Checking/Savings 2,052,784

Accounts Receivable 201,061

Other Current Assets 18,724

Total Current Assets 2,272,570

Fixed Assets

160 · Police Fixed Assets		823,753
170 · Park/Rec Fixed Assets		6,230,721
189 · Accumulated Depreciation		-1,537,785

Total Fixed Assets 5,516,690

Other Assets

190 · Deferred Outflows - OPEB		420,721
191 · Deferred Outflows - Pension		423,477
194 · Net Pension Asset		2,327,970

Total Other Assets 3,172,168

TOTAL ASSETS 10,961,428

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable		145,696
Credit Cards		-10,670
Other Current Liabilities		
220 · Payroll Liabilities		648

Total Other Current Liabilities 648

Total Current Liabilities 135,673

Long Term Liabilities

240 · 2020 Pension Obligation Bond		4,244,000
265 · Compensated Absence/Vac Buyback		95,793
290 · Community Center Loan		161,054
293 · Vehicle Capital Lease		133,987
295 · Net OPEB Liability		579,377
297 · Deferred Inflows - OPEB		507,406
298 · Deferred Inflows - Pension		1,267,514

Total Long Term Liabilities 6,989,131

Total Liabilities 7,124,804

Equity 3,836,624

TOTAL LIABILITIES & EQUITY \$ 10,961,428

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
 July 2023

	Jul 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
400 · Property Tax Revenue				
401 · Levy Tax Police- Co. Prop. 1%	\$ -	\$ 2,400,000	\$ (2,400,000)	0.0%
402 · Special Tax-Police	0	685,000	-685,000	0.0%
404 · Measure G Supplemental Tax PD	0	660,000	-660,000	0.0%
410 · Police Fees/Service Charges	315	5,000	-4,685	6.3%
414 · POST Reimbursement	0	10,000	-10,000	0.0%
415 · COPS/Other PD Grants	0	195,000	-195,000	0.0%
Total 400 · Property Tax Revenue	315	3,955,000	-3,954,685	0.01%
420 · Park/Rec Activities Revenue				
406 · Per Capita Park Grant	0	180,000	-180,000	0.0%
424 · Special Tax-L&L Parks	0	46,000	-46,000	0.0%
427 · Community Center Revenue	0	50,000	-50,000	0.0%
438 · Tennis Court Revenue	0	1,000	-1,000	0.0%
Total 420 · Park/Rec Activities Revenue	0	277,000	-277,000	0.0%
440 · District Activities Revenue				
448a · Franchise Fees Gross	0	120,000	-120,000	0.0%
448b · less Franchise Fees Paid Out	0	0	0	0.0%
456 · Interest-District	0	10,000	-10,000	0.0%
458 · Other District Revenue	4,877	68,500	-63,623	7.12%
Total 440 · District Activities Revenue	4,877	198,500	-193,623	2.46%
480 · Rental Revenue - KPFD	0	29,300	-29,300	0.0%
Total Income	5,192	4,459,800	-4,454,608	0.12%
Gross Profit	5,192	4,459,800	-4,454,608	0.12%
Expense				
500 · Police Salary and Benefit Exp				
502 · Salary - Officers				
503.1 · Holiday Pay	1,709	50,100	-48,391	3.41%
503.2 · Incentive Pay- Education	507	4,100	-3,593	12.37%
503.3 · Incentive Pay- POST Certificate	2,180	34,600	-32,420	6.3%
502 · Salary - Officers - Other	40,394	1,141,400	-1,101,006	3.54%
Total 502 · Salary - Officers	44,790	1,230,200	-1,185,410	3.64%
506 · Overtime	7,739	120,000	-112,261	6.45%
508 · Salary - Non-Sworn	2,141	53,900	-51,759	3.97%
509 · Hiring Bonus	0	20,000	-20,000	0.0%
510 · Vacation Cash Out	0	20,600	-20,600	0.0%
516 · Uniform Allowance	400	10,800	-10,400	3.7%
521-A · Medical/Vision/Dental-Active	490	183,700	-183,210	0.27%
521-R · Medical/Vision/Dental-Retired	0	145,400	-145,400	0.0%
522 · Officer Life Insurance	641	8,500	-7,859	7.54%
523 · SocialSecurity/Medicare-Police	783	20,300	-19,517	3.86%
524 · Social Security - District	133	4,100	-3,967	3.24%
527 · PERS - District Portion	8,476	269,700	-261,224	3.14%
529 · Pension Obln Bond Payment	0	330,900	-330,900	0.0%
530 · Workers Comp	38,000	38,000	0	100.0%
531 · Unemployment	0	52,000	-52,000	0.0%
Total 500 · Police Salary and Benefit Exp	103,592	2,508,100	-2,404,508	4.13%
520 · In Lieu Health Expense	250	500	-250	50.0%
550 · Police Operating Expenses				
552 · Office Supplies and Expenses	0	21,400	-21,400	0.0%
553 · Police Equipment and Supplies	1,077	30,000	-28,923	3.59%
554 · Traffic Safety	0	25,000	-25,000	0.0%
561 · Fleet Expense	327	17,000	-16,673	1.92%
562 · Vehicle Operation	2,850	30,000	-27,150	9.5%
563 · Vehicle Lease	4,610	86,500	-81,890	5.33%
564 · Annual Law Enfcm. Tec/Dispatch	142,374	160,000	-17,626	88.98%
566 · Radio Maintenance	0	37,800	-37,800	0.0%
567 · Alarm	0	4,000	-4,000	0.0%
568 · Evidence	0	7,500	-7,500	0.0%
569 · Emergency Preparedness	0	3,000	-3,000	0.0%
570 · Training and Travel Exp	928	30,000	-29,072	3.09%

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
July 2023

	Jul 23	Budget	\$ Over Budget	% of Budget
571 · Records	0	38,800	-38,800	0.0%
572 · Hiring	53	25,000	-24,947	0.21%
576 · Dues and Subscriptions	60	7,000	-6,940	0.86%
580 · Utilities - Police	2,636	27,000	-24,364	9.76%
581 · Bldg Repairs/Maint.	0	10,000	-10,000	0.0%
587 · IT Contract	0	43,300	-43,300	0.0%
588 · Telephone	0	10,000	-10,000	0.0%
591 · General Liability Insurance	52,942	55,000	-2,058	96.26%
592 · Online Services/Business Accts	0	5,000	-5,000	0.0%
593 · Volunteer Programs	0	7,500	-7,500	0.0%
594 · Community Events	0	7,500	-7,500	0.0%
595 · Legal/Consulting - Police	564	9,000	-8,436	6.27%
597 · Police Bldg. Lease	5,630	66,000	-60,370	8.53%
597.1 · Bldg Maintenance/Repair	0	10,000	-10,000	0.0%
597.2 · Utilities	0	0	0	0.0%
597.3 · Janitorial - Police Building	1,150	14,000	-12,850	8.21%
599 · Police Taxes Administration	0	5,000	-5,000	0.0%
Total 550 · Police Operating Expenses	215,200	792,300	-577,100	27.16%
600 · Park/Rec Sal & Ben				
601 · Park & Rec Administrator	1,278	86,000	-84,723	1.49%
602 · Custodial/Cleaning Services	0	12,000	-12,000	0.0%
623 · Social Security/Medicare - Dist	0	6,600	-6,600	0.0%
Total 600 · Park/Rec Sal & Ben	1,278	104,600	-103,323	1.22%
635 · Park/Recreation Expenses				
640 · Community Center Expenses				
641 · General Maintenance	2,870	2,500	370	114.79%
642 · Utilities-Community Center	2,386	13,000	-10,614	18.35%
643 · Janitorial Supplies	0	1,500	-1,500	0.0%
644 · Landscaping	0	30,000	-30,000	0.0%
645 · General Liab./Workers Comp	1,362	1,400	-38	97.28%
646 · Community Center Repairs	0	10,000	-10,000	0.0%
Total 640 · Community Center Expenses	6,617	58,400	-51,783	11.33%
650 · Park				
651 · General Maintenance	485	30,000	-29,515	1.62%
652 · Repairs	0	0	0	0.0%
656 · Utilities	121	0	121	100.0%
657 · General Liab./Workers Comp	12,000	12,000	0	100.0%
658 · Levy Administration	2,057	10,000	-7,943	20.57%
Total 650 · Park	14,663	52,000	-37,337	28.2%
Total 635 · Park/Recreation Expenses	21,280	110,400	-89,120	19.28%
750 · Waste Management Expenses				
751 · Waste Removal Franchise Fee Exp	0	51,400	-51,400	0.0%
752 · Waste Management Program Admin	0	68,490	-68,490	0.0%
753 · Other Waste Management Exp	0	3,040	-3,040	0.0%
Total 750 · Waste Management Expenses	0	122,930	-122,930	0.0%
800 · District Expenses				
807 · Salaries	6,083	259,400	-253,318	2.35%
808 · Payroll Taxes	563	19,800	-19,237	2.84%
809 · Benefits	0	50,000	-50,000	0.0%
815 · Admin Communications	1,508	7,500	-5,992	20.11%
816 · Office Supplies	0	2,000	-2,000	0.0%
818 · Mileage Reimbursement	50	0	50	100.0%
819 · Dues/Subscriptions	150	11,000	-10,850	1.36%
820 · Copier Contract	618			
825 · Board Continuing Ed/Conferences	0	8,000	-8,000	0.0%
830 · Legal (District/Personnel)	0	25,000	-25,000	0.0%
831 · Training and Travel Admin	2,920	18,700	-15,780	15.62%
835 · Consulting	0	50,000	-50,000	0.0%
840 · Accounting/Audit	0	95,000	-95,000	0.0%
850 · Insurance	45,000	45,000	0	100.0%
851 · Workers Comp	1,569	1,500	69	104.6%
861 · LAFCO	0	2,000	-2,000	0.0%

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
 July 2023

	Jul 23	Budget	\$ Over Budget	% of Budget
870 · County Expenditures	0	25,000	-25,000	0.0%
891 · COVID	0	0	0	0.0%
898 · Other Expenses	60	5,000	-4,940	1.2%
Total 800 · District Expenses	58,521	624,900	-566,379	9.37%
950 · Capital Outlay				
974 · Other Park Improvements	0	80,000	-80,000	0.0%
Total 950 · Capital Outlay	0	80,000	-80,000	0.0%
997 · Payroll Expenses	294			
Total Expense	400,415	4,343,730	-3,943,315	9.22%
Net Ordinary Income	-395,223	116,070	-511,293	-340.5%
Other Income/Expense				
Other Expense				
700 · Bond Expense				
975 · Community Center Loan Repayment	0	30,500	-30,500	0.0%
Total 700 · Bond Expense	0	30,500	-30,500	0.0%
Total Other Expense	0	30,500	-30,500	0.0%
Net Other Income	0	-30,500	30,500	0.0%
Net Income / (Loss)	\$ (395,223)	\$ 85,570	\$ (480,793)	-461.87%

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
 July 2023

	General Fund		
	Jul 23	Budget	% of Budget
Ordinary Income/Expense			
Income			
400 · Property Tax Revenue			
401 · Levy Tax Police- Co. Prop. 1%	\$ -	\$ 2,400,000	0.0%
Total 400 · Property Tax Revenue	0	2,400,000	0.0%
440 · District Activities Revenue			
456 · Interest-District	0	10,000	0.0%
458 · Other District Revenue	4,877	68,500	7.12%
Total 440 · District Activities Revenue	4,877	78,500	6.21%
480 · Rental Revenue - KPFD	0	29,300	0.0%
Total Income	4,877	2,507,800	0.19%
Gross Profit	4,877	2,507,800	0.19%
Expense			
800 · District Expenses			
807 · Salaries	6,083	259,400	2.35%
808 · Payroll Taxes	563	19,800	2.84%
809 · Benefits	0	50,000	0.0%
815 · Admin Communications	1,508	7,500	20.11%
816 · Office Supplies	0	2,000	0.0%
818 · Mileage Reimbursement	50	0	100.0%
819 · Dues/Subscriptions	150	11,000	1.36%
820 · Copier Contract	618		
825 · Board Continuing Ed/Conferences	0	8,000	0.0%
830 · Legal (District/Personnel)	0	25,000	0.0%
831 · Training and Travel Admin	2,920	18,700	15.62%
835 · Consulting	0	50,000	0.0%
840 · Accounting/Audit	0	95,000	0.0%
850 · Insurance	45,000	45,000	100.0%
851 · Workers Comp	1,569	1,500	104.6%
861 · LAFCO	0	2,000	0.0%
870 · County Expenditures	0	25,000	0.0%
898 · Other Expenses	60	5,000	1.2%
Total 800 · District Expenses	58,521	624,900	9.37%
997 · Payroll Expenses	294		
Total Expense	58,815	624,900	9.41%
Net Income / (Loss)	\$ (53,938)	\$ 1,882,900	

**Kensington Police Protection & Community Services District
 Police Budget vs. Actual**

July 2023

Police

	Jul 23	Budget	% of Budget
Ordinary Income/Expense			
Income			
400 · Property Tax Revenue			
402 · Special Tax-Police	\$ -	\$ 685,000	0.0%
404 · Measure G Supplemental Tax PD	0	660,000	0.0%
410 · Police Fees/Service Charges	315	5,000	6.3%
414 · POST Reimbursement	0	10,000	0.0%
415 · COPS/Other PD Grants	0	195,000	0.0%
Total 400 · Property Tax Revenue	315	1,555,000	0.02%
Total Income	315	1,555,000	0.02%
	315	1,555,000	0.02%
Expense			
500 · Police Salary and Benefit Exp			
502 · Salary - Officers			
503.1 · Holiday Pay	1,709	50,100	3.41%
503.2 · Incentive Pay- Education	507	4,100	12.37%
503.3 · Incentive Pay- POST Certificate	2,180	34,600	6.3%
502 · Salary - Officers - Other	40,394	1,141,400	3.54%
Total 502 · Salary - Officers	44,790	1,230,200	3.64%
506 · Overtime	7,739	120,000	6.45%
508 · Salary - Non-Sworn	2,141	53,900	3.97%
509 · Hiring Bonus	0	20,000	0.0%
510 · Vacation Cash Out	0	20,600	0.0%
516 · Uniform Allowance	400	10,800	3.7%
521-A · Medical/Vision/Dental-Active	490	183,700	0.27%
521-R · Medical/Vision/Dental-Retired	0	145,400	0.0%
522 · Officer Life Insurance	641	8,500	7.54%
523 · SocialSecurity/Medicare-Police	783	20,300	3.86%
524 · Social Security - District	133	4,100	3.24%
527 · PERS - District Portion	8,476	269,700	3.14%
529 · Pension Obln Bond Payment	0	330,900	0.0%
530 · Workers Comp	38,000	38,000	100.0%
531 · Unemployment	0	52,000	0.0%
Total 500 · Police Salary and Benefit Exp	103,592	2,508,100	4.13%
520 · In Lieu Health Expense	250	500	50.0%
550 · Police Operating Expenses			
552 · Office Supplies and Expenses	0	21,400	0.0%
553 · Police Equipment and Supplies	1,077	30,000	3.59%
554 · Traffic Safety	0	25,000	0.0%
561 · Fleet Expense	327	17,000	1.92%
562 · Vehicle Operation	2,850	30,000	9.5%
563 · Vehicle Lease	4,610	86,500	5.33%
564 · Annual Law Enfcmnt. Tec/Dispatch	142,374	160,000	88.98%
566 · Radio Maintenance	0	37,800	0.0%
567 · Alarm	0	4,000	0.0%
568 · Evidence	0	7,500	0.0%
569 · Emergency Preparedness	0	3,000	0.0%

**Kensington Police Protection & Community Services District
 Police Budget vs. Actual**

July 2023

Police

	Jul 23	Budget	% of Budget
570 · Training and Travel Exp	928	30,000	3.09%
571 · Records	0	38,800	0.0%
572 · Hiring	53	25,000	0.21%
576 · Dues and Subscriptions	60	7,000	0.86%
580 · Utilities - Police	2,636	27,000	9.76%
581 · Bldg Repairs/Maint.	0	10,000	0.0%
587 · IT Contract	0	43,300	0.0%
588 · Telephone	0	10,000	0.0%
591 · General Liability Insurance	52,942	55,000	96.26%
592 · Online Services/Business Accts	0	5,000	0.0%
593 · Volunteer Programs	0	7,500	0.0%
594 · Community Events	0	7,500	0.0%
595 · Legal/Consulting - Police	564	9,000	6.27%
597 · Police Bldg. Lease	5,630	66,000	8.53%
597.1 · Bldg Maintenance/Repair	0	10,000	0.0%
597.3 · Janitorial - Police Building	1,150	14,000	8.21%
599 · Police Taxes Administration	0	5,000	0.0%
Total 550 · Police Operating Expenses	215,200	792,300	27.16%
Total Expense	319,042	3,300,900	9.67%
Net Income / (Loss)	\$ (318,727)	\$ (1,745,900)	18.26%

Kensington Police Protection & Community Services District
Parks - Budget vs. Actual
 July 2023

	Parks	
	Jul 23	Budget
Ordinary Income/Expense		
Income		
420 · Park/Rec Activities Revenue		
406 · Per Capita Park Grant	0.00	180,000
424 · Special Tax-L&L Parks	0.00	46,000
427 · Community Center Revenue	0.00	50,000
438 · Tennis Court Revenue	0.00	1,000
Total 420 · Park/Rec Activities Revenue	<u>0.00</u>	<u>277,000</u>
Total Income	<u>0.00</u>	<u>277,000</u>
Gross Profit	0.00	277,000
Expense		
600 · Park/Rec Sal & Ben		
601 · Park & Rec Administrator	1,277.50	86,000
602 · Custodial/Cleaning Services	0.00	12,000
623 · Social Security/Medicare - Dist	0.00	6,600
Total 600 · Park/Rec Sal & Ben	<u>1,277.50</u>	<u>104,600</u>
635 · Park/Recreation Expenses		
640 · Community Center Expenses		
641 · General Maintenance	2,869.75	2,500
642 · Utilities-Community Center	2,385.70	13,000
643 · Janitorial Supplies	0.00	1,500
644 · Landscaping	0.00	30,000
645 · General Liab./Workers Comp	1,361.89	1,400
646 · Community Center Repairs	0.00	10,000
Total 640 · Community Center Expenses	<u>6,617.34</u>	<u>58,400</u>
650 · Park		
651 · General Maintenance	485.00	30,000
656 · Utilities	120.79	0
657 · General Liab/Workers Comp	12,000.00	12,000
658 · Levy Administration	2,057.26	10,000
Total 650 · Park	<u>14,663.05</u>	<u>52,000</u>
Total 635 · Park/Recreation Expenses	<u>21,280.39</u>	<u>110,400</u>
950 · Capital Outlay		
974 · Other Park Improvements	0.00	80,000
Total 950 · Capital Outlay	<u>0.00</u>	<u>80,000</u>
Total Expense	<u>22,557.89</u>	<u>295,000</u>
Other Income/Expense		
Other Expense		
700 · Bond Expense		
975 · Community Center Loan Repayment	0.00	30,500
Total 700 · Bond Expense	<u>0.00</u>	<u>30,500</u>
Net Income / (Loss)	<u>\$ (22,558)</u>	<u>\$ (48,500)</u>

Kensington Police Protection & Community Services District
Profit & Loss Budget vs. Actual
 July 2023

	Waste Management Fund		
	Jul 23	Budget	% of Budget
Ordinary Income/Expense			
Income			
440 · District Activities Revenue			
448a · Franchise Fees Gross	0.00	\$ 120,000	0.0%
Total 440 · District Activities Revenue	<u>0.00</u>	<u>120,000</u>	<u>0.0%</u>
Total Income	<u>0.00</u>	<u>120,000</u>	<u>0.0%</u>
Gross Profit	0.00	120,000	0.0%
Expense			
750 · Waste Managment Expenses			
751 · Waste Removal Franchise Fee Exp	0.00	51,400	0.0%
752 · Waste Management Program Admin	0.00	68,490	0.0%
753 · Other Waste Management Exp	0.00	3,040	0.0%
Total 750 · Waste Managment Expenses	<u>0.00</u>	<u>122,930</u>	<u>0.0%</u>
Total Expense	<u>0.00</u>	<u>122,930</u>	<u>0.0%</u>
Net Ordinary Income (Loss)	0.00	\$ (2,930)	0.0%



KENSINGTON POLICE DEPARTMENT

10940 San Pablo Avenue • El Cerrito • CA • 94530

(510) 526-4141

www.kppcsd.org

DATE: July 31, 2023

TO: David Aranda: General Manager

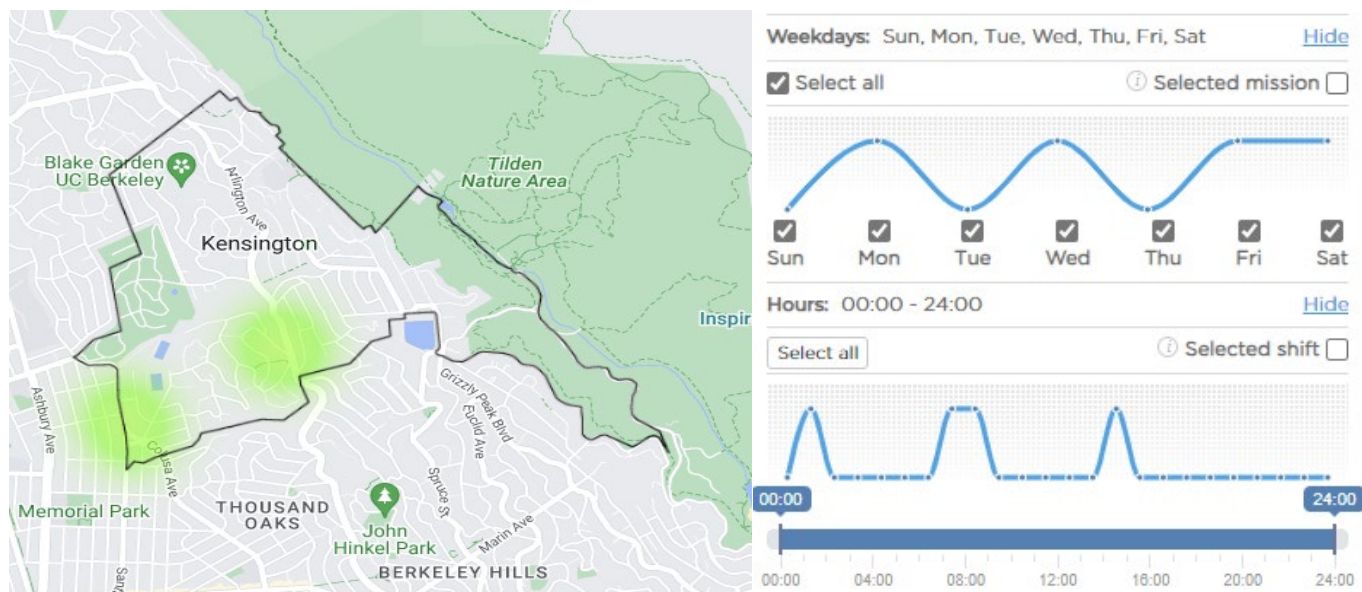
FROM: M. Gancasz, Chief of Police

RE: Police Chief's Report, July 2023

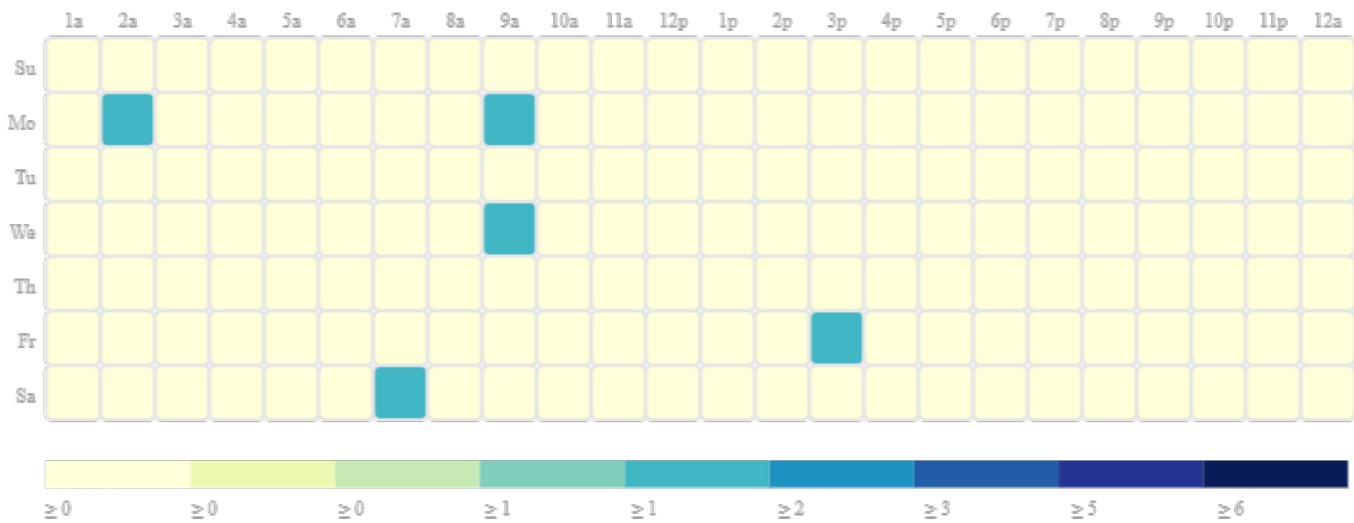
Patrol Operations

The Kensington Police Department handled 748 incidents during the month of June (down from 845). 506 were officer-initiated events including 34 traffic enforcement stops resulting in the issuance of 27 citations (up from 23 in the prior month). Officers responded to 242 dispatched calls for service (up from 188 the prior month) and took 27 reports (up from 20 the prior month). Officers focused their patrols on looking for evidence of vandalism at the community park and vehicle theft prevention. One felony arrest and three misdemeanor arrests were made in July. Officers received two reports of catalytic converter theft, four stolen vehicle reports, and one vehicle burglary report, all of which are being investigated. Officers are pursuing leads and working directly with our partner agencies to reduce and prevent similar crimes. Response time for officers was increased slightly compared to June by .7 minutes to 6.33 minutes (compared to 5.6 minutes in June).

Our new crime analysis software is working well. We are analyzing the calls for service information to map vehicle theft locations. This allows us to immediately identify areas of concern, identify crime trends, and deploy our officers and resources where they need to be to prevent crime and apprehend criminals.



Incidents Heatmap



Traffic Safety

Community members provided one online traffic submission with concerns about large trucks driving through the district. KPD requested assistance from Contra Costa County Public Works to help resolve the issue. There were two traffic collisions during the month, a hit and run on Valley Rd and a Driving Under the Influence on Arlington Ave/Rincon Rd. There were no significant road hazards or closures affecting traffic safety other than the ongoing EBMUD work. There are no speed analyses for July. We are exploring new modern signs to enhance our ability to capture this type of information.

Administration

Lt. Harms last day of employment was Saturday, July 30, 2023. Sergeant A. Nath was appointed Acting Lieutenant to assume the responsibilities of former Lieutenant B. Harms. Officer M. Smith was authorized to participate in the Kensington Police Department’s in-house Acting Sergeant Training Program to prepare him for a future leadership role with Kensington PD. We have three applicants for police officer in the background process. Three new software applications were implemented to enhance and modernize our day-to-day operations, establish exceptional reporting procedures, provide greater accountability and transparency, and create a secure repository for critical information. Sergeant Nath attended a Contra Costa County Second-in-Command Meeting with Chief Gancasz on July 26th. Attendees included the Contra Costa County Chiefs Association., the FBI, Secret Service, and the San Francisco Police Department Command Staff.

Our Volunteers worked more than 30 hours on special projects. Volunteer Logan and Sgt. Lande built a custom website for the Kensington Police Department titled [Join Kensington Police Department \(www.joinkensingtonpd.com\)](http://www.joinkensingtonpd.com). The Website’s mission is to describe working for the Kensington Police Department and our Community while at the same time creating a contemporary conduit for employees to apply.

Training

Officer Jose Fajardo attended an 8-hour course focused on leadership. He also participated in our in-house Advanced Officer Training focusing on perishable skills, de-escalation, and arrest and control techniques. KPD hosted a two-hour arrest and control course supervised by Sgt. Lande. Officer Farley attended advanced officer firearms training. Sgt. Nath graduated from the POST Supervisory Leadership Institute. Chief Gancasz and Police Consultant Jason Haynes attended the event. Sgt. Nath is the first KPD officer to attend and graduate from SLI in more than 14 years. The POST approved course was implemented in 1988 to prepare employees for leadership roles.

July Patrol Log

- On Friday, July 7, at 1730 hours, officers responded to a report of a stolen catalytic converter in the 100 block of Ardmore Road.
- On Tuesday, July 11, at 1833 hours, officers responded to the 100 block of Edwin Drive for a residential burglary report. The scene was processed, evidence collected, and sent to the Contra Costa County Crime Lab for analysis. The loss was estimated to be approximately \$6,775.00, and the investigation is ongoing.
- On Wednesday, July 12, at 1210 hours, officers responded to deceased male in the 100 block of Highland Blvd. Officers found no evidence of foul play and the case was handed over to the Contra Costa County Coroner's Office.
- On Monday, July 17, at 0210 hours, officers responded to the Park-N-Ride at Arlington Avenue and Ardmore Road for a stolen vehicle report. The resident returned from a one-week vacation and found their car missing. Officers located the vehicle in the area and returned it to the owner. There is no suspect information, and the investigation is ongoing.
- On Monday, July 18, at 0913 hours, officers responded to the 100 block of Arlington Avenue for a theft report. Unknown suspects stole the wheels from the car and fled the scene. The loss was estimated to be approximately \$1,700.00. The Contra Costa County Crime Lab is processing the evidence collected by officers.
- On Wednesday, July 19, at 1949 hours, officers responded to a suspicious vehicle with no plates on Colusa Avenue at Valley Road. Officers determined the car was reported stolen from the City of Oakland five days earlier. The vehicle was recovered and returned to the owner.
- On Wednesday, July 19, officers took a stolen vehicle report from the same location. It is believed the suspects who abandoned the vehicle from Oakland, may be responsible for unlawfully taking this car. Officers are following up in investigative leads.
- On Saturday, July 22, at 0940 hours, officers were dispatched to calls of a suspicious person loitering and ringing doorbells in the 1600 block of Oak View Avenue. Officers contacted and arrested the suspect for being under the influence of narcotics. Officers identified a home in the area where the suspect slept throughout the night. He was in possession of stolen property from the City of Oakland. The suspect was transported to the Contra Costa County Martinez Detention Facility where he assaulted a KPD officer. Additional charges have been filed with the District Attorney's Office. The officer is recovering from the incident.
- On Friday, July 27, at 0919 hours, officers were dispatched to a traffic collision at Arlington Avenue and Rincon Road. Officers determined the driver was intoxicated and was arrested for driving under the influence of alcohol and child endangerment. The driver was transported to the hospital for treatment related to the traffic collision, and the case forwarded to the District Attorney's Office.

West County Crime Patrols

Officers Fajardo participated with West Contra Costa County police departments in a multi-agency crime suppression operation. Each West County agency combines resources to complete saturation patrols in every jurisdiction throughout the summer. This month, patrols were completed in Richmond. More than twenty officers patrolled Richmond for ten hours making over 50 vehicle enforcement stops, conducting numerous probation and parole compliance checks, and making multiple arrests. The next joint operation in July will be held in the City of Hercules.

Community

Extra officers were on duty this July 4 to address any issues. Celebrations were quiet with no reports of arrests or confiscations of illegal fireworks. No fires were reported and there were no instances of damage to property. A ceremony for retiring Lieutenant Brad Harms took place during the regular Board Meeting on July 13. Community members attended to wish him well. Brad was presented with two shadow boxes that incorporated items from his time with KPD. Attendees included Brads wife and former KPD Interim Chief S. Simpkins. Brad thanked the community and the Board for their tireless support, and we wished him well in his future endeavors.

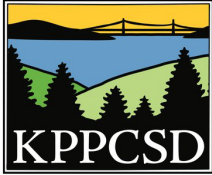


Date: August 5, 2023
To: Board of Directors
From: David Aranda, Interim General Manager
Subject: General Managers Report

For July 10, 2023, through August 4, 2023, the following items are being addressed:

1. Continue working with the State regarding the Park per capita grant of \$180,000. The recording of the restriction on the park deed and a sign posted at the Community Center are the two remaining items that the State needs from the district in order to obtain the grant money.
2. Continue working with the County regarding the movement of the district funds into Five Star Bank and the district serving as its own treasury.
3. Work is ongoing regarding investigating the potential use of the Annex building.
4. Working on the purchase of electric landscaping equipment for the parks as approved by the Board.
5. Communicating with Bayview Refuse regarding the upcoming clean up week.
****PLEASE NOTE THAT THIS EVENT SCHEDULED FOR SEPTEMBER 18-22 ALLOWS KENSINGTON RESIDENTS TO RID THEMSELVES OF ALL UNNECESSARY ITEMS. PLEASE LOOK FOR MORE INFORMATION IN THE SEPTEMBER OUTLOOK AND FROM THE BAYVIEW REFUSE FLYER AS WELL AS BOTH ENTITIES' WEBSITES. THERE WILL BE INDIVIDUALS AVAILABLE TO ASSIST IN MOVING ITEMS OUT TO THE STREET BUT PLEASE CONTACT EITHER BAYVIEW REFUSE OR THE DISTRICT OFFICE IN ADVANCE TO SCHEDULE THAT ADDITIONAL HELP.**
6. CAPITAL IMPROVEMENTS AT THE PARK HAVE BEGUN.
7. THE FINANCIALS ARE ALL COMING INTO PLACE. THERE ARE STILL A FEW CalPERS ISSUES that need finalizing.

BE SAFE.



District & Park Report

Here is the update related to August's District and Parks area.

1. About a year ago now, the Boy Scouts master informed me that the Boys Scouts would be more than happy to help with any small project that the parks or the center need; in the process, this allows the boy scouts to obtain specific badges. David was happy to hear this because that was something that the PD was trying to connect with. So, I provided David with Robert Macdonald's contact.
2. Happy to introduce that the district has a reservation system up and running as we speak, as of August 1st. RecDesk is a cloud-based recreation management software that simplifies how anyone can reserve a facility. The reservation system includes the picnic, tennis court, and of course, the cc. But to make a reservation, an account must be created by providing a home address, and according to that address you provide, that is how that person will be subjected to pay, whether resident or non-resident. So far, I've made several in-house reservations and assisted in navigating the website. This system is also great for all the community groups, KCC, Dads Club of Kensington, Grizzly Peak Fly Fishers, etc.
3. Three "major private" events are taking place at the center on Saturday, August 12th, 14th, and 26th. And, of course, all events, small or big, that take place at the center and park are listed in an Excel format sheet I've created and posted to the OptiSigns (software) tv screen for the PD.
4. The district is now taking in-house payments with the new system of USA e-Pay, which is very easy to use. Officers will be getting trained to use the software for their police matters.
5. The New Tennis Court screen was installed less than two weeks ago, and we have received great feedback from tennis court users. And currently in the process of installing new signage of the rules and use of the tennis courts.
6. Safety Data Sheet binder/stations have been created per SDRMA requirements. Binders have been placed in the PD and CC janitorial closet, with information on all cleaning solutions used to clean.

From: Greg Christie <gchristie@baycitiesrefuse.com>

Sent: Monday, July 31, 2023 2:26 PM

To: David Aranda <DAranda@kppcsd.org>

Subject: Fall Clean-up

Hi David,

We are 100 percent behind this fall cleanup. They are always been popular but the last few have had lots of participation!

What we plan on doing, and I think everyone will approve is the following:

The focus of the September newsletter will be the clean-up. We also plan on having the route drivers hand out a flyer with information regarding the clean-up to really provide outreach.

We will take all bulky items placed out for collection. We plan on having a separate truck that will collect items that may damage the truck, such as metal cabinets and frames.

Assist all residents that are unable to or may need help by collecting their material. Details to provide help will be in the flyer.

Make sure that all green waste and recycling is collected accordingly that week to maximize diversion. Provide for hazardous waste and electronic waste collection and offer information to enable us to collect during the clean-up week.

In short, as discussed, we will ensure no extra fees will be charged to the residents and I will be working up there during that week for all these extra collections and service.

We will be working on the flyer and will post it on our website when complete, hope you approve,

Thanks,
Greg

Recreation Office Report prepared by Jenny Parks Kensington Community Council August 1, 2023

KCC SUMMER CAMP:

There are 2 weeks of KCC Summer Camp remaining. The last day of camp will be August 11th. During the end of August we will have the floors polished and the windows cleaned at the recreation building as well as cleaning and organizing the classroom cabinets to prepare for KASEP classes.

KASEP:

We are currently working on our Fall class schedule and planning for classes to begin the week of September 11th.

The Fall KASEP brochure will be available mid-August and online registration opens Tuesday August 29th, 7pm for Kindergarten and 7:30pm for grades 1-6.

Adult Classes

Tai Chi with Nobuo Nishi is on Wednesdays & Fridays 9:30-11am. Community Center, drop in fee of \$15. no classes August 9th and 11th, Nobuo will be on vacation.

Strength & Balance Yoga with Anja Borgstrom Tuesdays 8:30am -No Class August 22.

Gentle Yoga on Thursdays will resume in September 11:30-12:30.

KCC & Other:

Emergency helicopter landed in the park on 7/14. We got all of the kids off the lawn so that the helicopter could land and retrieve a paramedic to take to an emergency rescue. They returned a few minutes later after the rescue was called off.

A wasp nest was reported in the ground of the big lawn on 7/18. I notified Rosa and Fernando came that evening to spray and it has been fine since then.

The new windscreen was installed at the tennis courts and the tennis players are very grateful.

Tennis Court reservations have officially been transferred to KPPCSD and are online at [KPPCSD.org/tennis-courts](https://www.kppcsd.org/tennis-courts).

KCC Adult class fees have been increased 10% for non-residents per the new contract.



Date: August 10, 2023
To: Board of Directors
From: David Aranda, Interim General Manager
Presented by: Paul Kaymark
Subject: Receive and file 2022 Fiscal Year August in Conjunction with the Presentation by Nigro & Nigro


Recommendation

After the presentation by Paul Kaymark and all questions have been addressed, we need a motion to receive and file the audit for fiscal year 2022.

Background

This presentation is for the 2022 fiscal year, so it is obviously outdated regarding the current fiscal conditions of the District. Even so, I would suggest that Directors ask questions to better understand the audit and what it produces in assisting the Board to better understand the financial condition of the district.

Exhibits



**KENSINGTON POLICE PROTECTION
AND COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2022
(With Comparative Information as of June 30, 2021)**

NIGRO & NIGRO^{PC}

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
For the Fiscal Year Ended June 30, 2022
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Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Directors
Kensington Police Protection and Community Services District
Kensington, California

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of the Kensington Police Protection and Community Services District as of and for the fiscal 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 general fund, of the District as of June 30, 2022, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of proportionate share of the net pension liability, schedule of pension contributions, schedule of changes in the District's total OPEB liability and related ratios, and the notes to the required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2021, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated July 14, 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 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.

Walnut Creek, California
July 14, 2023

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2022

Management's Discussion and Analysis (MD&A) offers readers of Kensington Police Protection and Community Services District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2022. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$4,567,789 or 177.25% as a result of this year's operations.
- Total revenues from all sources increased \$152,143 or 4.03%, from \$3,776,154 to \$3,928,297, from the prior year, primarily due to an increase of \$140,472 in grant funding, as well as an additional \$111,794 in property taxes received.
- Total expenses for the District's operations decreased by \$3,126,726 or 125.71%, from \$2,487,234 to (\$639,492), from the prior year, primarily due to large decreases in non-cash employee benefit expenses as a result of the districts reductions in pension and OPEB liabilities.
- The District purchased new capital assets during the year in the amount of \$44,185. Depreciation expense was \$154,402.

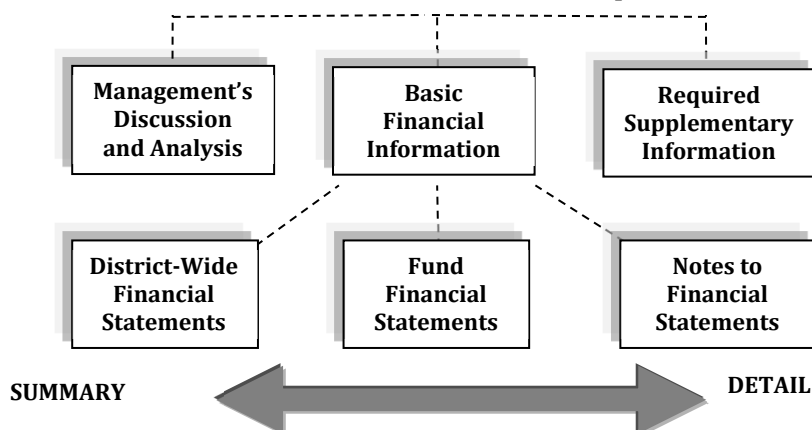
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

Figure A-1. Organization of Kensington Police Protection and Community Services District's Annual Financial Report

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds	Fiduciary Fund
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as public safety services	Instances in which the District administers resources on behalf of someone else, such as retirement benefits
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no long-term items are included, such as capital assets or long-term debt.	All assets and liabilities, both short-term and long-term; The District's funds do not currently contain nonfinancial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as weed abatement, landscape maintenance, and administration. State and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Assets:			
Current assets	\$ 3,010,320	\$ 2,293,417	\$ 716,903
Non-current assets	2,352,214	16,983	2,335,231
Capital assets, net	<u>5,516,690</u>	<u>5,626,907</u>	<u>(110,217)</u>
Total assets	<u>10,879,224</u>	<u>7,937,307</u>	<u>2,941,917</u>
Deferred outflows of resources	<u>4,405,446</u>	<u>3,581,136</u>	<u>824,310</u>
Liabilities:			
Current liabilities	444,896	299,569	145,327
Non-current liabilities	<u>4,362,527</u>	<u>5,189,917</u>	<u>(827,390)</u>
Total liabilities	<u>4,807,423</u>	<u>5,489,486</u>	<u>(682,063)</u>
Deferred inflows of resources	<u>3,332,386</u>	<u>3,451,885</u>	<u>(119,499)</u>
Net position:			
Net investment in capital assets	5,198,046	5,248,560	(50,514)
Unrestricted	<u>1,946,815</u>	<u>(2,671,488)</u>	<u>4,618,303</u>
Total net position	<u>\$ 7,144,861</u>	<u>\$ 2,577,072</u>	<u>\$ 4,567,789</u>

At the end of fiscal year 2022, the District shows a positive balance overall for its net position of \$7,144,861. The decrease of the net investment in capital assets represents the amount of capital asset additions over depreciation expense. Unrestricted net position increased due to the utilization of less funds for the purchase of capital assets, compared with fiscal year 2021, as well as the overall increase in net position from operations.

Analysis of Revenues and Expenses

Table A-2: Condensed Statements of Activities

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Change</u>
Program revenues	\$ 1,728,985	\$ 1,544,610	\$ 184,375
Expenses	<u>639,492</u>	<u>(2,487,234)</u>	<u>3,126,726</u>
Net program expense	2,368,477	(942,624)	3,311,101
General revenues	<u>2,199,312</u>	<u>2,231,544</u>	<u>(32,232)</u>
Change in net position	4,567,789	1,288,920	3,278,869
Net position:			
Beginning of year	<u>2,577,072</u>	<u>1,288,152</u>	<u>1,288,920</u>
End of year	<u>\$ 7,144,861</u>	<u>\$ 2,577,072</u>	<u>\$ 4,567,789</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased its net position by \$4,567,789.

Table A-3: Total Revenues

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Program revenues:			
Special assessments:			
Public safety	\$ 685,470	\$ 685,710	\$ (240)
Measure "G" public safety	620,989	598,396	22,593
Recreation	42,164	41,529	635
Charges for services	39,541	15,694	23,847
Operating grants and contributions	165,675	180,378	(14,703)
Capital grants and contributions	158,358	17,886	140,472
Other revenue	16,788	5,017	11,771
Total program revenues	<u>1,728,985</u>	<u>1,544,610</u>	<u>184,375</u>
General revenues:			
Property taxes	2,164,907	2,053,113	111,794
Franchise fees, net	66,551	61,857	4,694
Investment earnings	(32,146)	(2,483)	(29,663)
Transfers in(out)	-	119,057	(119,057)
Total general revenues	<u>2,199,312</u>	<u>2,231,544</u>	<u>(32,232)</u>
Total revenues	<u>\$ 3,928,297</u>	<u>\$ 3,776,154</u>	<u>\$ 152,143</u>

Total revenues from all sources increased \$152,143 or 4.03%, from \$3,776,154 to \$3,928,297, from the prior year, primarily due to an increase of \$140,472 in grant funding, as well as an additional \$111,794 in property taxes received.

Table A-4: Total Expenses

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and wages	\$ 1,396,178	\$ 1,617,029	\$ (220,851)
Employee benefits	(3,396,472)	(299,289)	(3,097,183)
Materials and services	1,037,848	840,005	197,843
Depreciation expense	154,402	140,142	14,260
Interest expense	168,552	189,347	(20,795)
Total expenses	<u>\$ (639,492)</u>	<u>\$ 2,487,234</u>	<u>\$ (3,126,726)</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Total expenses for the District's operations decreased by \$3,126,726 or 125.71%, from \$2,487,234 to (\$639,492), from the prior year, primarily due to large decreases in non-cash employee benefit expenses as a result of the districts reductions in pension and OPEB liabilities/(assets).

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a fund balance of \$2,823,743, which is above last year's ending fund balance of \$2,231,448. The primary cause of the increased fund balance is due to a reduction in total expenditures related to employee benefits and capital outlay.

General Fund Budgetary Highlights

The final budgeted expenditures for the District at year-end were \$431,340 more than actual. The variance is principally due to the \$589,441 less in salaries and benefit expenditures. Actual revenues were less than the anticipated budget by \$86,596, primarily because less than anticipated grant revenue was received.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021-22 the District had invested \$44,185 in new capital assets, related to building improvements and equipment purchases. (More detailed information about capital assets can be found in Note 3 to the financial statements). Total depreciation expense for the year was \$154,402.

Table A-5: Capital Assets at Year End, Net of Depreciation

	Balance	Balance
	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Capital assets:		
Non-depreciable assets	\$ 2,808,347	\$ 2,808,347
Depreciable assets	4,246,128	4,299,975
Accumulated depreciation	<u>(1,537,785)</u>	<u>(1,481,415)</u>
Total capital assets, net	<u>\$ 5,516,690</u>	<u>\$ 5,626,907</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2022

CAPITAL ASSET AND DEBT ADMINISTRATION (continued)

Long-term Debt

Capital related debt was being repaid in fiscal year 2021-22. (See note 5 for further information)

Table A-6: Long-term Debt at Year End

	<u>Balance</u> <u>June 30, 2022</u>	<u>Balance</u> <u>June 30, 2021</u>
Long-term debt:		
Loan payable	\$ 184,524	\$ 207,168
Right-to-use asset financing	<u>134,120</u>	<u>171,179</u>
Total long-term debt	<u><u>\$ 318,644</u></u>	<u><u>\$ 378,347</u></u>

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District's General Manager at 217 Arlington Avenue, Kensington, CA 94707 or (510) 526-4141.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Statement of Net Position
June 30, 2022 (With Comparative Information as of June 30, 2021)

ASSETS	Governmental Activities	
	2022	2021
Current assets:		
Cash and cash equivalents (note 2)	\$ 2,661,049	\$ 2,059,807
Accrued interest receivable	1,145	1,144
Accounts receivable	83,916	4,441
Property taxes receivable	29,791	22,214
Other receivables	65,271	61,285
Prepaid items	169,148	144,526
Total current assets	3,010,320	2,293,417
Non-current assets:		
Net other post-employment benefits asset (note 9)	24,244	-
Net pension asset (note 10)	2,327,970	16,983
Capital assets – not being depreciated (note 3)	2,808,347	2,808,347
Capital assets, net – being depreciated (note 3)	2,708,343	2,818,560
Total non-current assets	7,868,904	5,643,890
Total assets	10,879,224	7,937,307
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net OPEB liability (note 9)	244,246	420,721
Deferred amounts related to net pension asset (note 10)	4,161,200	3,160,415
Total deferred outflows of resources	4,405,446	3,581,136
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	186,577	61,969
Long-term liabilities – due in one year:		
Compensated absences (note 4)	29,101	47,897
Loan payable (note 5)	23,505	22,644
Direct finance purchase (note 6)	37,713	37,059
Pension obligation bonds payable (note 7)	168,000	130,000
Total current liabilities	444,896	299,569
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 4)	29,101	47,896
Loan payable (note 5)	161,019	184,524
Direct finance purchase (note 6)	96,407	134,120
Pension obligation bonds payable (note 7)	4,076,000	4,244,000
Net other post-employment benefits liability (note 9)	-	579,377
Total noncurrent liabilities	4,362,527	5,189,917
Total liabilities	4,807,423	5,489,486
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to net OPEB liability (note 9)	483,478	507,406
Deferred amounts related to net pension liability (note 10)	2,848,908	2,944,479
Total deferred inflows of resources	3,332,386	3,451,885
<u>NET POSITION</u>		
Net investment in capital assets (note 11)	5,198,046	5,248,560
Unrestricted (Deficit)	1,946,815	(2,671,488)
Total net position	\$ 7,144,861	\$ 2,577,072

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

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT*Statement of Activities**For the Fiscal Year Ended June 30, 2022**(With Comparative Information for the Year Ended June 30, 2021)*

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2021</u>
Expenses:		
Public safety and recreation:		
Salaries and wages	\$ 1,396,178	\$ 1,617,029
Employee benefits	(3,396,472)	(299,289)
Materials and services	1,037,848	840,005
Depreciation expense	154,402	140,142
Interest expense	168,552	189,347
Total expenses	<u>(639,492)</u>	<u>2,487,234</u>
Program revenues:		
Special assessments:		
Public safety	685,470	685,710
Measure "G" public safety	620,989	598,396
Recreation	42,164	41,529
Charges for services	39,541	15,694
Operating grants and contributions	165,675	180,378
Capital grants and contributions	158,358	17,886
Other revenue	16,788	5,017
Total program revenues	<u>1,728,985</u>	<u>1,544,610</u>
Net program expense	<u>2,368,477</u>	<u>(942,624)</u>
General revenues:		
Property taxes	2,164,907	2,053,113
Franchise fees, net	66,551	61,857
Investment earnings	(32,146)	(2,483)
Transfers in(out)	-	119,057
Total general revenues	<u>2,199,312</u>	<u>2,231,544</u>
Change in net position	4,567,789	1,288,920
Net position:		
Beginning of year	<u>2,577,072</u>	<u>1,288,152</u>
End of year	<u>\$ 7,144,861</u>	<u>\$ 2,577,072</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Balance Sheet – Governmental Funds
June 30, 2022 (With Comparative Information as of June 30, 2021)

	<u>General Fund</u>	
<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Assets:		
Cash and cash equivalents	\$ 2,661,049	\$ 2,059,807
Accrued interest receivable	1,145	1,144
Accounts receivable	83,916	4,441
Property taxes receivable	29,791	22,214
Other receivables	65,271	61,285
Prepaid items	<u>169,148</u>	<u>144,526</u>
Total assets	<u>\$ 3,010,320</u>	<u>\$ 2,293,417</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 186,577</u>	<u>\$ 61,969</u>
Total liabilities	<u>186,577</u>	<u>61,969</u>
Fund balance: (note 12)		
Nonspendable	169,148	144,526
Committed	-	955,825
Assigned	58,202	95,793
Unassigned	<u>2,596,393</u>	<u>1,035,304</u>
Total fund balance	<u>2,823,743</u>	<u>2,231,448</u>
Total liabilities and fund balance	<u>\$ 3,010,320</u>	<u>\$ 2,293,417</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022 (With Comparative Information as of June 30, 2021)*

	<u>2022</u>	<u>2021</u>
Fund Balance of Governmental Funds	\$ 2,823,743	\$ 2,231,448
Amounts reported for governmental activities in the statement of net position are different because:		
Other long-term assets are not available to pay for current period expenses and accordingly are not reported as fund assets. Other long-term assets are reported in the statement of net position as follows:		
Net other post-employment benefits asset	24,244	-
Net pension asset	2,327,970	16,983
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those assets as capital assets.		
	5,516,690	5,626,907
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.		
	4,405,446	3,581,136
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:		
Compensated absences	(58,202)	(95,793)
Loan payable	(184,524)	(207,168)
Direct finance purchase	(134,120)	(171,179)
Pension obligation bonds payable	(4,244,000)	(4,374,000)
Net other post-employment benefits liability	-	(579,377)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.		
	<u>(3,332,386)</u>	<u>(3,451,885)</u>
Total adjustments	<u>4,321,118</u>	<u>345,624</u>
Net Position of Governmental Activities	<u>\$ 7,144,861</u>	<u>\$ 2,577,072</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2022
(With Comparative Information for the Year Ended June 30, 2021)

	<u>General Fund</u>	
	<u>2022</u>	<u>2021</u>
Revenues:		
Property taxes	\$ 2,164,907	\$ 2,053,113
Franchise fees, net	66,551	61,857
Special assessments:		
Public safety	685,470	685,710
Measure "G" public safety	620,989	598,396
Recreation	42,164	41,529
Charges for services	39,541	15,694
Operating grants and contributions	165,675	180,378
Capital grants and contributions	158,358	17,886
Investment earnings	(32,146)	(2,483)
Other revenue	16,788	5,017
Total revenues	<u>3,928,297</u>	<u>3,657,097</u>
Expenditures:		
Current operations:		
Salaries and wages	1,433,769	1,584,542
Employee benefits	461,945	708,364
Materials and services	1,037,848	840,005
Capital outlay	44,185	372,687
Debt service:		
Principal payment	189,703	210,636
Interest payment	168,552	189,347
Total expenditures	<u>3,336,002</u>	<u>3,905,581</u>
Excess of revenues over expenditures	<u>592,295</u>	<u>(248,484)</u>
Other financing sources(uses):		
Transfers in(out)	-	119,057
Debt principal issued	-	190,000
Total other financing sources(uses)	<u>-</u>	<u>309,057</u>
Change in fund balance	592,295	60,573
Fund Balance:		
Beginning of year	<u>2,231,448</u>	<u>2,170,875</u>
End of year	<u>\$ 2,823,743</u>	<u>\$ 2,231,448</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2022

(With Comparative Information for the Year Ended June 30, 2021)

	<u>2022</u>	<u>2021</u>
Net Change in Fund Balance – Governmental Funds	<u>\$ 592,295</u>	<u>\$ 60,573</u>
Amount reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay	44,185	372,687
Depreciation expense	(154,402)	(140,142)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:		
Net change in compensated absences	37,591	(32,487)
Net change in net OPEB liability/(asset) and related deferred resources	451,074	1,674,177
Net change in net pension liability/(asset) and related deferred resources	3,407,343	(666,524)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	189,703	210,636
The issuance of long-term debt provides current financial resources to governmental funds, while issuing debt increases long-term liabilities in the statement of net position	-	(190,000)
Total adjustments	<u>3,975,494</u>	<u>1,228,347</u>
Change in Net Position of Governmental Activities	<u>\$ 4,567,789</u>	<u>\$ 1,288,920</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Statement of Fiduciary Net Position

June 30, 2022 (With Comparative Amounts as of June 30, 2021)

	Kensington Park Reassessment District 2004-1 Bond Trust Fund	
<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$ -	\$ -
Accrued interest receivable	-	-
Special assessments receivable	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accrued interest payable	\$ -	\$ -
Bonds payable (note 7)	-	-
Total liabilities	<u>-</u>	<u>-</u>
Net position:		
Held in trust for debt service	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT*Statement of Changes in Fiduciary Net Position**For the Fiscal Year Ended June 30, 2022 (With Comparative Amounts as of June 30, 2021)*

	Kensington Park Reassessment District 2004-1 Bond Trust Fund	
	2022	2021
Additions:		
Special assessments	\$ -	\$ -
Investment earnings	-	448
Total additions	-	448
Deductions:		
Bond principal	-	-
Bond interest	-	-
Bond administration	-	63,193
Total deductions	-	63,193
Other:		
Transfers in(out)	-	(119,057)
Change in net position	-	(181,802)
Net position:		
Beginning of year	-	181,802
End of year	\$ -	\$ -

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Kensington Police Protection and Community Services District (District) provides police protection services, parks and recreation services as well as waste management services to the unincorporated area of Kensington in Contra Costa County, California. The District is governed by five unpaid board members elected into office by the community to serve staggered four-year terms. Board meetings are held once a month on the second Thursday of the month.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Governmental Funds

The District maintains the following governmental funds:

General Fund: This fund is used to account for all financial resources of the District except those required to be accounted for in another fund. Included are transactions for charges for services, property taxes, and investment earnings. The general fund balance is available to the District for any purpose provided it is expended.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Governmental Funds (continued)

Fiduciary Fund: The Kensington Park Reassessment District 2004-1 Bond Trust Fund, issued in June 2004 in defeasance of the 1994 special assessment bonds, has been determined to be an agency fund since the District is not obligated to repay the debt. (See Note 8)

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Data

The District follows these procedures in establishing budgetary data reflected in the Required Supplementary Information – Budgetary Comparison Schedule:

The District Manager submits to the Board of Directors a proposed operating budget at the May Board meeting for the ensuing year. The annual budget is a complete financial plan for the ensuing budget year and consists of an operating, capital and debt repayment budget. The General Fund is the only fund for which an annual budget is legally adopted on a basis consistent with the modified accrual basis of accounting. The Board then considers the proposed budget at its regular meeting in June, which is open to the public. The budget represented in the required supplementary information was the final budget for the fiscal year.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 – Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 – Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment, and is based on the best information available in the circumstances.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

3. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$5,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

Description	Estimated Lives
Buildings and improvements	10-30 years
Machinery and equipment	5-10 years
Furniture and office equipment	6 years
Vehicles	5 years

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

5. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

6. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plans fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date June 30, 2020
Measurement Date June 30, 2021
Measurement Period July 1, 2020 to June 30, 2021

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

6. Pensions (continued)

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retirees) as of the beginning of the measurement period.

7. Postemployment Benefits Other Than Pensions (OPEB)

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

The following timeframes are used for OPEB reporting:

Valuation Date June 30, 2020

Measurement Date June 30, 2021

Measurement Period July 1, 2020 to June 30, 2021

8. Long - Term Obligations

In the government-wide financial statements, long-term debt and obligations are reported as long-term obligations. In the fund financial statements, government funds recognize the face amount of debt issued as an other financing source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Payments on debt, including principal and interest are reported as expenditures.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

9. Net Position

Net position is classified into two components: investment in capital assets and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets".

10. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of assigned, and then unassigned, as they are needed.

F. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The Contra Costa County Assessor's Office assesses all real and personal property within the County each year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Contra Costa County Treasurer-Tax Collector's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, were classified on the statement of net position and statement of fiduciary net position as follows:

<u>Description</u>	<u>Balance</u>
Governmental funds:	
Cash and cash equivalents	\$ 2,661,049
Total cash and cash equivalents	\$ 2,661,049

Cash and investments at June 30, 2022, are reported at fair value and consisted of the following:

<u>Description</u>	<u>Balance</u>
Cash on hand	\$ 100
Deposits with Contra Costa County Treasury Pool	1,473,928
Deposits with Local Agency Investment Fund (LAIF)	1,187,021
Total cash and cash equivalents	\$ 2,661,049

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, 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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 2 – CASH AND INVESTMENTS (continued)

Contra Costa County Treasury Pool

The District is a voluntary participant in the Contra Costa County Treasury Pool (Pool) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Contra Costa County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or deposits the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the Contra Costa County Treasurer-Tax Collector's office at 625 Court Street, Suite 100, Martinez, CA 94553.

The Contra Costa County Treasury Pool is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis. For financial reporting purposes, the District considers the funds held in the Pool as cash equivalents due to their highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2022, the District held \$1,473,928 in the Pool.

Local Agency Investment Fund (LAIF)

The California State Treasurer, through the Pooled Money Investment Account (PMIA), invests taxpayers' money to manage the State's cash flow and strengthen the financial security of local governmental entities. PMIA policy sets as primary investment objectives safety, liquidity and yield. Through the PMIA, the Investment Division manages the Local Agency Investment Fund (LAIF). The LAIF allows cities, counties and special districts to place money in a major portfolio and, at no additional costs to taxpayers, use the expertise of Investment Division staff. Participating agencies can withdraw their funds from the LAIF at any time as LAIF is highly liquid and carries a dollar-in dollar-out amortized cost methodology.

The District is a voluntary participant in LAIF. The fair value of the District's investment in this pool is reported at an amount 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 the of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. LAIF is not categorized under the fair value hierarchy established by GAAP as it is held at an amortized cost basis and it is Not Rated under the current credit risk ratings format. For financial reporting purposes, the District considers LAIF a cash equivalent due to its highly liquid nature and dollar-in dollar-out amortized cost methodology. As of June 30, 2022, the District held \$1,187,021 in LAIF.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2022

NOTE 3 – CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2022, were as follows:

	<u>Balance July 1, 2021</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2022</u>
Non-depreciable capital assets:				
Land	\$ 2,808,347	\$ -	\$ -	\$ 2,808,347
Total non-depreciable capital assets	<u>2,808,347</u>	<u>-</u>	<u>-</u>	<u>2,808,347</u>
Depreciable capital assets:				
Buildings and improvements	3,595,629	26,806	-	3,622,435
Machinery and equipment	130,226	-	-	130,226
Furniture and office equipment	91,586	17,379	-	108,965
Vehicles	482,534	-	(98,032)	384,502
Total depreciable capital assets	<u>4,299,975</u>	<u>44,185</u>	<u>(98,032)</u>	<u>4,246,128</u>
Accumulated depreciation:				
Buildings and improvements	(1,016,031)	(95,345)	-	(1,111,376)
Machinery and equipment	(99,038)	(10,957)	-	(109,995)
Furniture and office equipment	(53,937)	(8,170)	-	(62,107)
Vehicles	(312,409)	(39,930)	98,032	(254,307)
Total accumulated depreciation	<u>(1,481,415)</u>	<u>(154,402)</u>	<u>98,032</u>	<u>(1,537,785)</u>
Total depreciable capital assets, net	<u>2,818,560</u>	<u>(110,217)</u>	<u>-</u>	<u>2,708,343</u>
Total capital assets, net	<u>\$ 5,626,907</u>	<u>\$ (110,217)</u>	<u>\$ -</u>	<u>\$ 5,516,690</u>

NOTE 4 – COMPENSATED ABSENCES

Changes to compensated absences balances for the year ended June 30, 2022, were as follows:

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 95,793	\$ 99,702	\$ (137,293)	\$ 58,202	\$ 29,101	\$ 29,101

NOTE 5 – LOAN PAYABLE

Changes to the loan payable balance for the year ended June 30, 2022, was as follows:

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 207,168	\$ -	\$ (22,644)	\$ 184,524	\$ 23,505	\$ 161,019

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 5 – LOAN PAYABLE (continued)

Community Center Loan

In 2019, the District secured a \$250,000 10-year at 3.80% construction loan to complete the improvements to the District's Community Center. Principal and interest payments are due in June of each year. The loan is payable until June 2029. Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 23,505	\$ 7,012	\$ 30,517
2024	24,398	6,119	30,517
2025	25,325	5,192	30,517
2026	26,287	4,230	30,517
2027	27,286	3,231	30,517
2028	28,323	2,194	30,517
2029	<u>29,400</u>	<u>1,117</u>	<u>30,517</u>
Total	184,524	<u>\$ 29,095</u>	<u>\$ 213,619</u>
Current	<u>(23,505)</u>		
Long-term	<u>\$ 161,019</u>		

NOTE 6 – DIRECT PURCHASE FINANCING

Changes in direct purchase financing amounts for the year ended June 30, 2022, were as follows:

<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 171,179	\$ -	\$ (37,059)	\$ 134,120	\$ 37,713	\$ 96,407

On November 24, 2020, the District entered into a tax-exempt purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for three Police Vehicles and related equipment in the amount of \$190,000. The term is five years with an interest rate of 1.75%. Principal and interest payments are due monthly in the amount of \$3,309.54, with the final payment due in December 2025.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 6 – DIRECT PURCHASE FINANCING (continued)

Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 37,713	\$ 2,002	\$ 39,715
2024	38,378	1,337	39,715
2025	39,055	660	39,715
2026	18,974	72	19,046
Total	134,120	<u>\$ 4,071</u>	<u>\$ 138,191</u>
Current	<u>(37,713)</u>		
Long-term	<u>\$ 96,407</u>		

NOTE 7 – PENSION OBLIGATION BONDS

Changes in pension obligation bonds amounts for the year ended June 30, 2022, were as follows:

<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
<u>\$ 4,374,000</u>	<u>\$ -</u>	<u>\$ (130,000)</u>	<u>\$ 4,244,000</u>	<u>\$ 168,000</u>	<u>\$ 4,076,000</u>

On June 18, 2020, the District issued 2020 Taxable Pension Obligation Bonds in the amount of \$4,544,000. The 2020 bonds were placed with Capital One Public Funding, LLC. The bonds were issued to (a) finance \$4,424,408 of the District's unfunded accrued liability to the California Public Employees' Retirement System (CalPERS) for the benefit of the District's employees and to pay a portion of current normal costs, and (b) pay \$119,592 of the costs incurred in connection with the issuance of the bonds. The bonds bear interest at 3.850% and are payable semiannually on January 1 and July 1 of each year, commencing January 1, 2022 until maturity or earlier redemption. The bonds mature in fiscal year 2040. Total principal and interest remaining on the bonds as of June 30, 2022 is \$5,961,254.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
 June 30, 2022

NOTE 7 – PENSION OBLIGATION BONDS (continued)

Future remaining payments are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 168,000	\$ 163,394	\$ 331,394
2024	174,000	156,926	330,926
2025	181,000	150,227	331,227
2026	188,000	143,259	331,259
2027	195,000	136,021	331,021
2028-2032	1,094,000	561,523	1,655,523
2033-2037	1,322,000	334,026	1,656,026
2039-2040	922,000	71,878	993,878
Total	4,244,000	<u>\$ 1,717,254</u>	<u>\$ 5,961,254</u>
Current	<u>(168,000)</u>		
Long-term	<u>\$ 4,076,000</u>		

Bond Provisions

The obligations of the District under the bonds, including the obligation to make all payments of interest and principal when due, are obligations of the District imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The bonds do not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation. Neither the bonds nor the obligations of the District to make payments on the bonds constitute an indebtedness of the District, the State of California, or any of its political subdivisions in contravention of any constitutional or statutory debt limitation or restriction. For the purpose of paying the principal of and interest on the bonds, the District’s council has covenanted under the trust agreement, to take such actions annually as are necessary or appropriate to cause the debt service on the bonds due in any fiscal year to be included in the budget for such fiscal year and to make the necessary appropriations therefor from any legally available funds to ensure that sufficient sums are available to pay the annual principal of and interest on the bonds as the same become due.

NOTE 8 – SPECIAL ASSESSMENT DEBT

Kensington Park Reassessment District 2004-1 Refunding Bonds

The original 1994 Limited Obligation Improvement Bonds were issued pursuant to the provisions of the Improvement Bond Act of 1915 to finance costs of acquisition of land to be used as a park and installation of certain recreational improvements.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 8 – SPECIAL ASSESSMENT DEBT (continued)

Kensington Park Reassessment District 2004-1 Refunding Bonds (continued)

The bonds are limited obligations of the District and are equally and ratably secured by unpaid assessments on certain parcels of property located within the Kensington Park Assessment District. The Kensington Park Assessment District was created by the District pursuant to the Landscaping and Lighting Act of 1972 specifically to finance the park landscaping and lighting project. The unpaid assessments represent fixed liens on each assessed parcel. Annual installments of the unpaid assessments together with interest thereon, sufficient to meet the scheduled debt service, are included in the tax bills for the assessed properties and the receipts are deposited into a redemption fund used to pay interest and principal on the bonds as they come due. The District is in no way liable for the repayment of the improvement bonds. The District is only acting as an agent for the property owners in collecting the assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings.

On June 17, 2004, the District issued \$1,868,600 of 2004 Limited Obligation Improvement Bonds for the purpose of refunding the \$2,050,000 of outstanding 1994 Limited Obligation Improvement Bonds. The refunding took advantage of lower interest rates which were available and resulted in reductions in debt service requirements over the life of the new debt. The net proceeds of \$1,868,600 from these bonds were transferred to a trustee and placed in an irrevocable trust to redeem the 1994 Limited Obligation Improvement Bonds. These funds were invested in U.S. government securities to provide for the redemption price and interest through the call date. The 2004 bond bears annual interest at a fixed rate of 4.25%. The bond was issued as a fully registered note in a single denomination of \$1,868,600. Interest on the bond becomes payable commencing March 2, 2005, and semiannually thereafter on each September 2 and March 2 until maturity. The bond maturity date is September 2, 2021. On September 2, 2021, the special assessment debt was paid-in-full.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2022</u>
OPEB related deferred outflows	\$ 244,246
Net other post-employment benefits (OPEB) asset	24,244
OPEB related deferred inflows	483,478

A. General Information about the OPEB Plan

Plan description

The District provides lifetime retiree medical coverage to eligible police (safety) employees who retire at age 50, along with their dependents. The medical plan benefits are contracted with the California Public Employees' Retirement System under the Public Employees' Medical and Hospital Care Act (PEMHCA).

Eligible retirees may enroll in any of the plans available through the CalPERS Program. The District contributes the entire cost of post-employment medical coverage up to a cap of the Kaiser Bay Area rates for the coverage selected. Also, the District contributes the entire cost of post-employment dental and vision premiums for retirees.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

A. General Information about the OPEB Plan (Continued)

Plan Members

	<u>2021</u>
Inactive plan members or beneficiaries currently receiving benefit payments	15
Inactive plan members entitled to but not yet receiving benefit payments	-
Active plan members	<u>7</u>
Total	<u><u>22</u></u>

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the District and/or the District’s Board of Directors. Currently, contributions are not required from plan members. The District has been typically funding this OPEB plan on a pay-as-you-go basis; however, recently contributions have been made to an OPEB Trust.

Contributions

Benefit provisions and contribution requirements are established and may be amended through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of this plan are financed by the District. For fiscal year ended June 30, 2021, the measurement period, the District’s contributions totaling \$360,099 included \$151,304 placed in its CalPERS CERBT OPEB Trust, \$165,490 in current year premium payments, and an implied subsidy of \$35,988.

Accounting for the Plan

The other post-employment benefit trust is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported in the accompanying financial statements 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 measure date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability/(Asset)

The District's total OPEB liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability in the 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, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value of assets as of the measurement date
Actuarial Assumptions:	
Discount Rate	
Long-Term Expected	
Rate of Return on Investments	7.28%
Inflation	2.01%
Payroll increases	2.75%
Healthcare Trend Rates	Pre-65 - 6.68% trending down to 5.0% by 2030 Post-65 - 5.0% constant to 2027
Morbidity	CalPERS 2017 Study
Mortality	CalPERS 2017 Study
Disability	Valued
Retirement	2017 CalPERS Police 3%@50 for actives hired before 1/1/13 and 2.7%@57 for actives hired after 1/1/13.
Percent Married	100% of future retirees would enroll a spouse

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
CERBT Strategy 1 investment policy:		
Equity	60.00%	5.49%
Fixed income	32.00%	1.65%
REITs	8.00%	5.06%
Cash	0.00%	0.00%
Total	100.00%	

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

B. Net OPEB Liability/(Asset) (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The changes in the net OPEB liability/(Asset) are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at July 1, 2021 (Measurement date July 1, 2020)	\$ 2,284,943	\$ 1,705,566	\$ 579,377
Changes for the year:			
Service cost	63,078	-	63,078
Interest	163,469	-	163,469
Employer contributions	-	360,099	(360,099)
Net investment income	-	470,718	(470,718)
Benefit payments	(208,795)	(208,795)	-
Administrative expenses	-	(649)	649
Net changes	17,752	621,373	(603,621)
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 2,302,695	\$ 2,326,939	\$ (24,244)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Net OPEB Liability 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/(Asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.28%) or 1 percentage point higher (8.28%) than the current discount rate:

	1% Decrease 6.28%	Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Liability	\$ 210,761	\$ (24,244)	\$ (222,043)

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

C. Changes in the Net OPEB Liability/(Asset) (continued)

Sensitivity of the Net OPEB Liability to Changes in Medical Trend Rates

The following presents the total OPEB liability/(Asset) of the District, as well as what the District’s net OPEB liability/(Asset) would be if it were calculated using medical trend rates that are 1-percentage point lower:

	Healthcare Cost		
	<u>5.68%</u>	<u>6.68%</u>	<u>7.68%</u>
Net OPEB Liability	<u>\$ (155,312)</u>	<u>\$ (24,244)</u>	<u>\$ 146,237</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$249,596. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions made after the measurement date	\$ 201,478	\$ -
Changes in assumptions	-	(384,434)
Differences between expected and actual experience	-	(99,044)
Differences between projected and actual earnings on OPEB plan investments	42,768	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 244,246</u>	<u>\$ (483,478)</u>

The differences between projected and actual earnings on plan investments is amortized over five years. The District reported \$201,478 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability 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:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ (240,704)
2024	(71,657)
2025	(58,115)
2026	(70,234)
Total	<u>\$ (440,710)</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2022</u>
Net pension asset	\$ 2,327,970
Pension related deferred outflows	4,161,200
Pension related deferred inflows	2,848,908

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

A. General Information about the Pension Plan

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Safety Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 55 & Up	50 - 57 & Up
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required member contribution rates	9.000%	13.000%
Required employer contribution rates – FY 2021	23.674%	13.044%

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A full description of the pension plan, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the June 30, 2021 Annual Actuarial Valuation Report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Plan Description (continued)

At June 30, 2021, the following members were covered by the benefit terms:

Plan Members	Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	3	5	8
Transferred and terminated members	12	1	13
Retired members and beneficiaries	29	-	29
Total plan members	44	6	50

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

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 nonindustrial disability benefits after five 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.

Contributions

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

Contributions for the year ended June 30, 2022, (Measurement Date June 30, 2021) were as follows:

Contribution Type	Safety Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 105,282	\$ 50,885	\$ 156,167
Contributions – members	37,032	48,468	85,500
Total contributions	\$ 142,314	\$ 99,353	\$ 241,667

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability 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 plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Plan for the fiscal year ended June 30, 2021 (Measurement Date):

<u>Plan Type and Balance Descriptions</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
CalPERS – Safety Plan:			
Balance as of June 30, 2020 (Measurement Date)	\$ 15,608,014	\$ 15,624,997	\$ (16,983)
Balance as of June 30, 2021 (Measurement Date)	\$ 16,250,416	\$ 18,578,386	\$ (2,327,970)
Change in Plan Net Pension Liability	<u>\$ 642,402</u>	<u>\$ 2,953,389</u>	<u>\$ (2,310,987)</u>

The District's proportionate share percentage of the net pension liability for the June 30, 2021, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2022</u>	<u>Fiscal Year Ending June 30, 2021</u>	
Measurement Date	<u>June 30, 2021</u>	<u>June 30, 2020</u>	
Percentage of Risk Pool Net Pension Liability	-0.066334%	-0.000255%	-0.066079%
Percentage of Plan (PERF C) Net Pension Liability	-0.043044%	-0.000156%	-0.042888%

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND PENSION PLAN (continued)

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

For the year ended June 30, 2022, the District recognized pension credit of \$3,251,176. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 156,167	\$ -
Difference between actual and proportionate share of employer contributions	1,893,846	(626,617)
Adjustment due to differences in proportions	725,597	(1,824,559)
Differences between expected and actual experience	-	(397,732)
Differences between projected and actual earnings on pension plan investments	1,385,590	-
Changes in assumptions	-	-
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 4,161,200</u>	<u>\$ (2,848,908)</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

An amount of \$156,167 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period Fiscal Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2023	\$ 203,010
2024	264,071
2025	307,748
2026	<u>381,296</u>
Total	<u>\$ 1,156,125</u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2020, total pension liability. The June 30, 2021, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The table below reflects long-term expected real rate of return by asset class.

Investment Type	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ An expected inflation rate-of-return of 2.5% is used for years 1-10.

² An expected inflation rate-of-return of 2.9% is used for years 11+.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 10 – NET PENSION LIABILITY AND DEFINED BENEFIT PENSION PLAN (continued)

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

Discount Rate

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

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

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

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
6.15%	Rate 7.15%	8.15%
<u>(140,524)</u>	<u>\$ (2,327,970)</u>	<u>\$ (4,124,687)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 11 – NET INVESTMENT IN CAPITAL ASSETS

At June 30, 2022, the net investment in capital assets was calculated as follows:

<u>Description</u>	<u>Balance</u>
Net investment in capital assets:	
Capital assets – not being depreciated	\$ 2,808,347
Capital assets, net – being depreciated	2,708,343
Loan payable – current portion	(23,505)
Loan payable – non-current portion	(161,019)
Direct finance purchase – current portion	(37,713)
Direct finance purchase – non-current portion	<u>(96,407)</u>
Total	<u><u>\$ 5,198,046</u></u>

NOTE 12 – FUND BALANCES

At June 30, 2022, fund balances of the District’s governmental funds were classified as follows:

<u>Description</u>	<u>General Fund</u>
Nonspendable:	
Prepaid items	\$ 169,148
Assigned:	
Compensated absences	<u>58,202</u>
Unassigned	<u>2,596,393</u>
Total fund balances	<u><u>\$ 2,823,743</u></u>

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California special districts. The purpose of the SDRMA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage.

A. Entity	SDRMA
B. Purpose	To pool member contributions and realize the advantages of self-insurance
C. Participants	As of June 30, 2021 – 499 member agencies
D. Governing board	Seven representatives employed by members
E. District payments for FY 2022:	
Property/Liability policy	\$63,787
Workers' compensation policy	\$56,674
F. Condensed financial information	June 30, 2021

Statement of net position:	<u>June 30, 2021</u>
Total assets	<u>\$ 139,860,914</u>
Deferred outflows	<u>606,052</u>
Total liabilities	<u>73,886,665</u>
Deferred inflows	<u>237,014</u>
Net position	<u><u>\$ 66,343,287</u></u>

Statement of revenues, expenses and changes in net position:	
Total revenues	\$ 84,001,505
Total expenses	<u>(78,600,852)</u>
Change in net position	5,400,653
Beginning – net position	<u>60,942,634</u>
Ending – net position	<u><u>\$ 66,343,287</u></u>

G. Member agencies share of year-end financial position	Not Calculated
--	----------------

At June 30, 2022, the District participated in the liability and property programs of the SDRMA as follows:

- General and auto liability, public officials and employees’ errors and omissions: Total risk financing self-insurance limits of \$2,500,000, combined single limit at \$2,500,000 per occurrence. The District purchased additional excess coverage layers: \$10,000,000 for general, auto and public official’s liability, which increases the limits on the insurance coverage noted above.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

Notes to Financial Statements

June 30, 2022

NOTE 13 – RISK MANAGEMENT (Continued)

In addition to the above, the District also has the following insurance coverage:

- Employee dishonesty coverage up to \$400,000 per loss includes public employee dishonesty, forgery or alteration and theft, disappearance and destruction coverage.
- Property loss is paid at the replacement cost for property on file, if replaced within three years after the loss, otherwise paid on an actual cash value basis, to a combined total of \$1.0 billion per occurrence, subject to a \$2,000 deductible per occurrence.
- Boiler and machinery coverage for the replacement cost up to \$100 million per occurrence, subject to a \$1,000 deductible per occurrence.
- Public official's personal liability up to \$500,000 each occurrence, with an annual aggregate of \$500,000 per each elected/appointed official to which this coverage applies, subject to the terms, with a deductible of \$500 per claim.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2022, 2021, and 2020. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2022, 2021, and 2020.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Excluded Leases – Short-Term Leases and De Minimis Leases

The District does not recognize a lease receivable and a deferred inflow of resources for short-term leases. Short-term leases are certain leases that have a maximum possible term under the lease contract of 12 – months (or less), including any options to extend, regardless of their probability of being exercised.

Also, *de minimis* lessor or lessee leases are certain leases (i.e., room rental, copiers, printers, postage machines) that regardless of their lease contract period are *de minimis* with regards to their aggregate total dollar amount to the financial statements as a whole.

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Notes to Financial Statements
June 30, 2022

NOTE 15 - CURRENT AND SUBSEQUENT EVENTS

The District has evaluated subsequent events through July 14, 2023, the date which the financial statements were available to be issued.

Required Supplementary Information

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 2,100,040	\$ 2,164,907	\$ 64,867
Franchise fees, net	62,700	66,551	3,851
Special assessments:			
Public safety	685,710	685,470	(240)
Measure "G" public safety	621,207	620,989	(218)
Recreation	42,184	42,164	(20)
Charges for services	38,500	39,541	1,041
Operating grants and contributions	125,000	165,675	40,675
Capital grants and contributions	335,952	158,358	(177,594)
Investment earnings	3,600	(32,146)	(35,746)
Other revenue	-	16,788	16,788
Total revenues	<u>4,014,893</u>	<u>3,928,297</u>	<u>(86,596)</u>
Expenditures:			
Current:			
Salaries and wages	1,587,304	1,433,769	153,535
Employee benefits	897,851	461,945	435,906
Materials and services	628,499	1,037,848	(409,349)
Capital outlay	285,057	44,185	240,872
Debt service:			
Principal payment	189,703	189,703	-
Interest payment	178,928	168,552	10,376
Total expenditures	<u>3,767,342</u>	<u>3,336,002</u>	<u>431,340</u>
Change in fund balance	<u>\$ 247,551</u>	592,295	<u>\$ 344,744</u>
Fund balance:			
Beginning of year		<u>2,231,448</u>	
End of year		<u>\$ 2,823,743</u>	

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2022

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Miscellaneous Plan's Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.04113%	2,559,571	\$ 963,888	265.55%	79.75%
June 30, 2015	0.04025%	3,059,855	945,713	323.55%	87.25%
June 30, 2016	0.03796%	3,821,324	974,432	392.16%	84.00%
June 30, 2017	0.03893%	3,860,944	879,501	438.99%	78.83%
June 30, 2018	0.03955%	3,811,481	686,340	555.33%	79.56%
June 30, 2019	0.04036%	4,135,341	701,270	589.69%	72.93%
June 30, 2020	-0.00016%	(16,983)	780,224	-2.18%	100.11%
June 30, 2021	-0.04304%	(2,327,970)	1,140,973	-204.03%	114.33%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and 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:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021 to June 30, 2022:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only eight years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2022

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2014	\$ 356,745	\$ (356,745)	\$ -	\$ 963,888	37.01%
June 30, 2015	384,301	(384,301)	-	945,713	40.64%
June 30, 2016	369,564	(369,564)	-	974,432	37.93%
June 30, 2017	478,607	(478,607)	-	879,501	54.42%
June 30, 2018	293,014	(293,014)	-	686,340	42.69%
June 30, 2019	330,361	(330,361)	-	701,270	47.11%
June 30, 2020	382,475	(4,806,883)	(4,424,408)	780,224	616.09%
June 30, 2021	179,521	(179,521)	-	1,140,973	15.73%
June 30, 2022	156,167	(156,167)	-	1,022,338	15.28%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2014	June 30, 2012	Entry Age	Market Value	2.75%	7.65%
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%
June 30, 2022	June 30, 2020	Entry Age	Market Value	2.50%	7.15%

Amortization Method Level percentage of payroll, closed
Salary Increases Depending on age, service, and type of employment
Investment Rate of Return Net of pension plan investment expense, including inflation
Retirement Age 50 years (3.0%@50), 52 years (2.7%@57)
Mortality Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only eight years are shown.

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Changes in the District's Net OPEB Liability and Related Ratios
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB liability:					
Service cost	\$ 63,078	\$ 97,806	\$ 93,148	\$ 171,680	\$ 171,679
Interest	163,469	282,144	270,617	303,635	287,783
Changes of assumptions	-	(293,401)	-	(349,558)	-
Differences between expected and actual experience	-	(277,547)	(6,903)	(291,717)	(68,601)
Changes of benefit terms	-	(1,204,143)	-	-	-
Benefit payments	(208,795)	(192,057)	(213,923)	(204,377)	(142,894)
Net change in total OPEB liability	17,752	(1,587,198)	142,939	(370,337)	247,967
Total OPEB liability - beginning	2,284,943	3,872,141	3,729,202	4,099,539	3,851,572
Total OPEB liability - ending	2,302,695	2,284,943	3,872,141	3,729,202	4,099,539
Plan fiduciary net position:					
Contributions - employer	360,099	343,527	460,959	466,839	238,762
Net investment income	470,718	54,053	78,934	69,586	76,726
Administrative expense	(649)	(733)	(265)	(481)	(383)
Benefit payments	(208,795)	(192,057)	(213,923)	(204,377)	(142,894)
Net change in plan fiduciary net position	621,373	204,790	325,705	331,567	172,211
Plan fiduciary net position - beginning	1,705,566	1,500,776	1,175,071	843,504	671,293
Plan fiduciary net position - ending	2,326,939	1,705,566	1,500,776	1,175,071	843,504
District's net OPEB liability	\$ (24,244)	\$ 579,377	\$ 2,371,365	\$ 2,554,131	\$ 3,256,035
Plan fiduciary net position as a percentage of the total OPEB liability	101.05%	74.64%	38.76%	31.51%	20.58%
Covered-employee payroll	\$ 1,283,193	\$ 1,026,275	\$ 730,130	\$ 686,340	\$ 879,501
District's net OPEB liability as a percentage of covered-employee payroll	-1.89%	56.45%	324.79%	372.14%	370.21%

Notes to Schedule:

Benefit Changes:

Measurement Date June 30, 2017 – There were no changes in benefits
 Measurement Date June 30, 2018 – There were no changes in benefits
 Measurement Date June 30, 2019 – There were no changes in benefits
 Measurement Date June 30, 2020 – There were no changes in benefits
 Measurement Date June 30, 2021 – There were no changes in benefits

Changes in Assumptions:

Measurement Date June 30, 2017 – There were no changes in assumptions
 Measurement Date June 30, 2018 – All eligible employees will be required to contribute at least \$125 monthly, regardless of the level of coverage selected. The \$125 monthly amount is assumed not to increase in future years.
 Measurement Date June 30, 2019 – There were no changes in assumptions
 Measurement Date June 30, 2020 – All employees hired prior to December 12, 2019 will have the employer share of costs capped at 90% of the 2020 Kaiser Bay Area rates for every coverage level and Medicare eligibility status. In addition, there is a mandatory \$125 minimum monthly contribution per retiree. Employees hired on or after December 12, 2019 will receive the PEMHCA minimum only.
 Measurement Date June 30, 2021 – There were no changes in assumptions

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

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT
Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan
For the Fiscal Year Ended June 30, 2022

Fiscal Year Ended	Last Ten Fiscal Years*				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 313,446	\$ 303,615	\$ 433,330	\$ 418,693	\$ 404,577
Contributions in relation to the actuarially determined contributions	(360,099)	(343,527)	(460,959)	(466,839)	(238,762)
Contribution deficiency (excess)	<u>\$ (46,653)</u>	<u>\$ (39,912)</u>	<u>\$ (27,629)</u>	<u>\$ (48,146)</u>	<u>\$ 165,815</u>
Covered payroll	\$ 1,283,193	\$ 1,026,275	\$ 730,130	\$ 686,340	\$ 879,501
Contributions as a percentage of covered payroll	28.06%	33.47%	63.13%	68.02%	27.15%

Notes to Schedule:

Valuation Date	June 30, 2020	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial cost method	Entry age normal	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Closed period, level percent of pay	(1)	(1)	(1)	(1)
Amortization period	20-years	20-years	20-years	20-years	20-years
Asset valuation method	Market Value	Market Value	Market Value	Market Value	Market Value
Discount rate	7.28%	7.28%	7.28%	7.28%	7.28%
Inflation	2.01%	2.01%	2.26%	2.26%	2.26%
Payroll increases	2.75%	2.75%	3.25%	3.25%	3.25%
Mortality	(2)	(2)	(2)	(2)	(2)
Morbidity	(3)	(3)	(3)	(3)	(3)
Disability	Valued	Valued	Valued	Valued	Valued
Retirement	(4)	(4)	(4)	(4)	(4)
Percent Married	100%	100%	100%	100%	100%
Healthcare trend rates	(5)	(5)	(5)	(5)	(5)

(1) Closed period, level percent of pay

(2) CalPERS 2017 Study

(3) CalPERS 2017 Study

(4) CalPERS Public Agency Safety 3.0%@55 and 2.7%@57

(5) Pre-65 - 6.68% trending down to 5.00% in 2030 and later

Post-65 - 5.00% consistent to 2030

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

KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

*Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2022*

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Directors no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule is required by GASB Statement No. 75 and is required for all employers in a cost-sharing OPEB plan. The schedule reports the following information:

- The employer's proportion (percentage) of the collective net OPEB liability
- The employer's proportionate share (amount) of the collective net OPEB liability
- The employer's covered-employee payroll
- The employer's proportionate share (amount) of the collective net OPEB liability as a percentage of the employer's covered-employee payroll
- The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.

Schedule of Contributions – Other Post-Employment Benefits (OPEB) Plan

This schedule is required by GASB Statement No. 75 and is required for all employers in an OPEB plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the OPEB plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

Other Independent Auditors' Report



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
Kensington Police Protection and Community Services District
Kensington, 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 general fund of Kensington Police Protection and Community Services District (District) as of and for the fiscal 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 July 14, 2023.

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 to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 District'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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Walnut Creek, California
July 14, 2023



Date: August 10, 2023
To: Board of Directors
From: David Aranda, Interim General Manager
Subject: Discuss and Adopt Resolution No. 2023-03 (Revised)

Recommendation

Approve Resolution No. 2023-03 (Revised), A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Authorizing Appointment Of The General Manager As Treasurer And Authorizing Transfer Of Treasurer Authority From Contra Costa County To The Board Of Directors Of The Kensington Police Protection And Community Services District.

Background

The Board approved the District moving District funds out of the county bank and savings accounts and into Five Star Bank for better control of the District's money. The District Manager along with the District's financial consultants had a zoom meeting with various financial officials in the County in order to make sure this was the safe and correct thing to be doing. The County will continue to COLLECT District funds from the various accounts and instead of the District drawing off those funds, the county will submit a check each quarter for the funds that have been collected.

The District's financial advisors with Eddie Bailey performed a cash flow projection to make sure that the money received each quarter will be sufficient for the District to continue to operate month to month. History seems to prove that there will be sufficient cash flow each month. The General Manager then gave the go ahead to the county to present our resolution to the County Board of Supervisors requesting the withdrawal of its money from the County Treasury.

The clerk for the county determined that the resolution approved by the Board back in April was not sufficient to meet their requirements for this separation. You have before you a revised resolution that will hopefully meet the County's requirements and allow the District to withdraw its funds from the County.

Exhibits

- Resolution No. 2023-03 (Revised), A Resolution Of The Board Of Directors Of The Kensington Police Protection And Community Services District Authorizing Appointment Of The General Manager As Treasurer And Authorizing Transfer Of Treasurer Authority From Contra Costa County To The Board Of Directors Of The Kensington Police Protection And Community Services District.

RESOLUTION NO. 2023-03 (REVISED)

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT AUTHORIZING APPOINTMENT OF THE GENERAL MANAGER AS TREASURER AND AUTHORIZING TRANSFER OF TREASURER AUTHORITY FROM CONTRA COSTA COUNTY TO THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

WHEREAS the Kensington Police Protection and Community Services District (KPPCSD) is a community services district organized and operating pursuant to California Government Code section 61000 et seq; and

WHEREAS Government Code sections 61050 and 61052 provide that the Contra Costa County Treasurer shall be the Kensington Police Protection and Community Services District depository, and maintain custody of all the KPPCSD funds, unless the KPPCSD establishes an alternative depository pursuant to Government Code section 61053; and

WHEREAS, to establish an alternative depository for KPPCSD funds, Government Code section 61053 requires the KPPCSD's Board of Directors to 1) state its intention to withdraw its money from the County treasury; 2) fix the amount of the bond for the KPPCSD's Treasurer and other KPPCSD employees who will be responsible for handling the KPPCSD's finances; 3) adopt a system of accounting and auditing that adheres to generally accepted accounting principles; and 4) designate a bank as the depository for the KPPCSD's fund; and

WHEREAS the KPPCSD's Board of Directors approved the establishment of a bank account with Five Star Bank as a depository for the KPPCSD's funds; and

WHEREAS it is the desire of KPPCSD's Board to establish an alternative depository to the County Treasurer, pursuant to Government Code section 61053.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. The KPPCSD's Board appoints the General Manager as its Treasurer who will serve in the place of the County Treasurer.

Section 3. The KPPCSD's Board hereby states its intention to have monies from the various incoming accounts of KPPCSD's sent to Five Star Bank.

Section 4. The KPPCSD's Board hereby states that KPPCSD will establish its own relationship with LAIF.

Section 5. The KPPCSD's Board and the County Board of Supervisors shall determine a mutually acceptable date for this request to take place but no later than 15 months from the date of this Resolution.

Section 6. The KPPCSD's Board hereby designates Five Star Bank as the depository of the KPPCSD's money.

Section 7. The KPPCSD's Treasurer and all KPPCSD employees responsible for handling the KPPCSD's finances shall be covered in the amount set forth in the KPPCSD's Employee Dishonesty (Crime & Fidelity) Insurance Policy with SDRMA.

Section 8. The KPPCSD's Treasurer shall make quarterly or more frequent written reports to the KPPCSD's Board, as the KPPCSD Board shall determine, regarding the receipts and disbursements and balances in the accounts controlled by the KPPCSD's Treasurer.

Section 9. The Board Secretary shall certify the adoption of this Resolution.

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection and Community Services District upon motion by Director _____, seconded by Director _____, on Thursday, the 10th day of August, 2023, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAINED:

Alexandria Aquino-Fike
President, Board of Directors

HEREBY CERTIFY the foregoing resolution was duly and regularly adopted by the Board of Directors of the Kensington Police Protection and Community Services District at the regular meeting of said Board held on Thursday, the 10th day of August, 2023.

Lynelle M. Lewis
District Clerk of the Board

David Aranda
Interim General Manger