

Monterey Peninsula TER Management District

Audit Results for June 30, 2024

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Agenda



Auditors' Opinion

Required Governance Communication

Accounting Updates

Questions



Auditors' Opinion

Unmodified Opinion

• The financial statements, in all material respects, are fairly presented in accordance with accounting principles generally accepted in the United States.





Required Governance Communication

Overall

- Purpose is to follow up from planning meeting
- •No changes in scope of audit
- •The significant accounting policies used are described in the footnotes to the District's financial statements.

Estimates

- •Estimates presented in financial statements
- •We are comfortable with management's estimates

Difficulties

- No significant difficulties encountered in performing the audit
- No disagreements with management or consultations with other accountants

Other

- No uncorrected misstatements
- •AJE's decreased net income of the governmental funds by \$2.8m primarily due to \$2.6m of deferred revenue
- •No material weaknesses or significant deficiencies noted
- •Management representation letter will be signed at the conclusion of the engagement



Accounting Updates

Adopted Pronouncements

 GASB Statement No. 100 Accounting Changes and Error Corrections – No impact.

Upcoming Pronouncements

- GASB Statement No. 101 Compensated Absences
- GASB Statement No. 102 Certain Risk Disclosures



GASB 101 Compensated Absences



Effective date **December 31, 2024**



Revaluate leave policies

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- Liability must include any accumulated leave that is unused or used but unpaid
- Footnote disclosures will be enhanced

Examples include

Sick leave not paid at termination

Parental leave

Military leave and jury duty that has commenced

CLA can help by evaluating the standard related to compensated

related to compensated absences and assisting with or evaluating in financial statement disclosures





GASB 102 Certain Risk Disclosures

CLA can help by assisting with or evaluating financial statement disclosure updates



(j)

Effective date June 30, 2025

Increased footnote disclosures surrounding risk:

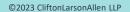
- Limitations on raising revenues
- Concentrations related to tax revenue or vendors
- Debt or mandated spending especially unfunded mandates
- Impact of major employer leaving the community
- Collective bargaining agreements





Questions?





Thank You



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