

**AGENDA**  
**LAFCO Budget & Finance Committee**  
**Meeting**

**2023**  
**Committee**

**Chair**

Mary Ann Leffel

*Special District Member*

Glenn Church

*County Member*

Ian Oglesby

*City Member*

**Counsel**

Kelly Donlon

*General Counsel*

**Executive Officer**

Kate McKenna, AICP

**Monday, May 8, 2023**  
**2:30 p.m. – 3:30 p.m.**

**LAFCO OFFICE**  
**132 W. Gabilan Street, Suite #102**  
**Salinas, California**

This meeting will be conducted in person at the LAFCO Office. The public may attend the meeting or participate remotely by Zoom app.

132 W. Gabilan Street, #102  
Salinas, CA 93901

P. O. Box 1369  
Salinas, CA 93902

Voice: 831-754-5838

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## Instructions for Remote Public Participation

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1. **To Participate in the Meeting:** Use the Zoom app on your smart phone, laptop, tablet or desktop and click on this link: <https://montereycty.zoom.us/j/91087438240>

The meeting ID is: [910 8743 8240](https://montereycty.zoom.us/j/91087438240). There is no password. To make a public comment, please “Raise your Hand.”

2. **To Participate by Phone:** Please call: +1 669 900 6833

Enter the meeting ID: [910 8743 8240](https://montereycty.zoom.us/j/91087438240) when prompted. There is no participant code – just enter the meeting id and the pound sign # after the recording prompts you. To make a public comment by phone, please push \*9 on your phone keypad.

3. **To Make Remote Public Comments Via Email:** Written comments can be emailed to the Clerk to the Commission at: [malukis@monterey.lafco.ca.gov](mailto:malukis@monterey.lafco.ca.gov). Please include the following Subject Line: “*Public Comment – Agenda Item #\_\_*”. Written comments must be received by noon on the day of the meeting. All submitted comments will be provided to the Committee for consideration, compiled as part of the record, and may be read into the record.

PLEASE NOTE: If all Committee Members are present in person, public participation by Zoom is for convenience only and is not required by law. If the Zoom feed is lost for any reason, the meeting may be paused while a fix is attempted but the meeting may continue at the discretion of the Chairperson.

**AGENDA**  
**BUDGET & FINANCE COMMITTEE MEETING**  
**Monday, May 8, 2023**

Call to Order

Roll Call

Public Comments

*Anyone may address the Committee briefly concerning items not already on the agenda.*

New Business

1. [Consider Draft Financial Statements for Period Ending March 31, 2023](#)  
Recommended Action: Recommend that the Commission approve the quarterly financial statements for the period ending March 31, 2023.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
2. [Consider Profit/Loss Budget vs. Actual \(Draft\) Worksheet through April 28, 2023.](#)  
Recommended Action: Accept report for information only.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
3. [Consider a Fiscal Year-End Litigation Reserve Fund Transfer.](#)  
Recommended Action: Recommend that the Commission authorize a fiscal year-end balance sheet journal entry transfer of approximately \$150,000.00 from Account No. 3850 (Unreserved Fund) to Account No. 3800 (Reserve for Litigation) to replenish the Litigation Reserve.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).
4. [Consider Proposals for Accounting and Audit Professional Services.](#)  
Recommended Action: Recommend that the Commission authorize the Executive Officer to execute professional service agreements with CliftonLarsonAllen, LLP (CLA) for accounting and related services, and with Bianchi, Kasavan & Pope, LLP (BKP) for audit services.  
(CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378).

Executive Officer Announcements

*The Executive Officer may provide oral or written announcements about current LAFCO activities, for information only.*

Adjournment

*The Political Reform Act requires that a participant in a LAFCO of Monterey County proceeding who has a financial interest in a change of organization or reorganization proposal and who has made a campaign contribution of more than \$250 to any commissioner in the past year must disclose the contribution. If you are affected, please notify the Commission's staff before the meeting.*

Pursuant to Government Code Section 54957.5, public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be made available to the public on the LAFCO of Monterey County website at [www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov).

***AMERICANS WITH DISABILITIES ACT (ADA):*** All regular and special meeting agendas and associated reports are available at [www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov). Any person with a disability under the ADA may receive a copy of the agenda or associated reports upon request. Any person with a disability covered under the ADA may also request a disability-related modification or accommodation, including auxiliary aids or services, to participate in a public meeting. Requests for copies of meeting documents and accommodations shall be made with LAFCO of Monterey County staff at (831) 754-5838 at least three business days prior to the respective meeting.



**Local Agency Formation Commission  
of Monterey County  
Financial Statements  
March 31, 2023**

Draft

**LOCAL AGENCY FORMATION COMMISSION  
OF MONTEREY COUNTY**

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## Accountant's Compilation Report

To the Chair and Commissioners  
Local Agency Formation Commission  
LAFCO of Monterey County  
Salinas, California

Management is responsible for the financial statements of the Local Agency Formation Commission of Monterey County (LAFCO), as of and for the nine months ended March 31, 2023, included in the accompanying prescribed form in accordance with the requirements of LAFCO. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

We are not independent with respect to LAFCO.

**CliftonLarsonAllen LLP**

May 1, 2023  
Salinas, CA



**LAFCO of Monterey County**  
**Balance Sheets**  
**March 31, 2023 and 2022**

ASSETS			
	ACCT #	2023	2022
<b>CURRENT ASSETS:</b>			
Cash Held in Bank:			
Wells Fargo Operating	1007	\$ 83,410.94	\$ 129,467.74
<b>Total Cash Held in Bank</b>		<b>83,410.94</b>	<b>129,467.74</b>
Cash Held in County Treasury:			
Cash Held for Operating Expenses	1010	728,750.18	598,360.04
Designated Cash for Reserve for Litigation	1012	176,697.49	300,036.51
Designated Cash for Accrued Leave	1013	76,212.86	60,892.78
Designated Cash for Post Retirement (GASB 75)	1014	85,475.00	90,300.00
Designated Cash for Reserve for Contingency	1015	269,914.00	258,357.00
Restricted Cash for FORA Litigation	1020	345,479.14	345,603.04
<b>Total Cash Held in County Treasury</b>		<b>1,682,528.67</b>	<b>1,653,549.37</b>
Petty Cash	1100	300.00	300.00
<b>Total Cash</b>		<b>1,766,239.61</b>	<b>1,783,317.11</b>
<b>Other Current Assets:</b>			
Accounts Receivable - For Fiscal Yr Ending 6/22	1234	-	635.00
Prepaid Insurance	1400	3,336.35	3,318.10
Prepaid Expenses	1405	6,724.71	1,302.57
<b>Total Other Current Assets</b>		<b>10,061.06</b>	<b>5,255.67</b>
<b>Total Current Assets</b>		<b>1,776,300.67</b>	<b>1,788,572.78</b>
<b>NON-CURRENT ASSETS:</b>			
Equipment	1500	57,801.99	57,801.99
Accumulated Depreciation	1550	(52,344.69)	(48,220.74)
<b>Total Non-Current Assets</b>		<b>5,457.30</b>	<b>9,581.25</b>
<b>DEFERRED OUTFLOWS OF RESOURCES (GASB 68):</b>			
Deferred Outflows of Resources - PERS Contributions	1800	46,559.54	69,874.49
Deferred Outflows of Resources - Actuarial	1805	262,201.83	38,893.32
<b>Total Deferred Outflows of Resources (GASB 68)</b>		<b>308,761.37</b>	<b>108,767.81</b>
<b>DEFERRED OUTFLOWS OF RESOURCES (GASB 75):</b>			
Deferred Outflows of Resources - OPEB Contributions	1810	1,752.00	4,080.00
Deferred Outflows of Resources - OPEB Actuarial	1815	7,238.00	2,609.00
		8,990.00	6,689.00
		<b>\$ 2,099,509.34</b>	<b>\$ 1,913,610.84</b>
<b>LIABILITIES AND EQUITY</b>			
	ACCT #	2023	2022
<b>CURRENT LIABILITIES:</b>			
Accounts Payable	2000	\$ 7,675.98	\$ 11,695.84
Payroll Liabilities	2200	168.00	504.00
Direct Deposit Liabilities	2210	-	(10,646.32)
Accrued Leave	2220	76,212.86	60,892.78
Dissolution of FORA Legal Liability	2380	345,479.14	345,603.04
Dissolution of FORA Admin Liability	2381	54,776.00	57,755.00
<b>Total Current Liabilities</b>		<b>484,311.98</b>	<b>465,804.34</b>
<b>NON-CURRENT LIABILITIES:</b>			
Net Pension Liability/(Asset) (GASB 68)	2400	(262,199.19)	(10,976.20)
Net OPEB Liability/(Asset) (GASB 75)	2410	85,475.00	90,300.00
<b>Total Non-Current Liabilities</b>		<b>(176,724.19)</b>	<b>79,323.80</b>
<b>DEFERRED INFLOWS OF RESOURCES (GASB 68):</b>	2500	9,278.43	10,172.41
<b>DEFERRED INFLOWS OF RESOURCES (GASB 75):</b>	2505	52,790.00	46,684.00
<b>EQUITY:</b>			
Invested in Capital Assets	3700	5,457.30	9,581.25
Encumbered Funds	3710	70,749.02	70,749.02
Reserve for Litigation	3800	176,697.49	300,036.51
Reserve for Contingency	3810	269,914.00	258,357.00
Restricted for Pension	3825	262,199.19	10,976.20
Unreserved Fund*	3850	944,836.12	661,926.31
<b>Total Equity</b>		<b>1,729,853.12</b>	<b>1,311,626.29</b>
		<b>\$ 2,099,509.34</b>	<b>\$ 1,913,610.84</b>

\*Includes revenue received in the current year to be used for operating expenses through 6/30/23

**LAFCO of Monterey County**  
**Income and Expense Budget Performance - Summary**  
**March 31, 2023**

ACCT #	Income:	March 23	March 22	% of Budget Received/Spent		Adopted 22/23 Budget	Remaining Budget Balance	% of Remaining Budget Balance	
				March 23	July 22-March 23				July 21-March 22
4000	Fees: Project	\$ -	\$ -	0.00%	\$ 15,330.00	\$ 158,954.23	\$ 10,000.00	\$ 5,330.00	53.30%
4205	County Contributions	-	-	0.00%	354,931.00	298,814.00	354,931.00	-	0.00%
4210	City Contributions	-	-	0.00%	354,930.99	298,813.00	354,931.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	354,928.00	298,814.00	354,931.00	(3.00)	0.00%
4249	FORA Administrative Revenue	85.50	247.50	0.00%	1,246.50	3,630.00	-	1,246.50	0.00%
4300	Interest	12.09	1.52	0.25%	10,827.84	2,541.74	4,862.00	5,965.84	122.70%
	<b>Total Income</b>	<b>97.59</b>	<b>249.02</b>	<b>0.01%</b>	<b>1,092,194.33</b>	<b>1,061,566.97</b>	<b>1,079,655.00</b>	<b>12,539.33</b>	<b>1.16%</b>
	<b>Expense:</b>								
VAR	Employee Salaries	62,906.40	29,874.11	11.35%	418,893.28	318,039.06	554,169.00	135,275.72	24.41%
VAR	Employee Benefits	26,604.41	18,984.06	11.23%	195,344.67	134,913.48	236,928.00	41,583.33	17.55%
7000	Postage and Shipping	261.47	121.62	6.87%	3,120.34	3,896.55	3,804.00	683.66	17.97%
7010	Books and Periodical	-	-	0.00%	1,151.40	1,323.36	1,621.00	469.60	28.97%
7030	Copy Machine	355.16	444.26	3.07%	3,794.40	4,742.43	11,576.00	7,781.60	67.22%
7040	Outside Printers	-	-	0.00%	-	667.88	1,300.00	1,300.00	100.00%
7060	Office Supplies	97.44	-	1.40%	3,653.14	1,876.81	6,946.00	3,292.86	47.41%
7070	Office Equipment & Furnishings	-	-	0.00%	-	273.11	1,946.00	1,946.00	100.00%
7080	Computer Hardware/Peripherals	-	43.69	0.00%	1,342.70	2,030.85	5,789.00	4,446.30	76.81%
7085	Computer Support Svcs Fixed Costs	-	165.11	0.00%	10,890.72	6,161.31	12,155.00	1,264.28	10.40%
7090	Computer Support Svcs Variable Costs	-	-	0.00%	1,095.50	546.00	6,948.00	5,852.50	84.23%
7100	Computer Software	-	-	0.00%	644.84	579.84	1,216.00	571.16	46.97%
7105	Meeting Broadcast Services	-	-	0.00%	848.75	-	4,863.00	4,014.25	82.55%
7110	Property and Gen Liability Insurance	640.54	594.11	7.36%	5,764.86	5,346.99	8,700.00	2,935.14	33.74%
7120	Office Maintenance Services	-	-	0.00%	168.00	160.00	463.00	295.00	63.71%
7140	Travel	41.25	-	0.31%	9,488.99	-	13,450.00	3,961.01	29.45%
7150	Training, Conferences & Workshops	-	-	0.00%	7,496.93	-	8,238.00	741.07	9.00%
7160	Vehicle Mileage	-	-	0.00%	190.94	-	1,575.00	1,384.06	87.88%
7170	Rental of Buildings	2,397.69	2,397.69	8.33%	21,579.21	21,579.21	28,772.00	7,192.79	25.00%
7200	Telephone Communications	428.98	328.42	5.29%	3,216.59	3,184.46	8,104.00	4,887.41	60.31%
7230	Temp Help Services (Clerical)	-	6,081.75	0.00%	-	37,440.38	-	-	0.00%
7240	Outside Prof. Services: Other	-	-	0.00%	8,825.00	75,180.00	25,000.00	16,175.00	64.70%
7242	Outside Prof. Services: Accounting	5,000.00	4,800.00	8.33%	44,800.00	46,000.00	60,000.00	15,200.00	25.33%
7242A	Outside Prof. Services: General Admin and HR	400.00	400.00	2.70%	3,600.00	5,440.00	14,800.00	11,200.00	75.68%
7245	General and Special Legal Services	1,586.70	9,643.30	8.27%	15,830.30	88,373.70	19,182.00	3,351.70	17.47%
7247	Outside Prof. Services: Human Resources	-	-	0.00%	-	-	5,789.00	5,789.00	100.00%
7248	Outside Prof. Services: Annual Audit	-	-	0.00%	20,000.00	14,500.00	20,000.00	-	0.00%
7250	Miscellaneous Office Expense	26.58	97.64	2.30%	560.54	355.20	1,158.00	597.46	51.59%
7260	Legal Notices	288.75	236.25	5.94%	1,663.50	4,028.97	4,863.00	3,199.50	65.79%
7270	Recruitment Advertising	-	-	0.00%	-	675.00	1,000.00	1,000.00	100.00%
7280	LAFCO Memberships	-	-	0.00%	9,137.00	8,839.01	9,300.00	163.00	1.75%
7290	Litigation Reserve	3,643.15	-	0.00%	87,890.52	-	-	(87,890.52)	0.00%
7300	Depreciation	333.00	381.00	0.00%	3,010.95	3,430.37	-	(3,010.95)	0.00%
	<b>Total Expense</b>	<b>105,011.52</b>	<b>74,593.01</b>	<b>9.73%</b>	<b>884,003.07</b>	<b>789,583.97</b>	<b>1,079,655.00</b>	<b>195,651.93</b>	<b>18.12%</b>
	<b>Net Ordinary Income (Loss)</b>	<b>(104,913.93)</b>	<b>(74,343.99)</b>		<b>208,191.26</b>	<b>271,983.00</b>	<b>-</b>		
	<b>Other Income/(Expense):</b>								
8106	Prior Year Project Fees Returned	-	-		(2,697.50)	(218.25)	-		
8115	Encumbered Funds: Temp Professional Services	-	-		-	(3,437.50)	-		
	<b>Total Other Income/(Expense)</b>	<b>-</b>	<b>-</b>		<b>(2,697.50)</b>	<b>(3,655.75)</b>	<b>-</b>		
	<b>Net Income (Loss)</b>	<b>\$ (104,913.93)</b>	<b>\$ (74,343.99)</b>		<b>\$ 205,493.76</b>	<b>\$ 268,327.25</b>	<b>\$ -</b>		

**LAFCO of Monterey County**  
**Income and Expense Budget Performance - Detail**  
**March 31, 2023**

ACCT #	Income:	March 23	March 22	% of Budget		Adopted 22/23 Budget	Remaining Budget Balance	% of Remaining Budget Balance	
				Received/ Spent March 23	July 22-March 23				
4000	Fees: Project	\$ -	\$ -	0.00%	\$ 15,330.00	\$ 158,954.23	\$ 10,000.00	\$ 5,330.00	53.30%
4205	County Contributions	-	-	0.00%	354,931.00	298,814.00	354,931.00	-	0.00%
4210	City Contributions	-	-	0.00%	354,930.99	298,813.00	354,931.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	354,928.00	298,814.00	354,931.00	(3.00)	0.00%
4249	FORA Administrative Revenue	85.50	247.50	0.00%	1,246.50	3,630.00	-	1,246.50	0.00%
4300	Interest	12.09	1.52	0.25%	10,827.84	2,541.74	4,862.00	5,965.84	122.70%
	<b>Total Income</b>	<b>97.59</b>	<b>249.02</b>	<b>0.01%</b>	<b>1,092,194.33</b>	<b>1,061,566.97</b>	<b>1,079,655.00</b>	<b>12,539.33</b>	<b>1.16%</b>
	<b>Expense:</b>								
6002	Regular Earnings	62,906.40	29,799.00		418,378.82	316,962.54			
6004	FORA Administrative Wages	-	75.11		514.46	1,076.52			
	<b>Employee Salaries</b>	<b>62,906.40</b>	<b>29,874.11</b>	<b>11.35%</b>	<b>418,893.28</b>	<b>318,039.06</b>	<b>554,169.00</b>	<b>135,275.72</b>	<b>24.41%</b>
6007	Management Expense Allowance	50.00	50.00		450.00	450.00			
6010	Accrued Leave	4,002.20	(2,288.43)		8,108.73	(22,576.42)			
6011	Car Allowance	400.00	400.00		3,600.00	3,600.00			
6013	Post Retirement Healthcare Reserve	151.00	149.00		1,347.00	1,305.00			
6100	Employee Benefits - Other	-	3,825.00		700.00	4,525.00			
6101	Payroll Expenses	950.42	526.04		7,327.68	5,865.00			
6102	Worker's Compensation Insurance	179.37	253.43		1,170.39	2,052.90			
6103	Employee Memberships	-	-		96.75	848.00			
6104	Deferred Comp Plan Contribution	3,900.18	1,852.19		25,971.29	19,168.56			
6105	PERS Retirement	6,532.17	3,250.31		45,892.19	33,473.47			
6110	PERS Health - Other	35.01	18.29		263.36	167.94			
6111	PERS Health - Med ER Non-Elective	604.00	447.00		5,388.00	4,630.00			
6112	PERS Health - Med ER Pre Tax	8,365.69	5,306.47		62,136.75	49,117.06			
6131	LIFE	125.20	90.90		1,126.80	979.30			
6132	ADD	8.21	5.96		73.89	64.22			
6133	Dental	767.90	688.70		6,911.10	6,527.41			
6134	Vision	108.60	96.70		977.40	893.78			
6135	LTD	332.40	231.82		2,991.60	2,533.41			
6136	EAP	-	-		-	80.40			
6139	STD	92.06	75.08		828.54	728.05			
7294	Accrued Leave Reserve	-	4,005.60		19,983.20	20,480.40			
	<b>Employee Benefits</b>	<b>26,604.41</b>	<b>18,984.06</b>	<b>11.23%</b>	<b>195,344.67</b>	<b>134,913.48</b>	<b>236,928.00</b>	<b>41,583.33</b>	<b>17.55%</b>
7000	Postage and Shipping	261.47	121.62	6.87%	3,120.34	3,896.55	3,804.00	683.66	17.97%
7010	Books and Periodical	-	-	0.00%	1,151.40	1,323.36	1,621.00	469.60	28.97%
7030	Copy Machine	355.16	444.26	3.07%	3,794.40	4,742.43	11,576.00	7,781.60	67.22%
7040	Outside Printers	-	-	0.00%	-	667.88	1,300.00	1,300.00	100.00%
7060	Office Supplies	97.44	-	1.40%	3,653.14	1,876.81	6,946.00	3,292.86	47.41%
7070	Office Equipment & Furnishings	-	-	0.00%	-	273.11	1,946.00	1,946.00	100.00%
7080	Computer Hardware/Peripherals	-	43.69	0.00%	1,342.70	2,030.85	5,789.00	4,446.30	76.81%
7085	Computer Support Svcs Fixed Costs	-	165.11	0.00%	10,890.72	6,161.31	12,155.00	1,264.28	10.40%
7090	Computer Support Svcs Variable Costs	-	-	0.00%	1,095.50	546.00	6,948.00	5,852.50	84.23%
7100	Computer Software	-	-	0.00%	644.84	579.84	1,216.00	571.16	46.97%
7105	Meeting Broadcast Services	-	-	0.00%	848.75	-	4,863.00	4,014.25	82.55%
7110	Property and Gen Liability Insurance	640.54	594.11	7.36%	5,764.86	5,346.99	8,700.00	2,935.14	33.74%
7120	Office Maintenance Services	-	-	0.00%	168.00	160.00	463.00	295.00	63.71%
7140	Travel	41.25	-	0.31%	9,488.99	-	13,450.00	3,961.01	29.45%
7150	Training, Conferences & Workshops	-	-	0.00%	7,496.93	-	8,238.00	741.07	9.00%
7160	Vehicle Mileage	-	-	0.00%	190.94	-	1,575.00	1,384.06	87.88%
7170	Rental of Buildings	2,397.69	2,397.69	8.33%	21,579.21	21,579.21	28,772.00	7,192.79	25.00%
7200	Telephone Communications	428.98	328.42	5.29%	3,216.59	3,184.46	8,104.00	4,887.41	60.31%
7230	Temp Help Services (Clerical)	-	6,081.75	0.00%	-	37,440.38	-	-	0.00%
7240	Outside Prof. Services: Other	-	-	0.00%	8,825.00	75,180.00	25,000.00	16,175.00	64.70%
7242	Outside Prof. Services: Accounting	5,000.00	4,800.00	8.33%	44,800.00	46,000.00	60,000.00	15,200.00	25.33%
7242A	Outside Prof. Services: General Admin and HR	400.00	400.00	2.70%	3,600.00	5,440.00	14,800.00	11,200.00	75.68%
7245	General and Special Legal Services	1,586.70	9,643.30	8.27%	15,830.30	88,373.70	19,182.00	3,351.70	17.47%
7247	Outside Prof. Services: Human Resources	-	-	0.00%	-	-	5,789.00	5,789.00	100.00%
7248	Outside Prof. Services: Annual Audit	-	-	0.00%	20,000.00	14,500.00	20,000.00	-	0.00%
7250	Miscellaneous Office Expense	26.58	97.64	2.30%	560.54	355.20	1,158.00	597.46	51.59%
7260	Legal Notices	288.75	236.25	5.94%	1,663.50	4,028.97	4,863.00	3,199.50	65.79%
7270	Recruitment Advertising	-	-	0.00%	-	675.00	1,000.00	1,000.00	100.00%
7280	LAFCO Memberships	-	-	0.00%	9,137.00	8,839.01	9,300.00	163.00	1.75%
7290	Litigation Reserve	3,643.15	-	0.00%	87,890.52	-	-	(87,890.52)	0.00%
7300	Depreciation	333.00	381.00	0.00%	3,010.95	3,430.37	-	(3,010.95)	0.00%
	<b>Total Expense</b>	<b>105,011.52</b>	<b>74,593.01</b>	<b>9.73%</b>	<b>884,003.07</b>	<b>789,583.97</b>	<b>1,079,655.00</b>	<b>195,651.93</b>	<b>18.12%</b>
	<b>Net Ordinary Income (Loss)</b>	<b>(104,913.93)</b>	<b>(74,343.99)</b>		<b>208,191.26</b>	<b>271,983.00</b>	<b>-</b>		
	<b>Other Income/(Expense):</b>								
8106	Prior Year Project Fees Returned	-	-		(2,697.50)	(218.25)	-		
8115	Encumbered Funds: Temp Professional Services	-	-		-	(3,437.50)	-		
	<b>Total Other Income/(Expense)</b>	<b>-</b>	<b>-</b>		<b>(2,697.50)</b>	<b>(3,655.75)</b>	<b>-</b>		
	<b>Net Income (Loss)</b>	<b>\$ (104,913.93)</b>	<b>\$ (74,343.99)</b>		<b>\$ 205,493.76</b>	<b>\$ 268,327.25</b>	<b>\$ -</b>		

LAFCO of Monterey County  
Income and Expense by Month  
March 31, 2023

	July 22	Aug 22	Sept 22	Oct 22	Nov 22
<b>Ordinary Income/Expense</b>					
<b>Income:</b>					
4000 · Fees: Project	-	-	10,330.00	-	-
4205 · County Contributions	354,931.00	-	-	-	-
4210 · City Contributions	354,930.99	-	-	-	-
4220 · District Contributions	354,928.00	-	-	-	-
4249 · FORA Administrative Revenue	660.00	-	165.00	82.50	82.50
4300 · Interest	1.30	1.68	1.03	3,807.56	4.26
<b>Total Income</b>	<b>1,065,451.29</b>	<b>1.68</b>	<b>10,496.03</b>	<b>3,890.06</b>	<b>86.76</b>
<b>Expense:</b>					
6000 · Employee Salaries	40,780.28	41,937.61	62,962.63	41,937.62	41,937.61
6100 · Employee Benefits	21,442.51	18,863.46	25,307.53	17,839.82	18,627.19
7000 · Postage and Shipping	79.62	101.40	306.83	773.00	410.46
7010 · Books and Periodical	238.00	-	-	49.70	-
7030 · Copy Machine	231.12	494.78	400.68	343.75	543.43
7060 · Office Supplies	-	289.25	8.74	495.43	386.79
7080 · Computer Hardware/Peripherals	-	311.26	-	-	5,445.36
7085 · Computer Support Svcs Fixed Costs	-	-	-	1,361.34	469.50
7090 · Computer Support Svcs Variable Costs	-	-	-	-	-
7100 · Computer Software	214.98	-	-	99.99	-
7105 · Meeting Broadcast Services	-	-	-	-	-
7110 · Property and Gen Liability Insurance	640.54	640.54	640.54	640.54	640.54
7120 · Office Maintenance Services	-	-	-	-	168.00
7140 · Travel	-	-	-	8,182.86	1,217.81
7150 · Training, Conferences & Workshops	-	-	-	6,795.72	550.00
7160 · Vehicle Mileage	-	-	112.56	-	-
7170 · Rental of Buildings	2,397.69	2,397.69	2,397.69	4,795.38	-
7200 · Telephone Communications	452.38	328.68	328.68	329.54	329.54
7240 · Outside Prof. Services: Other	3,225.00	2,475.00	500.00	-	-
7242 · Outside Prof. Services: Accounting	4,800.00	5,000.00	5,000.00	5,000.00	10,000.00
7242A · Outside Prof. Services: Gen Admin & HR Assistance	400.00	400.00	400.00	400.00	800.00
7245 · General and Special Legal Services	-	405.90	3,136.50	-	1,291.50
7248 · Outside Prof. Services: Annual Audit	-	2,000.00	-	12,000.00	-
7250 · Miscellaneous Office Expense	28.16	96.24	53.90	36.74	36.74
7260 · Legal Notices	551.25	-	-	-	823.50
7280 · LAFCO Memberships	7,503.00	-	-	-	-
7290 · Litigation Reserve	-	9,421.90	28,926.50	-	18,546.30
7300 · Depreciation	338.00	335.00	331.95	336.00	338.00
8106 · Prior Year Project Fees Returned	-	12.50	-	-	2,685.00
<b>Total Expense</b>	<b>83,322.53</b>	<b>85,511.21</b>	<b>130,814.73</b>	<b>101,417.43</b>	<b>106,334.66</b>
<b>Net Income/(Loss)</b>	<b>\$ 982,128.76</b>	<b>\$ (85,509.53)</b>	<b>\$ (120,318.70)</b>	<b>\$ (97,527.37)</b>	<b>\$ (106,247.90)</b>

LAFCO of Monterey County  
Income and Expense by Month  
March 31, 2023

	Dec 22	Jan 23	Feb 23	Mar 23	Total
<b>Ordinary Income/Expense</b>					
<b>Income:</b>					
4000 · Fees: Project	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 5,000.00
4205 · County Contributions	-	-	-	-	354,931.00
4210 · City Contributions	-	-	-	-	354,930.99
4220 · District Contributions	-	-	-	-	354,928.00
4249 · FORA Administrative Revenue	85.50	85.50	-	85.50	1,246.50
4300 · Interest	11.09	6,977.66	11.17	12.09	10,827.84
<b>Total Income</b>	<b>5,096.59</b>	<b>7,063.16</b>	<b>11.17</b>	<b>97.59</b>	<b>1,092,194.33</b>
<b>Expense:</b>					
6000 · Employee Salaries	42,331.07	41,937.62	42,162.44	62,906.40	418,893.28
6100 · Employee Benefits	20,461.82	23,133.85	23,064.08	26,604.41	195,344.67
7000 · Postage and Shipping	286.87	600.61	300.08	261.47	3,120.34
7010 · Books and Periodical	799.70	-	64.00	-	1,151.40
7030 · Copy Machine	343.75	343.74	737.99	355.16	3,794.40
7060 · Office Supplies	225.18	15.24	1,434.47	97.44	3,653.14
7080 · Computer Hardware/Peripherals	-	-	644.65	-	1,342.70
7085 · Computer Support Svcs Fixed Costs	1,361.34	1,361.34	-	-	10,890.72
7090 · Computer Support Svcs Variable Costs	626.00	-	-	-	1,095.50
7100 · Computer Software	239.88	-	89.99	-	644.84
7105 · Meeting Broadcast Services	668.75	180.00	-	-	848.75
7110 · Property and Gen Liability Insurance	640.54	640.54	640.54	640.54	5,764.86
7120 · Office Maintenance Services	-	-	-	-	168.00
7140 · Travel	47.07	-	-	41.25	9,488.99
7150 · Training, Conferences & Workshops	(273.79)	425.00	-	-	7,496.93
7160 · Vehicle Mileage	78.38	-	-	-	190.94
7170 · Rental of Buildings	2,397.69	2,397.69	2,397.69	2,397.69	21,579.21
7200 · Telephone Communications	329.54	329.69	359.56	428.98	3,216.59
7240 · Outside Prof. Services: Other	2,625.00	-	-	-	8,825.00
7242 · Outside Prof. Services: Accounting	5,000.00	-	5,000.00	5,000.00	44,800.00
7242A · Outside Prof. Services: Gen Admin & HR Assistance	400.00	-	400.00	400.00	3,600.00
7245 · General and Special Legal Services	6,494.60	-	2,915.10	1,586.70	15,830.30
7248 · Outside Prof. Services: Annual Audit	6,000.00	-	-	-	20,000.00
7250 · Miscellaneous Office Expense	74.08	162.78	45.32	26.58	560.54
7260 · Legal Notices	-	-	-	288.75	1,663.50
7280 · LAFCO Memberships	-	1,634.00	-	-	9,137.00
7290 · Litigation Reserve	5,224.28	14,670.99	7,457.40	3,643.15	87,890.52
7300 · Depreciation	331.00	329.00	339.00	333.00	3,010.95
8106 · Prior Year Project Fees Returned	-	-	-	-	2,697.50
<b>Total Expense</b>	<b>96,712.75</b>	<b>88,162.09</b>	<b>89,413.65</b>	<b>105,011.52</b>	<b>886,700.57</b>
<b>Net Income/(Loss)</b>	<b>\$ (91,616.16)</b>	<b>\$ (81,098.93)</b>	<b>\$ (89,402.48)</b>	<b>\$ (104,913.93)</b>	<b>\$ 205,493.76</b>

LAFCO of Monterey County  
Accounts Receivable Summary  
As of March 31, 2023

Accounts Receivable-For Fiscal Year Ending 6/2023:

Description	Date	Amount
All 2022-2023 City, Special District and County fees have been received.		\$ -
	ACCT # 1235	\$ -

Draft

**LAFCO of Monterey County  
Equipment Summary  
As of March 31, 2023**

**Equipment and Accumulated Depreciation:**

Description	Fiscal Year In Service (6/30)	Cost	Amount Depreciated
Furniture & Fixtures	2010	\$ 502.51	\$ 502.51
Furniture & Fixtures	2017	29,396.72	26,506.00
Furniture & Fixtures	2018	10,618.39	8,807.00
Office Equipment	2011	2,185.00	2,185.00
Office Equipment	2013	1,990.68	1,990.68
Office Equipment	2014	5,214.29	5,214.29
Office Equipment	2016	1,168.89	1,168.89
Office Equipment	2017	2,527.32	2,527.32
Office Equipment	2019	2,143.66	1,880.00
Office Equipment	2020	2,054.53	1,563.00
	<b>ACCT # 1500</b>	<b>\$ 57,801.99</b>	
			<b>ACCT # 1550 \$ 52,344.69</b>

**LAFCO of Monterey County  
Accounts Payable Summary  
As of March 31, 2023**

Accounts Payable:

Vendor	Description	Date	Inv#/Acct#	Amount
	Credit	12/10/2021		\$ (42.77)
AT&T	Telephone Services	3/17/2023	317277339	205.81
Best, Best & Krieger	MPWMD Service Activation Legal Services through 3/31/23	3/31/2023	963335	1,404.45
Comcast	Telephone Services from 3/27/22-4/26/23	12/22/2022	8155100301512806	123.75
County of Monterey, Information Technology	Computer Support Services through 2/2023	2/28/2023	Dept 812 P/E 2/2023	2,005.99
Office of County Counsel-Co of Monterey	General Legal Services through 3/31/23	3/31/2023	23-002425	1,586.70
Office of County Counsel-Co of Monterey	LAFCO-MPWMD Latent Power Legal Services through 3/31/23	3/31/2023	23-002431	553.50
Office of County Counsel-Co of Monterey	LAFCO-CNPS Legal Services through 3/31/23	3/31/2023	23-002430	996.30
Wells Fargo Bank Credit Card	Culligan Water Service \$26.58; CSDA Conference \$675.00; Travel Expense \$41.25; Amazon (Phone Charger) \$99.42	3/31/2023		842.25
			<b>ACCT # 2000</b>	<b><u>\$ 7,675.98</u></b>

Draft



**LAFCO of Monterey County  
Accrued Leave Summary  
As of March 31, 2023**

**Executive Officer and Analyst Positions:**

Employee	Title	Total Hours of Accrued Annual Leave *	Hourly Rate	Annual Leave Book Value
Kate McKenna	Executive Officer	531.40	97.82	\$ 51,981.55
Darren McBain	Principal Analyst	134.11	72.67	9,745.77
Jonathan Brinkmann	Senior Analyst	199.84	54.15	10,821.34
				\$ 72,548.66

**Clerk / Administrative Secretary Position:**

Employee	Accrued Sick Leave	Accrued Vacation **	Hourly Rate	Sick Leave Book Value	Vacation Book Value
Safarina Maluki	36.16	61.63	37.47	\$ 1,354.92	\$ 2,309.28
				\$ 1,354.92	\$ 2,309.28

Annual Leave \$ 72,548.66  
Sick Leave 1,354.92  
Vacation 2,309.28

**ACCT # 2220 \$ 76,212.86**

**Executive Officer and Senior Analyst Positions:**

\* Maximum of 250 or 850 hours of Annual Leave may be accrued. This is a general description of benefits only. Actual benefits are defined in individual employment agreements.

**Clerk/Admin Secretary Position:**

\*\* Maximum of 260 hours of Accrued Vacation may be accrued. This is a general description of benefits only. Actual benefits are defined in employment agreement.

\*\*\*Compensatory time: Overtime eligible employees can accrue compensatory time-off in lieu of overtime payments. A maximum of 80 hours of compensatory time may be accrued. The compensatory time off balances are considered current year liabilities. These benefits are a general description only.

**LAFCO of Monterey County**  
**Detail of Encumbrances**  
**As of March 31, 2023**

**Encumbered Funds:**

Subject	Invoice Date/ Inv. No.	Funds Received/(Paid)
<b>Recruitment Advertising Encumbered Funds:</b>		
13-14 Budget Carryover		\$ 3,179.40
ID Concepts, LLC	7/15/14 Inv. No. LAFCO-01	(115.00)
Hardee Investigations	9/11/14 Inv. No. LAFCO-01	(460.00)
Hardee Investigations	10/3/2014 LAFCO-02	(180.00)
ID Concepts, LLC	10/10/15 Inv. No. 303013	(107.50)
The Post Box	6/15/2016	(50.00)
Hardee Investigations	6/22/16 Inv. No. LAFCO-03	(180.00)
Hardee Investigations	6/3/17 Inv No. LAFCO 17-01	(360.00)
Hardee Investigations	6/6/19 Inv No. LAFCO 19-01	(225.00)
Montereybayjobs.com	7/20/19 Inv No. mbj	(299.00)
Indeed	7/30/19 Inv. No. 24779848	(25.19)
Indeed	7/31/19 Inv. No. 24993586	(6.47)
Hardee Investigations	8/16/19 Inv No. LAFCO 19-02	(275.00)
		<u>896.24</u>
<b>Human Resources Encumbered Funds:</b>		
	Balance Forward	8,973.00
19-20 Budget Carryover		10,500.00
Hayashi Wayland-HR Services Monthly Fee	8/3/20 Inv. No. 293672	(400.00)
Hayashi Wayland-HR Services Monthly Fee	9/1/20 Inv. No. 294080	(400.00)
Hayashi Wayland-HR Services Monthly Fee	10/1/20 Inv No. 294599	(400.00)
Hayashi Wayland-HR Services Monthly Fee	11/1/20 Inv. No. 295271	(400.00)
Hayashi Wayland-HR Services Monthly Fee	12/7/20 Inv. No. 295739	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	12/31/20 Inv. No. 1512526	(38.00)
Hayashi Wayland-HR Services Monthly Fee	1/14/21 Inv. No. 296368	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	1/31/21 Inv. No. 1514248	(929.00)
Hayashi Wayland-HR Services Monthly Fee	2/8/21 Inv No. 296802	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	2/28/21 Inv. No. 1515993	(3,699.50)
Hayashi Wayland-HR Services Monthly Fee	3/1/21 Inv No. 297416	(400.00)
Liebert Cassidy Whitmore, A Professional Law Corp	3/31/21 Inv. No. 1517887	(152.00)
Hayashi Wayland-HR Services Monthly Fee	4/15/21 Inv No. 298589	(400.00)
Hayashi Wayland-HR Services Monthly Fee	5/20/21 Inv No. 299239	(400.00)
Hayashi Wayland-HR Services Monthly Fee	6/8/21 Inv No. 300212	(400.00)
		<u>10,254.50</u>
<b>Temp Professional Services Encumbered Funds:</b>		
2018-2019 Resolution No. 19-01	Fire and Medical Emergency Study	75,000.00
Michael P. McMurry	9/3/19 Inv No. MON 1	(812.50)
Michael P. McMurry	9/30/19 Inv No. MON 2	(1,062.50)
Michael P. McMurry	11/1/19 Inv No. MON 3	(812.50)
Michael P. McMurry	12/1/19 Inv No. MON 4	(2,031.25)
Michael P. McMurry	1/3/20 Inv No. MON 5	(1,312.50)
Michael P. McMurry	2/1/20 Inv No. MON 6	(1,000.00)
Michael P. McMurry	4/1/20 Inv No. MON 7	(3,350.00)
Michael P. McMurry	5/1/20 Inv No. MON 8	(4,437.50)
Michael P. McMurry	5/29/20 Inv No. MON 9	(1,656.25)
Michael P. McMurry	6/23/20 Inv No. MON 10	(1,187.50)
Michael P. McMurry	11/1/20 Inv No. MON 11	(1,937.50)
Michael P. McMurry	12/1/20 Inv No. MON 12	(781.25)
Michael P. McMurry	3/2/21 Inv No. MON 13	(531.25)
Michael P. McMurry	5/3/21 Inv No. MON 14	(2,975.00)
Michael P. McMurry	6/30/21 Inv No. MON 15	(700.00)
Michael P. McMurry	7/31/21 Inv No. MON 15A	(687.50)
Michael P. McMurry	8/31/21 Inv No. MON 16	(1,312.50)
Michael P. McMurry	10/31/21 Inv No. MON 17	(750.00)
Michael P. McMurry	12/31/21 Inv No. MON 18	(687.50)
		<u>46,975.00</u>
<b>Computer Support Services-Variable Encumbered Funds:</b>		
18-19 Budget Carryover		12,623.28
		<u>12,623.28</u>
	<b>ACCT # 3710</b>	<u>\$ 70,749.02</u>

**LAFCO of Monterey County  
Detail of Reserve for Litigation  
As of March 31, 2023**

**Reserve for Litigation:**

Date	Vendor/Description	Invoice #	Amount
	Beginning Balance as of 7/1/13		\$ 300,036.51
4/12/2022	Office of County Counsel-Co. of Monterey	22-0003000	(110.70)
5/12/2022	Best, Best & Krieger	934608	(8,005.67)
5/24/2022	Office of County Counsel-Co. of Monterey	22-000420	(4,243.50)
6/10/2022	Best, Best & Krieger	937410	(16,393.23)
6/16/2022	Office of County Counsel-Co. of Monterey	22-000478	(996.30)
6/30/2022	Best, Best & Krieger	939818	(4,739.70)
6/30/2022	Office of County Counsel-Co. of Monterey	22-000557	(959.40)
8/11/2022	Best, Best & Krieger	942253	(8,905.30)
8/23/2022	Office of County Counsel-Co. of Monterey	22-000686	(516.60)
9/8/2022	Best, Best & Krieger	94461	(15,907.50)
9/12/2022	Office of County Counsel-Co. of Monterey	22-000787	(959.40)
9/30/2022	Best, Best & Krieger	947478	(11,506.10)
9/30/2022	Office of County Counsel-Co. of Monterey	22-000870	(553.50)
11/15/2022	Best, Best & Krieger	950787	(18,435.60)
11/15/2022	Office of County Counsel-Co. of Monterey	22-000892	(110.70)
12/9/2022	Best, Best & Krieger	952842	(4,523.18)
12/14/2022	Office of County Counsel-Co. of Monterey	22-000975	(221.40)
12/31/2022	Office of County Counsel-Co. of Monterey	23-000018	(479.70)
1/20/2023	Best, Best & Krieger	955804	(14,670.99)
2/21/2023	Office of County Counsel-Co. of Monterey	22-002301	(369.00)
2/24/2023	Best, Best & Krieger	958386	(7,088.40)
3/20/2023	Best, Best & Krieger	960589	(1,685.20)
3/31/2023	Best, Best & Krieger	963335	(1,404.45)
3/31/2023	Office of County Counsel-Co. of Monterey	23-002431	(553.50)
		<b>ACCT # 3800</b>	<b>\$ 176,697.49</b>

**LAFCO of Monterey County  
Detail of Reserve for Contingency  
As of March 31, 2023**

**Reserve for Contingency:**

Date	Vendor/Description	Invoice #	Amount
	Reserve for Contingency Balance at 6/30/22		\$ 258,357.00
7/1/2022	Authorized Transfer (To)/From Unreserved Funds for FY 2022-2023**		<u>11,557.00</u>
		<b>ACCT # 3810</b>	<u><u>\$ 269,914.00</u></u>

\*\*Per Resolution 19-01, the Contingency Reserve is adjusted at the beginning of each year to account for 25% of the current year budget. See note below.

2022-2023 Budget	\$ 1,079,655
% of Budget	<u>0.25</u>
Expected Reserve for Contingency Balance at 7/1/22	<u>269,914</u>
Reserve for Contingency Balance at 6/30/22	<u>258,357</u>
Authorized Transfer (To)/From Unreserved Funds for FY 2022-2023**	<u><u>\$ 11,557</u></u>

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## LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP  
Executive Officer

LOCAL AGENCY FORMATION COMMISSION  
P.O. Box 1369  
Salinas, CA 93902  
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102  
Salinas, CA 93901  
[www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov)

DATE: May 8, 2023

TO: Chair and Members of the Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: Profit/Loss Budget vs. Actual (Draft) Worksheet through April 28, 2023

CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

### SUMMARY OF RECOMMENDATION:

Accept report for information only.

### EXECUTIVE OFFICER'S REPORT:

Attached is the most recent Profit and Loss Budget vs. Actual worksheet for the period of July 1, 2022 through April 28, 2023. Expenses and revenue continue to generally track as anticipated for the fourth quarter.

Mr. Mike Briley, CPA, Managing Principal, CliftonLarsonAllen, LLP, will assist me in presenting this item.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

### Attachment:

2.1 Profit and Loss Budget vs. Actual (Draft) Statement for April 28, 2023, CliftonLarsonAllen, LLP



## Accountant's Compilation Report

To the Chair and Commissioners  
Local Agency Formation Commission  
LAFCO of Monterey County  
Salinas, California

Management is responsible for the Profit and Loss Actual vs. Budget of the Local Agency Formation Commission of Monterey County (LAFCO), as of fiscal year to date April 28, 2023, included in the accompanying prescribed form in accordance with the requirements of LAFCO. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements included in the accompanying prescribed form, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion or a conclusion, nor provide any form of assurance on the financial statements included in the accompanying prescribed form.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

We are not independent with respect to LAFCO.

**CliftonLarsonAllen LLP**

April 26, 2023  
Salinas, CA

**LAFCO of Monterey County**  
**Profit & Loss Budget vs. Actual (DRAFT)**  
**July 1, 2022 through April 28, 2023**

	Jul 1, '22 - Apr 28, 23	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
4000 · Fees	\$ 25,330.00	\$ 10,000.00	\$ 15,330.00	253.3%
4205 · County Contributions	354,931.00	354,931.00	-	100.0%
4210 · City Contributions	354,930.99	354,931.00	(0.01)	100.0%
4220 · District Contributions	354,928.00	354,931.00	(3.00)	100.0%
4249 · FORA Admin Revenue	1,246.50	-	1,246.50	100.0%
4300 · Interest	10,827.84	4,862.00	5,965.84	222.7%
<b>Total Income</b>	<b>1,102,194.33</b>	<b>1,079,655.00</b>	<b>22,539.33</b>	<b>102.09%</b>
<b>Expense</b>				
7300 · Depreciation	3,010.95	-	3,010.95	100.0%
6000 · Employee Salaries	460,830.89	554,169.00	(93,338.11)	83.16%
6100 · Employee Benefits	214,153.62	236,928.00	(22,774.38)	90.39%
7000 · Postage and Shipping	3,484.93	3,804.00	(319.07)	91.61%
7010 · Books and Periodical	1,151.40	1,621.00	(469.60)	71.03%
7030 · Copy Machine	4,149.56	11,576.00	(7,426.44)	35.85%
7040 · Outside Printers	-	1,300.00	(1,300.00)	0.0%
7060 · Office Supplies	3,653.14	6,946.00	(3,292.86)	52.59%
7070 · Office Equipment and Furnishing	-	1,946.00	(1,946.00)	0.0%
7080 · Computer Hardware/Peripherals	1,342.70	5,789.00	(4,446.30)	23.19%
7085 · Computer Support Svc Fixed Cost	10,890.72	12,155.00	(1,264.28)	89.6%
7090 · Computer Support Svc Variable	1,095.50	6,948.00	(5,852.50)	15.77%
7100 · Computer Software	644.84	1,216.00	(571.16)	53.03%
7105 · Meeting Broadcast Services	848.75	4,863.00	(4,014.25)	17.45%
7110 · Property and Gen Liability Ins	6,405.40	8,700.00	(2,294.60)	73.63%
7120 · Office Maintenance Services	168.00	463.00	(295.00)	36.29%
7140 · Travel	9,488.99	13,450.00	(3,961.01)	70.55%
7150 · Training, Conferences & Wrkshps	8,111.93	8,238.00	(126.07)	98.47%
7160 · Vehicle Mileage	190.94	1,575.00	(1,384.06)	12.12%
7170 · Rental of Buildings	23,976.90	28,772.00	(4,795.10)	83.33%
7200 · Telephone Communications	3,423.01	8,104.00	(4,680.99)	42.24%
7240 · Outside Prof. Services	8,825.00	25,000.00	(16,175.00)	35.3%
7242 · Outside Prof Svc-Accounting	49,800.00	60,000.00	(10,200.00)	83.0%
7242 A · Gen Admin Svcs & HR Assistance	4,000.00	14,800.00	(10,800.00)	27.03%
7247 · Outside Prof Svc-Human Resource	-	5,789.00	(5,789.00)	0.0%
7248 · Outside Prof Svc-Annual Audit	20,000.00	20,000.00	-	100.0%
7245 · General Legal Services	15,830.30	19,182.00	(3,351.70)	82.53%
7250 · Miscellaneous Office Expense	560.54	1,158.00	(597.46)	48.41%
7260 · Legal Notices	1,663.50	4,863.00	(3,199.50)	34.21%
7270 · Recruitment Advertising	-	1,000.00	(1,000.00)	0.0%
7280 · LAFCO Memberships	9,137.00	9,300.00	(163.00)	98.25%
7290 · Litigation Reserve	87,890.52	-	87,890.52	100.0%
<b>Total Expense</b>	<b>954,729.03</b>	<b>1,079,655.00</b>	<b>(124,925.97)</b>	<b>88.43%</b>
<b>Net Ordinary Income</b>	<b>147,465.30</b>	<b>-</b>	<b>147,465.30</b>	<b>100.0%</b>
<b>Other Income/(Expense)</b>				
8106 · Prior Year Project Fees Returned	(2,697.50)	-	(2,697.50)	100.0%
<b>Total Other Income/(Expense)</b>	<b>(2,697.50)</b>	<b>-</b>	<b>(2,697.50)</b>	<b>-6.81%</b>
<b>Net Income</b>	<b>\$ 144,767.80</b>	<b>\$ -</b>	<b>\$ 144,767.80</b>	<b>100.0%</b>

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## LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

KATE McKENNA, AICP  
Executive Officer

LOCAL AGENCY FORMATION COMMISSION  
P.O. Box 1369  
Salinas, CA 93902  
Telephone (831) 754-5838

132 W. Gabilan Street, Suite 102  
Salinas, CA 93901  
[www.monterey.lafco.ca.gov](http://www.monterey.lafco.ca.gov)

DATE: May 8, 2023  
TO: Chair and Members of the Budget and Finance Committee  
FROM: Kate McKenna, AICP, Executive Officer  
SUBJECT: Fiscal Year-End Litigation Reserve Fund Transfer  
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

### SUMMARY OF RECOMMENDATION:

Recommend that the Commission authorize a fiscal year-end balance sheet journal entry transfer of approximately \$150,000 from Account No. 3850 (Unreserved Fund) to Account No. 3800 (Reserve for Litigation) to replenish the Litigation Reserve.

### EXECUTIVE OFFICER'S REPORT:

#### Background

In April 2022, the Monterey Peninsula Water Management District (MPWMD) filed a suit against LAFCO seeking that LAFCO set aside and reconsider its denial of MPWMD's proposed activation of latent powers. The Commission entered into a special legal services agreement with Best Best & Krieger to defend LAFCO, under the direction of LAFCO General Counsel. The case will be heard in August 2023.

#### Litigation Reserve

Per LAFCO of Monterey County policy, the Litigation Reserve is funded at \$300,000. This policy was established in 2005 and updated in 2011. As of March 31, 2023, \$123,339 was spent on legal defense services for the MPWMD suit. By June 30, approximately half of the defense fund will be spent, and expenses will continue at least through August. The recommended action will replenish the Litigation Reserve to the target policy level.

#### Fiscal Impact

The recommended fiscal year-end balance sheet journal entry transfer will restore the Litigation Reserve by transferring approximately \$150,000 from the Unreserved Fund account on June 30, 2023. The Unreserved Fund Balance is estimated to be \$700,000 at year-end, and annual contributions from local agencies will be received early in the new fiscal year. The recommended action will maintain the Litigation Reserve and a healthy Unreserved Fund Balance.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer



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LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

LOCAL AGENCY FORMATION COMMISSION  
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KATE McKENNA, AICP  
Executive Officer

DATE: May 8, 2023  
TO: Chair and Members of the Budget and Finance Committee  
FROM: Kate McKenna, AICP, Executive Officer  
SUBJECT: **Proposals for Accounting and Audit Professional Services**  
CEQA: Not a Project under California Environmental Quality Act Guidelines Section 15378

**SUMMARY OF RECOMMENDATION:**

Recommend that the Commission authorize the Executive Officer to execute professional services agreements with CliftonLarsonAllen, LLP (CLA) for accounting and related services, and with Bianchi, Kasavan & Pope, LLP (BKP) for audit services.

**EXECUTIVE OFFICER'S REPORT:**

At the direction of the Budget & Finance Committee, LAFCO staff issued Requests for Proposals to 22 firms in the region and California for professional accounting and related services, and for professional audit services.

One qualified proposal was received from CliftonLarsonAllen, LLP (Attachment 1) for accounting and related services for Fiscal Years 2023-2024, 2024-2025 and 2025-2026. The combined cost for these services will be \$5,900 per month for Fiscal Year 2023-2024, \$6,200 per month for Fiscal Year 2024-2025, and \$6,600 per month for Fiscal Year 2025-2026. The monthly fee includes a \$400 monthly retainer fee for human resources support. This firm has provided exceptional services to LAFCO since 2005. No other firms submitted proposals for accounting and related services.

One qualified proposal was received from Bianchi, Kasavan & Pope, LLP (Attachment 2) for audit services for the years ending June 30, 2024, 2025 and 2026. The proposed annual cost for these services is \$22,000 for the Fiscal Year ending June 30, 2024, \$23,000 for the Fiscal Year ending June 30, 2025, and \$24,000 for the Fiscal Year ending June 30, 2026. This firm has provided exceptional services to LAFCO since 2006. No other firms submitted proposals for audit services.

Committee Chair Mary Ann Leffel and I met with Mike Briley, CPA, CGMA, Managing Partner of CLA on April 30 and will meet with Karen Campbell, CPA, Senior Audit Manager, BKP on May 5 to informally discuss the proposals. We will report on those discussions at the May 8 meeting.

## Fiscal Impact

The adopted Fiscal Year 2023-2024 LAFCO budget reflects the proposed costs for accounting and related human resources services. The Fiscal Year 2024-2025 budget will reflect the proposed audit cost for the year ending June 30, 2024.

Respectfully Submitted,



Kate McKenna, AICP  
Executive Officer

### Attachments:

1. CliftonLarsonAllen, LLP Proposal for LAFCO of Monterey County, April 14, 2023
2. Bianchi, Kasavan & Pope, LLP Proposal for LAFCO of Monterey County, April 14, 2023



April 14, 2023

Proposal to provide professional  
Accounting and Human Resource services to:

## LAFCO of Monterey County

Prepared by:

**Michael T. Briley, CPA, CGMA**  
**Managing Principal**  
mike.briley@CLAconnect.com  
Direct 831-759-6330

**[CLAconnect.com](https://www.claconnect.com)**

CPAs | CONSULTANTS | WEALTH ADVISORS

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See [CLAglobal.com/disclaimer](https://www.claglobal.com/disclaimer).

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.





CliftonLarsonAllen LLP  
CLAconnect.com

April 14, 2023

Kate McKenna, AICP, Executive Officer  
LAFCO of Monterey County  
P.O. Box 1369  
Salinas, CA 93902

Dear Kate:

Thank you for inviting us to propose our services to you. We gladly welcome the opportunity to share our approach to helping the Local Agency Formation Commission of Monterey County (LAFCO) meet its need for professional services. The enclosed proposal responds to your request for ongoing Accounting and Human Resource services.

After reviewing your Request for Proposal, we understand your broader objectives are to retain a service provider that has a strong background in governmental agencies and authorities, a deep understanding of high-level financial accounting, and serves entities similar in size and complexity to LAFCO. We are confident our proposal not only addresses your need for financial accounting services, but also demonstrates our strong capabilities in serving governmental clients, developed during our more than 60-year history of working with similar organizations.

CLA is focused on delivering an exceptional level of knowledge, insight, and industry experience. As our clients' most trusted business advisor, we:

- Take a genuine interest in your opportunities and challenges
- Proactively work with you to develop approaches based on a deep understanding of your operations and industry
- Address your organization's financial challenges through our national, local, and global resources
- Continually strive to better your organization, the governmental industry, the communities in which we work and live, the accounting profession, and ourselves

This proposal and its contents remain valid for a period of not fewer than 180 days. Our scope of services is included on page 9 of this proposal.

We are eager to continue our work with you and welcome the chance to present our proposal to you. If you have any questions about our offerings, please do not hesitate to contact me via the information below.

Sincerely,

**CliftonLarsonAllen LLP**

A handwritten signature in cursive script that reads "Michael T. Briley".

**Michael T. Briley, CPA, CGMA**  
**Managing Principal**

mike.briley@CLAconnect.com  
Direct 831-759-6330

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# Executive Summary

## Why should LAFCO choose CLA?

With CLA by your side, you can find everything you need in one firm. We know your industry, and we know you.

- Want to improve your performance and results? We assemble the right team for you.
- Need strong support services to help guide you through these turbulent times? We have national resources at our fingertips.
- Planning for a leadership transition? CLA has the tools you need.

## Understanding your needs

We understand your most important needs are:

- **A proposed team of professionals carefully-selected for compatibility with LAFCO's needs and circumstances** — Your service team understands the strategic, operational, and regulatory issues impacting your organization. These professionals dedicate a substantial percentage of their time assisting governmental entities with financial, regulatory, and information security matters.
- **Efficiency** — Our goal is to provide exceptional client service at the lowest possible cost. A well-planned and well-executed engagement by an experienced service team can minimize disruption to your staff and enable timely completion of all deliverables.
- **Experience and continuity** — Each engagement team member has in-depth experience in governmental accounting matters. We commit the necessary resources to provide quality client service and timely report delivery. We have an extensive local and national practice from which to draw resources.
- **Diversity, equity, and inclusion (DEI)** — We are dedicated to building a diverse, equitable, and inclusive culture that thrives on different beliefs and perspectives. Our DEI team identifies strategies that foster and support the many dimensions of diversity within the firm. When we embrace an inclusive culture, we can truly know and help each other and our clients — that's how we create opportunities together.
- **Commitment to the community** — CLA family members bring meaningful social impact through volunteer efforts, charitable contributions, service on boards, and a focus on sustainable practices. Our community engagement team is bolstered by the diversity and inclusion team and the CLA Foundation — a philanthropic organization that has awarded more than \$5 million to advance career opportunities in communities across the nation.
- **We know you!** — We know and understand you. By providing services to you in the past, we have established an understanding of your organization. The work we've performed provides your project with momentum even before we begin the engagement. We don't have to learn about your core operations, we know them well.



## Innovation at CLA

Artificial intelligence, machine learning, cryptocurrencies, and other technologies are disrupting the way we all operate. Disruption creates the need for innovation; innovation is an opportunity to improve the way we do our work and interact with you. Our entrepreneurial culture requires us to embrace change wherever we find it, learn from it, and create approaches designed to make interactions easier, more transparent, and more seamless.

We use a combination of technical and non-technical means to improve efficiency, enhance quality, and make your experience better.

As your organization continues to innovate, we're doing the same by continually increasing our knowledge of you and understanding of your industry so we can help you address the issues you face.



**Innovation at CLA is a purposeful approach to problem-solving that transforms technology into better experiences for our clients.**

# Qualifications And Related Experience

## Firm overview

CLA exists to create opportunities for our clients, our people, and our communities through industry-focused wealth advisory, digital, audit, tax, consulting, and outsourcing services. Our broad professional services allow us to serve clients more completely — from startup to succession and beyond.

Our professionals are immersed in the industries they serve and have specialized knowledge of their operating and regulatory environments. With more than 8,500 people, 130 U.S. locations, and a global vision, we promise to know you and help you.

8,500+  
PEOPLE

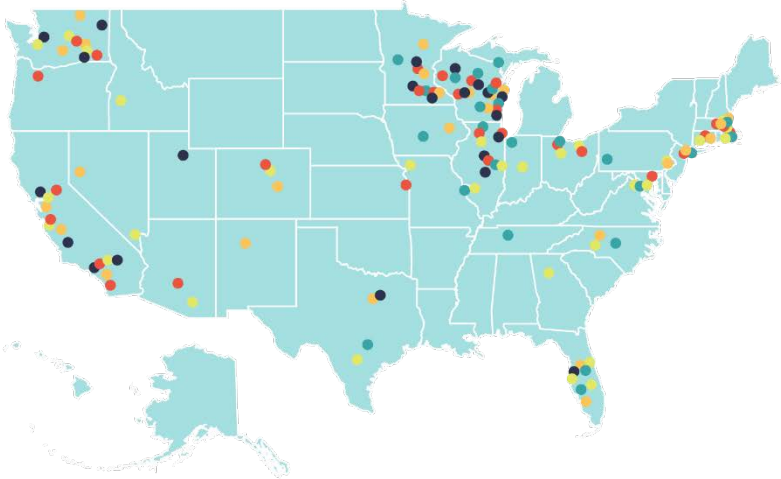
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130  
NEARLY 130 U.S. LOCATIONS

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AN INDEPENDENT  
NETWORK MEMBER OF

CLA Global



CLA is a limited liability partnership incorporated in the state of Minnesota in 2012. Our legacy firms, LarsonAllen and CliftonGunderson were founded in 1953 and 1960, respectively. The firm does not have any pending litigation, planned office closures, or impending mergers that will affect our ability to perform the services outlined in this proposal. Furthermore, CLA is not debarred, suspended, or otherwise declared ineligible to contract by any federal, state, or local public agency. We are the eighth largest accounting firm in the United States.

## It takes balance

With CLA by your side, you can find everything you need in one firm. Professionally or personally, big or small, we can help you discover opportunities and bring balance to get you where you want to go.

For two consecutive years, CLA has been certified as a Great Place to Work<sup>®</sup>, based on employee feedback and workplace experience.

The logo for Great Place To Work Certified, featuring a red and blue shield with the text "Great Place To Work Certified" and "JAN 2023-JAN 2024 USA".



## What makes us different?

You can depend on CLA for several uncommon advantages:

### Deep industry specialization

Our people are, first and foremost, industry practitioners. You will work with professionals who know you, your organization, and your industry. We combine their knowledge with yours to make you stronger.



### Seamless, integrated capabilities

We offer planning and guidance from startup through succession, with a particular care for the people behind the enterprise. Your team connects with a broad network of resources behind the scenes to support you.

### Premier resource for governmental entities

You are at the core of our strategic focus because supporting you means a better world for all of us.



### Inspired careers

Our team members are personally invested in your success. You will work with entrepreneurial people who are constantly developing capabilities to help you meet any challenge you face.

For more information about CLA, visit [CLAconnect.com/aboutus](https://CLAconnect.com/aboutus).



## Governmental experience

CLA offers the credibility, reputation, and resources of a leading professional services firm — without sacrificing the small-firm touch. We bring unsurpassed levels of technical excellence, commitment, and dedication to our clients, which have made us one of the most successful professional service firms serving governmental entities. Our strong reputation for serving state and local government units provides LAFCO the confidence in their decision to select CLA as their professional service provider.

CLA has one of the largest governmental audit and consulting practices in the country, serving more than 4,200 governmental clients nationwide. Regulated industry clients represent approximately one-quarter of all firm-wide revenue, and each of the governmental services team members are well versed in the issues critical to complex governmental entities.

Our professionals have deep, technical experience in serving governmental entities. As a professional service firm experienced in serving state and local units of government, we are very aware of the financial and legal compliance requirements that government officials face daily. This creates complexities and service issues within a unique operational and regulatory environment. Because of our experience, we have become adept at providing our clients with insights in this environment not typical of other professional service firms.



We differ from other national firms in that our corporate practice focuses on the needs of non-SEC clients, allowing us to avoid the workload compression typically experienced by firms that must meet public companies' SEC filing deadlines. CLA is organized into industry teams, affording our clients specialized industry-specific knowledge supplemented by valuable local service and insight. Therefore, LAFCO will benefit from working with members of our state and local government services team who understand the issues and environment critical to governmental entities.

# Proposed Staffing And Project Organization

An experienced engagement team has been aligned to provide you with the most value. The team members have performed numerous engagements of this nature and will commit the resources necessary to provide top quality service throughout the engagement. Following are our proposed team members:



The most important resource any business has is people — *the right people.*

Engagement Team Member*	Title	Role	Years' Experience
Michael T. Briley	Managing Principal	Client Relationship Leader	30+
Sandra Mason	Operations Director, Central Coast	Human Resources Leader	20+
Stephanie Gonzalez	Business Operations (BizOps)	Engagement Team Lead	20+

\*Detailed biographies are available in Section C of this proposal.

## Continuity of service

We are committed to providing continuity throughout this engagement. It is our policy to maintain the same staff throughout an engagement, providing maximum efficiency and keeping the learning curve low. With a solid, steady engagement team, each year brings the added benefits of trust and familiarity. We are also flexible in exploring alternative strategies to non-mandatory rotation policies.

In any business, however, turnover is inevitable. If and when it happens, we will supply summaries of suggested replacements and will discuss re-assignments prior to finalizing. We have a number of qualified staff members to provide LAFCO with quality service over the term of the engagement.

CLA is committed to maintaining high staff retention rates, which we believe are a strong indicator of service quality. High retention rates also indicate that our staff members have the resources they need to perform their tasks and maintain a positive work/life balance.

# Proposal Requirements

## A. Proposed Work Plan (Introduction)

### Overview of services to be provided

LAFCO is seeking a firm to provide ongoing Accounting and Human Resource services. CLA will provide a relationship that will grow with you as you address new challenges and opportunities.

Our engagement provides you access to the accumulated wisdom of the firm through professionals with substantial experience who can help your organization enhance its future and achieve its goals.

CLA proposes providing a broad set of services that can shift with your changing needs as you move forward with organizational strategy. Our goal is to collaborate with you to customize and focus those services to help accomplish your goals and advance your mission. We anticipate that the time and level of service needed will ebb and flow and our CLA team will adapt accordingly.

CLA will provide the following services for LAFCO based on our discussions and information you provided:

### Proposed Outsourced Accounting and Human Resource Services

Refer to Section B for Scope of Services.

We are committed to providing you with an experience that exceeds your expectations. Your proposed engagement team has the knowledge, experience, and dedication to provide LAFCO with the quality, timely services it deserves.

CLA's extensive team of governmental professionals will be available to collaborate with your staff. Our end goal is that your needs are being met. For example, if the assigned CLA team can't answer a particular question, they have the ability to reach out to a network of governmental professionals within the firm for assistance to get the correct answer. For technical questions, they have access to governmental auditors and our national BizOps quality team. For modeling or process improvement options, our consulting team is there to support you. For tax questions, we pull in our governmental tax team to offer suggestions and get you the answers you need to run your organization and maintain compliance.

### Good standing

CLA and the supervising certified public accountants are in good standing with the AICPA and CAICPA and our firm does not have a record of substandard audit work.

#### BOARD OF ACCOUNTANCY LICENSING DETAILS FOR: 7083

**NAME:** CLIFTONLARSONALLEN LLP  
**LICENSE TYPE:** CPA - PARTNERSHIPS  
**LICENSE STATUS:** CLEAR  
**PREVIOUS NAMES:** LARSONALLEN LLP ♦ LARSON, ALLEN, WEISHAIR & CO., LLP  
**ADDRESS**  
915 HIGHLAND POINTE DR STE 300  
ROSEVILLE CA 95678  
PLACER COUNTY

#### ISSUANCE DATE

JULY 27, 2006

#### EXPIRATION DATE

JULY 31, 2024

#### CURRENT DATE / TIME

JUNE 20, 2022  
8:15:50 AM



## Office location assigned to manage the engagement

LAFCO will be served by our industry-specialized engagement team located in our Salinas office. We have provided the address to our Salinas office below.

CLA - Salinas, 1188 Padre Drive, Ste. 101, Salinas, CA 93901

Employee Count at the Salinas Office: Principals = 4, Directors/Managers = 12, Seniors = 9, Associates = 14, and Administration = 3.



# B. Scope of Services

## Accounting

### *PAYROLL:*

- Prepare payroll biweekly. Payroll consists of four full time employees.
- Maintain database of vacation, sick, professional leave and comp time accrued and used.
- Calculate and pay deferred compensation and retirement contributions.
- Prepare detailed payroll stubs for employees showing vacation, sick, professional leave and comp time balances, and costs incurred by employer for employee benefits.
- Pay all payroll taxes and deductions; Pay payroll taxes electronically.
- Reconcile, prepare, and pay workers' compensation.
- Prepare quarterly payroll tax returns (Federal and State)
- Prepare annual payroll tax returns and reconciliations.
- Process W-2 forms.
- Process personnel action forms.

### *ACCOUNTS PAYABLE:*

- Prepare and produce accounts payable checks bi-weekly.
- Maintain contract tracking system.
- Maintain accurate bank balances and check distribution lists.
- Allocate all accounts payable to work elements directly or indirectly.
- Process 1099 forms for all subcontractors.
- Electronically submit payments to include health insurance and retirement contributions.
- Record automatic electronic payments in general ledger.
- Enter monthly credit card activity; Reconcile statement; Record electronic payment.

### *BANKING:*

- Reconcile all bank accounts including account balance in County Treasury.
- Prepare monthly warrant register.
- Prepare County wire transfer requests and send to LAFCO's Confidential Secretary when needed.

### *RECEIPTS:*

- Process accounts receivable and other income deposits as needed.

### *BUDGETS:*

- Prepare and update monthly budget/actual expenditure and revenue reports.
- Assist with preparation of new budgets and budget amendments.

### *MISCELLANEOUS:*

- Assist with staff prepared updates to Lafco's financial policies and procedures.
- Provide informational reports as needed including, but not limited to, vendor analysis, detailed transactions ledgers, trial balances, accounts payable listing, and actual vs budget reports.
- Prepare special reports as requested by government agencies or benefit and service providers.



#### *FINANCIAL STATEMENTS:*

- Update, prepare and present quarterly financial statements according to client's approved format, which includes the following reports: Balance Sheet, Income and Expense Budget Performance Summary and Detail, Income and Expense by Month, Accounts Receivable, Accounts Payable, Equipment and Accrued Leave Summary, Encumbrances, Reserve for Litigation and Contingency.
- Prepare monthly financial statements to include the following: Balance Sheet, Profit & Loss, fiscal year-to-date, and Profit & Loss Budget vs. Actual, fiscal year-to-date.
- Prepare bi-weekly reports to include the following: Preliminary draft general ledger, draft balance sheet, and draft Profit & Loss Budget vs. Actual.

#### *MEETINGS:*

- Mike Briley will attend quarterly LAFCO Budget and Finance Committee meetings to present financial statements, plus one annual Committee meeting to present year-end financials.

#### *ADDITIONAL SERVICES:*

- CLA will provide consulting services as we have done in the past regarding compliance with GASB 68 requirements and assisting your auditor in that regard.
- CLA will assist LAFCO's actuary in preparation of actuarial valuations and reports on LAFCO's other post-employment benefits (OPEB) program, in compliance with GASB 75.
- CLA will consult with and provide requested documentation to Lafco's auditor in preparation of Lafco's annual audit.

#### **Human Resources**

- We will provide Human Resource services as requested. This includes personnel administration and employee relation services, HR on call assistance, hiring and benefits, terminations, resignations, and promotions as well as assistance with annual performance reviews and the update of job descriptions as needed.



# C. Qualifications







# Michael T. Briley, CPA, CGMA

## CLA (CliftonLarsonAllen LLP)

Managing Principal  
Salinas, California

831-759-6330  
mike.briley@CLAconnect.com



### **Mike specializes in:**

A vast range of disciplines. He works with every department and oversees every aspect of the Central Coast offices of CLA. He also does considerable work for governmental, non-profit and provides tax, audit, and consulting services.

### **He is known for:**

Being a keen listener and for having good insight into the overall financial operations of clients. He's especially gifted at communicating his insights to owners, board members and CLA team members.

### **His best capabilities are:**

Being a visionary and strategist, he spends time learning about what clients want and need. He sees the big picture and maintains empathy for all parties. He also communicates in a meaningful and effective way.

### **What Mike likes most about his job:**

Helping people and organizations advance. He works to understand and process complex financials and organizational challenges and uses his insights to help his clients and CLA family members. He enjoys helping others achieve greater success personally and professionally.

### **Community-minded:**

Outside of work, Mike shares his talents with educational organizations. He served as both Treasurer and Chair of the Finance Committee for the Hartnell College Foundation. He works with the California State University Monterey Bay School of Business (CSUMB) as Chair of the Business Advisory Council at the College of Business, and he also helped in developing an accounting concentration at the university. He is on the Board of St. Vincent DePaul which services those in need in our community.

### **Mike's a winner:**

In 2011, CSUMB honored Mike with their Business Leadership Award.  
In 2022, Hartnell College Foundation honored Mike with a Distinguished Service Award

### **Professional Affiliations and Credentials**

- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the California Society of Certified Public Accountants (CalCPA)

### **Education**

- Bachelor of Science in Business Administration with a concentration in Accounting from California State University, Fresno.





# Sandra Mason, PHR, SHRM-CP

## CLA (CliftonLarsonAllen LLP)

Operations Director  
Salinas, California

831-759-6334  
sandra.mason@CLAconnect.com



### **Sandee specializes in:**

All things Human Resources, including California employment laws, benefits administration, payroll, total compensation packages, policy formation and enforcement, internal relations, recruitment, and compliance and safety.

### **She is known for:**

HR related questions from both staff and clients.

### **Her best capabilities are:**

Juggling a multitude of tasks and keeping them all organized. Every day is different in her world, and she loves the diversity that is brought into her role.

### **What Sandee enjoys most about her job:**

The company, culture, and team, and being part of a collaboration. She enjoys helping others out and assisting them to improve our overall client experience.

### **Community-minded:**

Sandee is committed to a “gives back” mindset and has been involved in many organizations over the years. She is currently the Treasurer for IMPOWER, a sustaining member of the National Charity League and the Sponsorship Chair of the Salinas High School Athletic Booster Club.

### **Awards & Recognitions:**

In 2007 & 2008 American Cancer Society’s Pacesetter Award for the Salinas Relay  
In 2019 Salinas High School Booster Club Volunteer of the Year Award  
In 2020 Volunteer of the Year Award for Santa Lucia Rotary

### **Professional Affiliations and Credentials**

- PHR (Professional of Human Resources)
- SHRM-CP (Society for Human Resource Management, Certified Professional)

### **Education**

- Bachelor of Science in Business Administration with a concentration in Management from San Jose State University.





# Stephanie Gonzalez

**CLA (CliftonLarsonAllen LLP)**

Business Operations (BizOps)  
Salinas, California

831-206-2164  
stephanie.gonzalez@CLAconnect.com



## Profile:

Stephanie Gonzalez has worked with CLA (Hayashi Wayland, LLP prior to the merger in November 2022) since August 2021. With more than twenty years of experience in the Small Business/BizOps setting, she has helped her clients gain a better understanding of how to record their business transactions, understand their financial statements, and answer any questions they may have. When needed, Stephanie can work with her clients and handle all aspects of the accounting cycle – freeing her client’s time from finance and accounting operations, so they can focus on managing their organizations. Stephanie has experience with bookkeeping and payroll with all types of clients to include governmental agencies who are part of the CalPERS retirement plan system. Most importantly, she understands the need for transparency and accountability.

## Technical experience:

- Day to day bookkeeping
- Processing of payroll
- Financial report preparation for management and board
- Payroll tax reporting
- 1099 reporting
- Budget preparation
- Famous and Quickbooks software experience

## Education:

- Bachelor of Science in Business Administration with a concentration in Accounting from California State University, Sacramento.



## D. References

### 1. Local Agency Formation Commission of Monterey County (LAFCO)

As Hayashi Wayland, we have provided services to LAFCO with the same team since 2005. During that time we have become very familiar with LAFCO's operations and financial accounting requirements. We have worked closely with LAFCO's management, budget and financial committee, and the commission.

### 2. Association of Monterey Bay Area Governments (AMBAG)

#### Type of Organization

Governmental agency providing strategic leadership and services to analyze, plan and implement regional policies for the benefit of the Counties of Monterey, San Benito and Santa Cruz, balancing total control with regional collaboration.

#### Address

24580 Silver Cloud Court, Monterey, CA 93940

#### Main Contact

Errol Osteraa, Director of Finance & Administration

#### Telephone

831-883-3750

#### Scope of Work Performed

CLA provides assurance services to the Association of Monterey Bay Area Governments' (AMBAG), including single audit and preparation of the Special District Financial Transaction Report.

### 3. California Strawberry Commission

#### Type of Organization

Governmental agency representing more than 400 strawberry growers, shippers, and processors, working together to advance strawberry farming for the future of our land and people.

#### Address

180 Westridge Drive, Watsonville, CA 95076

#### Main Contact

Chris Christian

#### Telephone

831-724-1301

#### Scope of Work Performed

CLA provides assurance services to California Strawberry Commission, including the preparation of the financial statements. In addition, CLA also works on an Agreed Upon Procedures related to California Strawberry Commission's compliance with California Department of Food & Agriculture (the CDFA) Accounting Guidelines and General Rules.



# E. Cost Schedule

Our fees are based on the timely delivery of services provided, the experience of personnel assigned to the engagement, and our commitment to meeting your deadlines.

CLA understands the importance of providing our clients with value-added strategies. We propose to provide routine, proactive meetings—as part of our fee—that will allow us to review and discuss with you the impact of new accounting issues, as well as any other issues you are facing and how they should be handled. This level and frequency of interaction will no doubt enable CLA to help you tackle challenges as they come up and take full advantage of every opportunity that presents itself.

<b>Professional Services – Accounting and Human Resources</b>	<b>Fiscal Year July 1-June 30</b>	<b>Monthly Fee</b>
<b>Accounting and Human Resource Services</b>	2023-2024	\$5,900
<b>Accounting and Human Resource Services</b>	2024-2025	\$6,200
<b>Accounting and Human Resource Services</b>	2025-2026	\$6,600

The monthly fee includes a \$400 monthly retainer fee for Human Resources support. We realize that there will be months where more or less of these services are needed. If there are less services needed, your retainer will continue to carry over. At year end, we will look at our total time spent on these services as compared to what was billed to determine whether an additional billing is needed. We will discuss with you any additional billing that may be necessary and any price modifications for the following year.

Projects outside the scope of the work listed in Section B will be discussed prior to commencing the work. These additional services will be billed at our hourly rates. We would discuss this prior to launching any projects like this with you to determine the amount of time involved.

Our clients don't like fee surprises. Neither do we. We commit to you, as we do all of our clients, that:

- We will be available for brief routine questions at no additional charge, a welcome investment in an ongoing relationship.
- Like most firms, we are investing heavily in technology to enhance the client experience, protect our data environment, and deliver quality services. We believe our clients deserve clarity around our technology and client support fee, and we will continue to be transparent with our fee structure. All engagements are charged a 5% technology fee on services provided. However, this fee will be included in the above stated monthly fee.
- Any additional charges not discussed in this proposal will be mutually agreed upon up front.
- We will always be candid and fair in our fee discussions, and we will avoid surprises.
- Billing for our services will be submitted monthly and payment terms are net 30 days.



### Limited use and proposal disclaimer

The project and its related products as defined above are intended solely for use by LAFCO. Any use outside of this specific purpose by either party must be agreed to in writing by CliftonLarsonAllen and LAFCO. If you decide to work with us, we will enter into a separate engagement agreement with you which specifies a payment schedule. This proposal and our discussions do not constitute an agreement between us.

**Our last word on fees — we are committed to serving you. Therefore, if fees are a deciding factor in your selection of an accounting firm, we would appreciate the opportunity to discuss our scope of services.**

**At CLA, it's more than just getting the job done.**



**LAFCO OF MONTEREY COUNTY**

**AUDIT PROPOSAL**

**FOR THE YEARS ENDING JUNE 30, 2024, 2025 and 2026**

**BIANCHI, KASAVAN & POPE, LLP**

Certified Public Accountants  
450 Lincoln Avenue, Suite 200  
Salinas, California 93901  
(831) 757-5311

Contact: Karen Campbell, CPA, Senior Audit Manager  
karenc@bkpcpa.com

April 14, 2023

# Bianchi, Kasavan & Pope, LLP

## AUDIT PROPOSAL

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SALINAS OFFICE  
450 LINCOLN AVENUE  
SUITE 200  
SALINAS, CA 93901  
PHONE 831-757-5311  
FAX 831-757-9529  
BKPCPA.COM

April 14, 2023

Darren McBain, Principal Analyst  
Local Agency Formation Commission of Monterey County  
132 W. Gabilan Street, Suite 102  
Salinas, California 93901

Dear Mr. McBain,

We appreciate the opportunity to propose on the annual audit requirements for LAFCO of Monterey County (Organization), for the years ending June 30, 2024, 2025 and 2026.

Bianchi, Kasavan & Pope, LLP's principal services to the Organization will include the annual audit which leads to an opinion on the Organization's financial statements.

Bianchi, Kasavan & Pope, LLP understands the work to be performed and is committed to assigning sufficient personnel to ensure the work is completed within the required time frames. We will plan to meet with management and financial personnel to develop a proposed timeline for the audit, meetings and deliverables.

Our proposed fees are estimated to be \$22,000, \$23,000 and \$24,000 for audit services for the years ending June 30, 2024, 2025 and 2026.

We sincerely appreciate the opportunity to propose on this engagement and trust that this statement of our qualifications is responsive to your requirements. Should you wish additional information, please don't hesitate to contact us.

Very truly yours,

---

JARROD V. PENNER, CPA  
Partner

---

KAREN L. CAMPBELL, CPA  
Sr. Audit Manager

# Bianchi, Kasavan & Pope, LLP

## AUDIT PROPOSAL

### A. INTRODUCTION

Bianchi, Kasavan & Pope, LLP (BKP) was formed in July of 2007 with the merger of Bianchi, Lorenz, Huey, Hudson & Company, LLP and Kasavan & Pope, LLP two leading Central Coast accounting firms. With a combined 100 years of tax, audit, business consulting and accounting experience, our professionals provide peace of mind through valued service. Our firm has offices in Hollister, Monterey and Salinas and consists of fifty-five employees, of which forty-two are professional staff, including eleven partners, thirteen managers and twenty-one licensed CPAs in California. The work performed for your audit will be performed by professionals in our Salinas and Monterey offices.

BKP is a full-service accounting firm offering our clients, the best of both worlds – personalized, local service with the knowledge and expertise of a large firm. BKP provides a full suite of services, including:

- Tax Planning & Compliance
- Audit & Assurance Services
- Estate & Trust Planning
- Business Start-up Services
- Professional IT Services
- Payroll Services
- Business Valuation
- Client Accounting Services
- Talent Acquisition

BKP is a legal entity in the State of California and has performed continuous CPA services for well over five years. BKP is a member of both the American Institute of Certified Public Accountants (AICPA) and California Society of Certified Public Accountants (Cal CPA).

We believe in the value of relationships. We view every client relationship like a partnership, and truly believe that our success is a result of your success. We are committed to providing close, personal attention to our clients. We take pride in giving you assurance that the personal assistance you receive comes from years of advanced training, technical experience and financial acumen. Our continual investment of time and resources in professional continuing education, computer technology and extensive business relationships is indicative of our commitment to excellence. Our approach to business relationships ensures our clients receive peace of mind through valued service.

# Bianchi, Kasavan & Pope, LLP

## AUDIT PROPOSAL

### B. SCOPE OF SERVICES

BKP's responsibility is to express an opinion on the Local Agency Formation Commission of Monterey County's (LAFCO) financial statements based on our audits. Our audits will be conducted in accordance with government auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We will issue written reports in accordance with *Government Auditing Standards* upon completion of our audits, which will include both Government-Wide Financial Statements and Fund Financial Statements.

To ensure our audits are in accordance with government auditing standards generally accepted in the United States of America, Bianchi, Kasavan & Pope, LLP, utilizes Practitioners Public Company Audit Guides (Guides) in determining its audit approach. Specifically, the Guide for Local Governments and Government Yellowbook audits and other appropriate publications will be utilized. Bianchi, Kasavan & Pope, LLP, will tailor the Guides for LAFCO's unique circumstances, in order to perform the audit effectively and efficiently.

We will request a meeting with LAFCO management and the Budget and Finance Committee to establish and identify the lines of communication and discuss any concerns or issues with the LAFCO's Budget and Finance Committee. We will set expectations and establish a preliminary timetable to ensure a smooth audit process. BKP will prepare a list of schedules and documents to be completed by your staff.

We will be visiting your offices to obtain and document our understanding of LAFCO's accounting systems and internal control environment, and conduct fraud interviews. The form and extent of this documentation is influenced by the nature and complexity of the controls.

# **Bianchi, Kasavan & Pope, LLP**

## **AUDIT PROPOSAL**

### **C. QUALIFICATIONS**

#### **JARROD V. PENNER, CPA, Audit Partner**

Jarrold graduated in 2006 from California State University, Monterey Bay, with a Bachelor of Science Degree in Business Administration with concentration in accounting. Jarrold has over thirteen years of experience in public accounting and his areas of expertise include non-for-profit entities, local government, small business and construction. He joined Bianchi, Kasavan & Pope, LLP, in 2010. He is licensed as a CPA in the state of California.

Jarrold is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants. Jarrold continues to enhance his professional skills through seminars, workshops and classes which include specific topics for Uniform Guidance and Yellow Book Government Audits, local government Accounting and Auditing Standards updates. Jarrold enjoys accounting and is enthusiastic about working with clients to improve their understanding of accounting concepts.

#### **KAREN L. CAMPBELL, CPA, Senior Audit Manager**

Karen Campbell, a lifelong resident of Salinas, graduated from California State University, Fresno in 1981, with a Bachelor of Science Degree in Business Administration concentration in accounting. Karen is licensed as a CPA in the State of California, and is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

During her more than 40 years with BKP, Karen's audit experience has included a variety of organizations, including non-profit, governmental and commercial organizations. Karen is responsible for planning, staffing and managing audits. Karen's community activities include volunteering for the California Rodeo as well as serving on the Salinas City Elementary School District Citizen's Oversight Committee.

# **Bianchi, Kasavan & Pope, LLP**

## **AUDIT PROPOSAL**

### **C. QUALIFICATIONS (Continued)**

#### **MOLLY GOSHORN, CPA, Audit Manager**

Molly earned her Bachelor of Science Degree in Economics and a minor in Mathematics from University of California, San Diego and later obtained a Master of Science Degree in Accounting from San Diego State University in 2004, where she was part of the accounting society Beta Alpha Psi. Molly began her career with a “Big 4” firm; and in 2008 Molly moved to Carmel, where she worked as an Audit Manager for a local CPA firm. In 2016, Molly joined BKP as an Audit Manager and continues to focus on auditing and quality control.

Molly’s community involvement includes serving on the Board for Carmel Youth Center, Junior League of Monterey County and All Saints Day School Parent Organization, and serving as Audit Committee Chair for the Carmel Foundation.

# Bianchi, Kasavan & Pope, LLP

## AUDIT PROPOSAL

### D. REFERENCES

We encourage you to contact the following client references to learn more about our experience and commitment to quality audit services:

- 1) Don Rosa  
General Manager  
Pajaro/Sunny Mesa Community Services District  
(831) 722-1389  
donrosa@pajarosunnymesa.com  
scope of work: Single Audit in accordance with *Government Auditing Standards*
- 2) Sheri Massolo  
CFRE, Development Services Manager  
Salinas Valley Health Foundation  
(831) 759-1823  
smassolo@salinasvalleyhealth.com  
scope of work: Non-Profit Audit
- 3) Sarah Nordwick  
CEO / Executive Director  
Community Food Bank of San Benito  
(831) 637-0340  
sarah@communityfoodbankofsbc.org  
scope of work: Single Audit in accordance with *Government Auditing Standards*

### Nonprofit Clients

The following are a sampling of not-for-profit and governmental audit engagements performed by BKP:

California Agriculture Leadership Foundation  
Community Food Bank of San Benito County  
Community Human Services  
Legal Services for Seniors  
Monterey County Convention and Visitors Bureau  
Northern Salinas Valley Mosquito Abatement District  
Pacific Repertory Theatre  
Pajaro/Sunny Mesa Community Services District  
Palma School  
Salinas Valley Health Foundation

# Bianchi, Kasavan & Pope, LLP

## AUDIT PROPOSAL

### E. COST

Our standard hourly billing rates are as follows:

Partner	\$ 345
Senior Manager	\$ 310
Manager	\$ 250
Senior	\$ 145
Junior	\$ 110

Our proposed fees for a three-year engagement for the years ending June 30, are as follows:

	<u>2024</u>	<u>2025</u>	<u>2026</u>
Audit	\$ 22,000	\$ 23,000	\$ 24,000

We will plan the engagement based on the assumption that your personnel and accounting firm will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. The fee estimate is based on anticipated cooperation from your personnel and accounting firm, and the assumption that unexpected circumstances, including changes to the existing accounting and internal control environment will not be encountered during the engagement.

Either party shall be entitled to terminate the Agreement during the term of the Agreement. The termination must be presented in writing by January 1 of the year to be audited.

Many questions on routine matters throughout the year are covered in our proposed fees listed above. If technical matters arise that are beyond the scope of our audit, we will bill based on our hourly rates listed above. Assistance with new accounting standard implementation will be billed at our standard billing rates. Any out-of-scope work or special projects would be discussed with management and the audit committee in advance of work performed.

Bianchi, Kasavan & Pope, LLP commits to meeting the timeline as outlined in the proposal.

# **Bianchi, Kasavan & Pope, LLP**

## **AUDIT PROPOSAL**

### **F. ATTACHMENTS**

- 1) Peer Review Report and Acceptance Letter
- 2) Licensing from the California Board of Accountancy



## **ATTACHMENTS**

November 15, 2022

Jesus Lopez  
Bianchi, Kasavan & Pope, LLP  
450 Lincoln Ave Ste 200  
Salinas, CA 93901-2652

Dear Jesus Lopez:

It is my pleasure to notify you that on November 08, 2022, the California Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is June 30, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

*Peer Review Committee*

Peer Review Program  
The Peer Review Program Team  
peerreview@calcpa.org  
650-522-3094

cc: Fausto Hinojosa

Firm Number: 900010036400

Review Number: 591192



## Report on the Firm's System of Quality Control

July 11, 2022

To the Partners of  
Bianchi, Kasavan & Pope, LLP  
And the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Bianchi, Kasavan & Pope, LLP (the firm) in effect for the year ended December 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included an engagement performed under Government Auditing Standards, including a compliance audit under the Single Audit Act and an audit of an employee benefit plan.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Bianchi, Kasavan & Pope, LLP in effect for the year ended December 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Bianchi, Kasavan & Pope, LLP has received a peer review rating of *pass*.

*Price Paige & Company*

Price Paige & Company

570 N. Magnolia Avenue, Suite 100  
Clovis, CA 93611

tel 559.299.9540  
fax 559.299.2344



CALIFORNIA BOARD OF ACCOUNTANCY  
2450 VENTURE OAKS WAY, SUITE 300  
SACRAMENTO, CA 95833  
TELEPHONE: (916) 263-3680  
FACSIMILE: (916) 263-3672

**CERTIFIED PUBLIC ACCOUNTANT PARTNERSHIP**

REGISTRATION PAR 3335  
RECEIPT NO. 22520009

VALID UNTIL SEPTEMBER 30, 2024

BIANCHI, KASAVAN & POPE, LLP  
243 6TH STREET SUITE 220  
HOLLISTER CA 95023

In accordance with the provisions of Chapter 1, Division 3 of the Business and Professions Code, the firm named hereon is duly registered and entitled to practice as a Partnership.

09/13/22  
09/13/22

----- POST IN PUBLIC VIEW -----

WABPAR 04/12/17