LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

AGENDA
BUDGET AND FINANCE COMMITTEE MEETING

Friday, November 7, 2014
10:00 a.m.

LAFCO Office
132 W. Gabilan Street, Suite 102
Salinas, California

2014 Committee

Chair
Simón Salinas
County Member

Ralph Rubio
City Member

Graig R. Stephens
Special District Member

Staff

Kate McKenna, AICP
Executive Officer

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

P. O. Box 1369
Salinas, CA 93902

Voice: 831-754-5838
Fax: 831-754-5831

www.monterey.lafco.ca.gov

Roll Call

Call to Order

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

New Business

1. Consider Draft Annual Audit Report for Fiscal Year Ending June 30, 2014.
   Recommended Action: Receive report and recommend Commission approval.

2. Consider Draft Year-End Financial Statements for Fiscal Year Ending June 30, 2014.
   Recommended Action: Receive Financial Statements and recommend Commission approval.

3. Consider Draft Financial Statements for Quarter One Period Ending September 30, 2014.
   Recommended Action: Receive Financial Statements and recommend Commission approval.

4. Consider Profit/Loss Budget vs. Actuals Worksheet Dated October 24, 2014.
   Recommended Action: Receive report for information only.

5. Consider Budget Amendment No. 1 to the Adopted Annual Budget for Fiscal Year 2014-2015, to Transfer Funds from Line Item 7245 (General Legal Services) to Line Item 7230 (Temporary Help Services - Clerical).
   Recommended Action: Receive report and recommend Commission approval.

Other Business

Adjournment

This agenda is posted at least 72 hours before the meeting. Please visit the LAFCO website or call our office for more information about any of the agenda items. Alternative Formats and Facility Accommodations: If requested, the agenda will be made available in alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC 2132) and the federal rules and regulations adopted in implementation thereof. Also, if requested, facility accommodations will be made for persons with disabilities. Please contact (831) 754-5838 for assistance.

AGENDA
ITEM
NO. 1

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: November 7, 2014

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **DRAFT AUDIT FOR FISCAL YEAR ENDING JUNE 30, 2014**

SUMMARY OF RECOMMENDATION:

Recommend that the draft audit be considered and adopted by the full Commission at the next regular LAFCO meeting on December 1, 2014.

EXECUTIVE OFFICER'S REPORT:

Enclosed is a draft audit for the fiscal year that ended on June 30, 2014. Ms. Karen Campbell, CPA, of Bianchi, Kasavan & Pope, LLP will attend the Committee's meeting to present her findings. Mr. Mike Briley, CPA, Managing Partner of Hayashi & Wayland, LLP will also be available to answer questions.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

Enclosure

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2014 and 2013

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LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

TABLE OF CONTENTS

JUNE 30, 2014 and 2013

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Net Position	5
Statements of Revenues, Expenses and Change in Net Position	6
Statements of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*	24
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Postemployment Healthcare Benefits Funding Progress	27
Schedule of Revenues, Expenses and Change in Net Position – Budget and Actual - 2014	28
Schedule of Revenues, Expenses and Change in Net Position – Budget and Actual - 2013	29

DRAFT

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Local Agency Formation Commission of Monterey County
Salinas, California

We have audited the accompanying financial statements of the Local Agency Formation Commission of Monterey County (Agency), a state mandated regulatory agency, as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

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are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of June 30, 2014 and 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information Schedule of Postemployment Healthcare Benefits Funding Progress and Schedule of Revenues, Expenses and Change in Net Position – Budget and Actual on pages 28 and 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted on inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The Agency has elected not to present Management's Discussion and Analysis.

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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October XX, 2014, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Salinas, California
October XX, 2014

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FINANCIAL STATEMENTS

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LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

STATEMENTS OF NET POSITION

JUNE 30, 2014 AND 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash and cash equivalents - Note 2	$ 847,033	$ 787,890
Prepaid expenses	8,854	11,687
TOTAL CURRENT ASSETS	855,887	799,577
NONCURRENT ASSETS		
Capital assets - net - Note 3	7,082	3,455
	$ 862,969	$ 803,032

LIABILITIES AND NET POSITION

CURRENT LIABILITIES		
Accounts payable	$ 14,668	$ 21,927
Net OPEB obligation - Note 7	9,968	9,084
Deferred fees revenue	10,202	-
Accrued leave	40,000	67,001
TOTAL CURRENT LIABILITIES	74,838	98,012
NET POSITION		
Invested in capital assets	7,082	3,455
Unrestricted - Note 4	781,049	701,565
TOTAL NET POSITION	788,131	705,020
	$ 862,969	$ 803,032

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The accompanying notes are an integral part of these financial statements.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

	2014	2013
OPERATING REVENUES		
County contributions	$ 250,165	$ 215,397
District contributions	250,165	215,398
City contributions	250,164	215,397
Project fees	3,567	38,934
TOTAL OPERATING REVENUES	754,061	685,126
OPERATING EXPENSES		
Salaries	349,779	312,218
Employee benefits	138,343	123,408
Accounting and financial services	36,900	36,000
Rent - Note 5	23,115	24,332
Use of contingency funds	13,221	-
Audit services	13,000	12,000
Accrued leave	12,567	19,710
Records storage and security	10,452	533
Equipment rental	8,663	4,464
Travel	8,564	2,518
Computer equipment maintenance	7,873	3,695
Training and conferences	5,805	5,972
Computer support services	5,530	5,029
Office supplies	5,353	4,362
Recruitment advertising	4,821	3,813
Telephone	4,347	4,273
LAFCO memberships	4,116	3,976
Property and general liability insurance	4,094	4,560
Outside printers	3,825	991
Legal expenses	3,708	7,748
Postage and shipping	2,328	2,919
Meeting broadcast services	2,275	2,600
Temporary services clerical	1,859	-
Legal notices	1,678	1,678
Depreciation	1,587	1,747
Books and periodicals	816	789
Pass-through expense	350	-
TOTAL OPERATING EXPENSES	674,969	589,335

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The accompanying notes are an integral part of these financial statements.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

	2014	2013
INCOME FROM OPERATIONS	$ 79,092	$ 95,791
NON-OPERATING INCOME (EXPENSE)		
Interest	3,669	3,496
Gain on county investments	350	-
TOTAL NON-OPERATING INCOME (EXPENSE)	4,019	3,496
CHANGE IN NET POSITION	83,111	99,287
NET POSITION, BEGINNING OF YEAR	705,020	605,733
NET POSITION, END OF YEAR	$ 788,131	$ 705,020

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The accompanying notes are an integral part of these financial statements.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers, county, districts and cities	$ 770,642	$ 679,615
Payments to suppliers	(195,311)	(140,767)
Payments to employees	(514,994)	(430,322)
Net cash provided by operating activities	60,337	108,526
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Purchases of capital assets	(5,213)	(1,991)
Net cash used in capital and financing activities	(5,213)	(1,991)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	3,669	3,496
Gain on County investments	350	-
Net cash provided by investing activities	4,019	3,496
NET DECREASE IN CASH AND CASH EQUIVALENTS	59,143	110,031
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	787,890	677,859
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 847,033	$ 787,890

Reconciliation of operating income to net cash provided by operating activities -		
Income from operations	$ 79,092	$ 95,791
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	1,587	1,747
Changes in operating assets and liabilities:		
Decrease in accounts receivable	-	1,167
(Increase) decrease in prepaid expenses	2,833	(805)
Increase (decrease) in accounts payable	(7,260)	12,045
Increase (decrease) in net OPEB obligation	884	(2,452)
Increase (decrease) in accrued leave	(27,001)	7,711
Increase (decrease) in deferred fees revenue	10,202	(6,678)
Net cash provided by operating activities	$ 60,337	$ 108,526

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The accompanying notes are an integral part of these financial statements.

1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES

Description of Reporting Entity

Local Agency Formation Commission (LAFCO) is a regulatory agency with countywide jurisdiction, established by state law (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000) to discourage urban sprawl and to encourage orderly and efficient provision of services, such as water, sewer, fire protection, etc. LAFCO of Monterey County (Agency) is a state mandated agency.

The Agency is responsible for reviewing and approving proposed jurisdictional boundary changes, including annexations and detachments of territory to and/or from cities and special districts, incorporations of new cities, formations of new special districts, consolidations, mergers, and dissolutions of existing districts. In addition, the Agency must review and approve contractual service agreements, determine spheres of influence for each city and district, and may initiate proposals involving district consolidation, dissolution, establishment of subsidiary districts, mergers, and reorganizations (combinations of these jurisdictional changes).

The Agency is composed of seven regular Commissioners: two members from the Board of Supervisors; two representatives from the cities within Monterey County; one public member; and two Independent Special District Members. There are four alternate Commissioners, which reflect the above membership categories.

Basis of Presentation

The Agency is accounted for as an enterprise fund. The accounting policies of the Agency conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Such funds are used to account for operations (1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or fees; or (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

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1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Net position is segregated into components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net position. Proprietary fund operating revenues, such as fees for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, grants and investment earnings, result from nonexchange transactions or ancillary activities.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Cash and Cash Equivalents

Demand deposits, money market accounts, certificates of deposit with an original maturity of three months or less and their equity in the County Treasurer's investment pool are considered cash and cash equivalents.

All investments (if any) are recorded at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

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1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Budget

The Agency adopts an annual budget. The budget includes expenditures and the means of financing them and is used for planning purposes. Budgeted amounts are as originally adopted or as amended by the Agency.

The Schedule of Revenues, Expenses and Change in Net Position – Budget and Actual presents a comparison of budgetary data to actual results of operations.

Use of Estimates

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

Employee Retirement Plans

Qualified employees are covered under contributory retirement plans maintained by an agency of the State of California. Contributions to these plans are paid or accrued based upon a percentage of qualified employee salaries.

Concentration of Credit Risk

The Agency periodically maintains cash deposits in one financial institution, which at times exceed federally insured limits. The Agency has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk. The Agency's uninsured cash balance was $0 at June 30, 2014 and 2013.

Capital Assets

The Agency records its capital assets at cost and depreciates these assets using the straight-line method. Depreciation is based on the following estimated useful lives:

	Years
Office equipment	3-5

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1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Maintenance and minor repairs are charged against income; major renewals and betterments are capitalized and depreciated.

Net Position

Net position represents the excess of all the Agency's assets over all its liabilities, regardless of the fund. Net position is divided into three captions under GASB Statement 34 and are described below:

- *Invested in Capital Assets, net of related debt* describes the portion of net position which is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets (if any).
- *Restricted* describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the Agency cannot unilaterally alter.
- *Unrestricted* describes the portion of net position which is not restricted to use.

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

In June 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements,* introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

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1. ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES (Continued)

Impact of Recently Issued Accounting Principles (Continued)

Recently Issued Accounting Pronouncements (Continued)

Concepts Statement No. 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments,* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The Agency implemented this Statement in fiscal year 2013. There was no significant effect on the financial statements other than renaming net assets to net position.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statements 27.* GASB 68 improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities.

This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement is effective for fiscal years beginning after June 15, 2014. Management is currently evaluating the impact of the adoption of this Statement on the Agency's financial statements.

Subsequent Events

Subsequent events were evaluated through October XX, 2014, the date the financial statements were available to be issued.

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2. CASH AND CASH EQUIVALENTS

Cash consisted of the following at June 30:

	2014	2013
Cash in bank	$ 51,754	$ 144,103
Cash held in Monterey County Treasury:		
Cash undesignated	288,395	102,665
Cash designated for:		
Litigation reserve	300,037	299,937
Contingency reserve	156,779	165,000
Accrued leave	40,000	67,001
Net OPEB obligation	9,968	9,084
Petty cash	100	100
	$ 847,033	$ 787,890

The Monterey County Treasurer's investment policy is in compliance with section 53635 of the Government Code of the State of California which permits investments in certain securities and participation in certain investment trading are classified into three categories of credit risks.

Category 1 includes techniques or strategies. Investments of the state and local agencies generally investments that are insured or registered, for which the securities are held by the County or by the County's agent in the County's name.

Category 2 consists of uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name.

Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's name. The Agency held no Category 2 or 3 investments at June 30, 2014 or at June 30, 2013. As of June 30, 2014 and 2013, the market value of the County investment portfolio was not materially different from its carrying value.

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3. CAPITAL ASSETS

Capital asset activity for the year was as follows at June 30:

	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014
Office equipment	$ 23,907	$ 5,214	$ -	$ 29,121
Accumulated depreciation	(20,452)	(1,587)	-	(22,039)
TOTAL CAPITAL ASSETS – net	$ 3,455	$ 3,627	$ -	$ 7,082

	Balance June 30, 2012	Additions	Retirements	Balance June 30, 2013
Office equipment	$ 21,916	$ 1,991	$ -	$ 23,907
Accumulated depreciation	(18,705)	(1,747)	-	(20,452)
TOTAL CAPITAL ASSETS – net	$ 3,211	$ 244	$ -	$ 3,455

4. NET POSITION – UNRESTRICTED

Unrestricted assets consisted of the following at June 30:

	2014	2013
Designated for litigation	$ 300,037	$ 299,937
Designated for contingency	156,779	165,000
Designated for encumbered funds	6,895	6,395
Unrestricted and undesignated	317,338	230,233
	$ 781,049	$ 701,565

5. LEASE OBLIGATIONS

A five year lease agreement was entered into on May 2013, commencing July 1, 2013, with a base year rent of $1,926 per month, providing for an annual increase in base rent after June of 2015. Total office rent expense was $23,115 and $24,332 for the year ended June 30, 2014 and 2013, respectively.

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5. LEASE OBLIGATIONS (Continued)

Future minimum rental payments required under this lease as of June 30, 2014, are as follows:

Fiscal Year Ended June 30,	
2015	$ 23,115
2016	24,332
2017	24,940
2018	25,564
	$ 97,951

6. EMPLOYEE'S RETIREMENT PLAN AND POST RETIREMENT BENEFITS

Plan Description

The Agency's defined benefit pension plan (Plan) provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan of the Agency is part of the Public Agencies portion of the California Public Employees Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Agency selects optional benefit provisions from the benefit menu by the contract with CalPERS and adopts those benefits. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

For continuing CalPERS plan members as of December 31, 2012: These members participate in a CalPERS Retirement Plan as a continuing member under the California Public Employees' Pension Reform Act of 2013, with a defined benefit formula of 2% at age 55. The Agency contributes 100% of the employer contribution (10.781% for 2013-2014 and 11.198% for 2012-2013). Continuing members contribute 7% of their annual covered salary to the plan.

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6. EMPLOYEE'S RETIREMENT PLAN AND POST RETIREMENT BENEFITS (Continued)

For 2013-2014 and 2012-2013, the Agency pays 50% (3.5%) of the continuing member employee contribution, and employee pays 50% (3.5%) of the employee contribution. Beginning in 2014-2015, the Agency will pay 0% of the employee's required contribution to this plan, and the employee will pay 100% of the employee's required contribution.

For new CalPERS plan members hired on or after January 1, 2013: These members participate in a CalPERS Retirement Plan as a new miscellaneous member under the California Public Employees' Pension Reform Act of 2013, with a defined benefit formula of 2% @ age 62. For 2013-2014 and 2012-2013, the Agency and the employee each contribute 50% (6.25%) of the total annual normal cost rate as determined by CalPERS (12.5% of payroll for the period). The Agency pays 0% of the new member employee's required contribution to this plan, and the employee pays 100% of the employee's required contribution.

The Agency is required to contribute the actuarially determined, remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for fiscal years 2013-2014 and 2012-2013 (listed in the preceding paragraphs) are established by State statute and the employer contribution rates are established and may be amended by CalPERS. Total expense amounted to $40,344, $53,260 and $45,110 for the years ended June 30, 2014, 2013 and 2012, respectively. This amount is included in employee benefits expense.

The Agency's unfunded pension liability will need to be recorded and reported on the Agency's June 30, 2015 Statement of Net Position to comply with upcoming changes in Governmental Accounting Standards. The Agency will need to record the difference between its total pension liability and the value of assets set aside in a pension plan to pay benefits. CalPERS determines the computed amount of the unfunded liability in an annual actuarial valuation report.

In addition, the Agency had a side-fund liability of $14,621 that was paid in May 2013. This payment resulted in a slight decrease in the 2013-2014 employer contribution rate for continuing CalPERS plan members.

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7. POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description

The Agency administers a single-employer defined benefit postemployment healthcare plan. Employees who retire directly from the Agency under the California Public Employee's Retirement System (CalPERS) at the minimum age of 50 with at least 5 years of CalPERS service (or disability) are eligible to receive the required minimum contribution for medical insurance premiums paid to CalPERS. Through December 2013, the required minimum contribution was $115 per month. Beginning January 2014, the required minimum contribution is $119. This same benefit may continue to a surviving spouse depending on the retirement plan election. The contribution requirement of the Agency is based on projected pay-as-you-go financing arrangements.

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to CalPERS at the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

The Agency's Board of Commissioners will not be funding the plan in the current year. The Board will review the funding requirements annually.

The Agency's policy is to reserve cash in an amount equal to the net OPEB obligation. See Note 2.

Annual OPEB Cost and Net OPEB Obligation

The Agency's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Agency has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over the estimated remaining period of 22 years.

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7. POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan at June 30:

	2014	2013
Annual required contribution	$ 2,360	$ 2,023
Interest on net OPEB obligation	454	577
Adjustment to annual required contribution	(550)	(699)
Adjustment to AAL	-	(4,353)
Annual OPEB cost (expense)	2,264	(2,452)
Estimated contributions	(1,380)	-
Increase in net OPEB obligation	884	(2,452)
Net OPEB obligation – beginning of year	9,084	11,536
Net OPEB obligation – end of year	$ 9,968	$ 9,084

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the last three fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	$ 7,046	0%	$ 9,291
6/30/2012	$ 2,245	0%	$ 11,536
6/30/2013	$ (2,452)	0%	$ 9,084
6/30/2014	$ 2,264	0%	$ 9,968

Funding Status and Funding Progress

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare costs trends. Amounts determined regarding the funded status of the plan and the annual required contributions of

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7. **POSTEMPLOYMENT HEALTHCARE BENEFITS** (Continued)

the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

As of July 1, 2013, the actuarial accrued liability (AAL) for benefits was $7,183, all of which is unfunded from an accounting standpoint. However, the Agency's policy is to reserve cash in an amount equal to the net OPEB obligation. See Note 2.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 63, or at the first subsequent year in which the member would qualify for benefits.

Mortality – Life expectancies at the calculation date are based on the most recent mortality tables published by the National Center for Health Statistics website (www.cdc.gov). The calculation of OPEB liability for each year is based on the assumption that all participants will live until their expected age as displayed in the mortality tables.

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7. POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Methods and Assumptions (Continued)

Turnover – The probability that an employee will remain employed until the assumed retirement age was determined using non-group-specific age-based turnover data provided in Table 1 in paragraph 35 of GASB Statement No. 45. In addition the expected future working lifetimes of employees were determined using Table 2 in paragraph 35c of GASB Statement No. 45.

Healthcare cost trend rate – Healthcare cost trend rates were selected based on the CalPERS Circular Letter No. 600-006-12. The ultimate trend rate was 3.0%.

Health insurance premiums – 2012-13 health insurance premiums for retirees were used as a basis for calculation of the present value of total benefits to be paid. An employee is assumed to continue with the same medical plan upon retirement. If an employee waived medical coverage, then such waiver is assumed to continue into retirement.

Medicare Coordination – Medicare was assumed as the primary payer for current and future retirees at age 65.

Payroll increase – Changes in the payroll for current employees are expected to increase at a rate of approximately 2.0% annually.

Discount rate – The calculation uses an annual discount rate of 5.0%. This is based on the assumed long-term return on plan assets or employer assets.

Actuarial cost method – The entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at July 1, 2014, was 21 years.

Plan for Funding

On an ongoing basis, the Agency will be reviewing its assumptions, comparing them against actual experience and recalculating the needed funding with the goal of paying for postemployment benefits out of interest earned on designated funds.

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8. COMPENSATED ABSENCES (ACCRUED VACATION, PAID-TIME-OFF, SICK LEAVE, AND COMPENSATORY TIME)

Exempt Employees Annual Leave

In lieu of vacation and sick leave benefits, exempt employees of the Agency are eligible for annual leave on a pro-rated basis based on years of completed service. Overtime eligible exempt employees may accrue a maximum of 250 or 850 hours. Exempt employees have an option to sell back up to 160 hours of annual leave each year. Annual leave is paid to the employee at the time of separation from Agency employment. Annual leave liability is calculated by using the employee's fiscal year leave balance multiplied by the employee's fiscal year end rate of pay. These benefits are a general description only. Actual benefits are defined in individual employment agreements.

Vacation and Paid-Time-Off

Overtime eligible employees of the Agency may accumulate up to 260 hours of unused vacation and paid-time-off (PTO). Vacation and PTO leaves are paid to the employee at the time of separation from Agency employment. Vacation and PTO liabilities are calculated using employee's fiscal year end vacation and PTO leave balances multiplied by the employee's fiscal year end rate of pay. These benefits are a general description only. Actual benefits are defined in individual employment agreements.

Sick Leave

Overtime eligible employees can accumulate sick leave indefinitely. Upon retirement or death, unused sick leave is paid up to 30 percent of the employee's base hourly rate of pay, up to a maximum of 1500 hours. All unused sick leave above that 1500 hour limit or any unused sick leave for employees separated from the Agency for other reasons is forfeited. The sick leave liability is calculated using the employee's fiscal year end sick leave balance multiplied by the employee's fiscal year end rate of pay. These benefits are a general description only. Actual benefits are defined in individual employment agreements.

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. Actual benefits are defined in individual employment agreements.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Local Agency Formation Commission of Monterey County
Salinas, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Local Agency Formation Commission of Monterey County (Agency), as of and for the years ended June 30, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated October XX, 2014.

Internal Control Over Financial Reporting

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

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

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Salinas, California
October XX, 2014

REQUIRED SUPPLEMENTARY INFORMATION

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LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

SCHEDULE OF POSTEMPLOYMENT HEALTHCARE BENEFITS FUNDING PROGRESS

FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Accrued Liability (Unit Cost Method) (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funding Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
01/06/2010	$ 9,291	$ -	$ 9,291	0.0%	$ 300,000	3.1%
07/01/2013	$ 7,183	$ -	$ 7,183	0.0%	$ 320,000	2.2%

Note: The Agency's policy is to review and update the liability calculations and assumptions every three years, and more frequently if required by changes in active or retired personnel status or accounting requirements.

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The accompanying notes are an integral part of this required supplementary information.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
County contributions	$ 250,164	$ 250,164	$ 250,165	$ 1
District contributions	250,164	250,164	250,165	1
City contributions	250,164	250,164	250,164	-
Project fees	10,000	10,000	3,567	(6,433)
Interest	1,500	1,500	3,669	2,169
Gain on County investments	-	-	350	350
From unreserved funds	20,000	20,000	-	(20,000)
TOTAL REVENUES	781,992	781,992	758,080	(23,912)
EXPENSES				
Salaries	408,946	404,946	349,779	55,167
Employee benefits	187,445	179,445	138,343	41,102
Accounting and financial services	37,500	37,500	36,900	600
Rent - Note 5	23,300	23,300	23,115	185
Use of contingency funds	-	-	13,221	(13,221)
Audit services	13,000	13,000	13,000	-
Accrued leave	12,000	12,000	12,567	(567)
Records storage & security	5,000	10,000	10,452	(452)
Equipment rental	14,000	16,000	8,663	7,337
Travel	9,000	9,000	8,564	436
Computer equipment maintenance	7,000	7,000	7,873	(873)
Training and conferences	8,500	8,500	5,805	2,695
Computer support services	6,000	11,000	5,530	5,470
Office supplies	5,100	5,100	5,353	(253)
Recruitment advertising	-	8,000	4,821	3,179
Telephone	5,000	5,000	4,347	653
LAFCO memberships	4,400	4,400	4,116	284
Property and general liability insurance	5,500	5,500	4,094	1,406
Outside printers	4,000	4,000	3,825	175
Other legal expenses	13,000	5,000	3,708	1,292
Postage and shipping	2,500	2,500	2,328	172
Meeting broadcast services	3,300	3,300	2,275	1,025
Temporary services clerical	2,000	2,000	1,859	141
Legal notices	4,000	4,000	1,678	2,322
Depreciation	-	-	1,587	(1,587)
Books and periodicals	1,000	1,000	816	184
Pass-through expense	-	-	350	(350)
Litigation (Legal)*	100	100	-	100
Repairs and maintenance	400	400	-	400
TOTAL EXPENSES	781,991	781,991	674,969	107,022
CHANGE IN BUDGETARY NET POSITION	$ 1	$ 1	83,111	$ 83,110
BUDGETARY NET POSITION, BEGINNING OF YEAR			705,020	
BUDGETARY NET POSITION, END OF YEAR			$ 788,131	

* Even though the actual expenses for these reserves are zero, the Agency has budgeted these funds to cover potential future litigation expenses per adopted policy. On the Statement of Net Position, cash and unrestricted net assets have been designated to account for the funds set aside for the litigation reserve each year.

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The accompanying notes are an integral part of this required supplementary information.

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

SCHEDULE OF REVENUES, EXPENSES AND CHANGE IN NET POSITION - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
REVENUES				
County contributions	$ 215,397	$ 215,397	$ 215,397	$ -
District contributions	215,397	215,397	215,398	1
City contributions	215,397	215,397	215,397	-
Project fees	8,000	8,000	38,934	30,934
Interest	1,500	1,500	3,496	1,996
TOTAL REVENUES	655,691	655,691	688,622	32,931
EXPENSES				
Salaries	308,946	308,946	312,218	(3,272)
Employee benefits	147,445	147,445	123,408	24,037
Accounting and financial services	37,500	37,500	36,000	1,500
Rent - Note 5	24,500	24,500	24,332	168
Accrued leave	12,000	12,000	19,710	(7,710)
Audit services	13,000	13,000	12,000	1,000
Other legal expenses	17,000	12,000	7,748	4,252
Training and conferences	6,000	6,000	5,972	28
Computer support services	10,000	10,000	5,029	4,971
Property and general liability insurance	5,500	5,500	4,560	940
Equipment rental	6,500	6,500	4,464	2,036
Office supplies	4,600	4,600	4,362	238
Telephone	4,500	4,500	4,273	227
LAFCO memberships	4,500	4,500	3,976	524
Recruitment advertising	-	5,000	3,813	1,187
Computer equipment maintenance	6,000	6,000	3,695	2,305
Postage and shipping	4,500	4,500	2,919	1,581
Meeting broadcast services	3,300	3,300	2,600	700
Travel	5,500	5,500	2,518	2,982
Depreciation	-	-	1,747	(1,747)
Legal notices	4,000	4,000	1,678	2,322
Outside printers	1,000	1,000	991	9
Books and periodicals	1,000	1,000	789	211
Records storage & security	3,000	3,000	533	2,467
Litigation (Legal)*	25,000	25,000	-	25,000
Human resource services	500	500	-	500
Repairs and maintenance	400	400	-	400
TOTAL EXPENSES	656,191	656,191	589,335	66,856
CHANGE IN BUDGETARY NET POSITION	$ (500)	$ (500)	99,287	$ 99,787
BUDGETARY NET POSITION, BEGINNING OF YEAR			605,733	
BUDGETARY NET POSITION, END OF YEAR			$ 705,020	

* Even though the actual expenses for these reserves are zero, the Agency has budgeted these funds to cover potential future litigation expenses per adopted policy. On the Statement of Net Position, cash and unrestricted net assets have been designated to account for the funds set aside for the litigation reserve each year.

DRAFT

The accompanying notes are an integral part of this required supplementary information.

AGENDA
ITEM
NO. 2

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: November 7, 2014

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **DRAFT FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2014**

SUMMARY OF RECOMMENDATION:

Recommend that official year-end financial statements for the period ending June 30, 2014 be approved by the full Commission on December 1, 2014.

EXECUTIVE OFFICER'S REPORT:

Enclosed are draft year-end financial statements dated June 30, 2014. These statements have been adjusted to reflect the audit activities to date. Additional changes may be made following the Committee's review of the draft audit on November 7 (Agenda Item No. 1).

Mr. Mike Briley, CPA, Managing Partner, Hayashi & Wayland, will assist in presenting this report.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP
Executive Officer

Enclosure

Local Agency Formation Commission of Monterey County
Financial Statements
June 30, 2014

Draft

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Draft

Table of Contents

Accountants' Compilation Report	1
Balance Sheets	2
Income and Expense Budget Performance – Summary	3
Income and Expense Budget Performance – Detail	4
Income and Expense by Month	5-6
Accounts Receivable Summary	7
Equipment Summary	8
Accounts Payable Summary	9
Accrued Leave Summary	10
Detail of Encumbrances	11
Detail of Reserve for Litigation Account	12
Detail of Reserve for Contingency Account	13

HAYASHI | WAYLAND

ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying financial statements of the **Local Agency Formation Commission of Monterey County (LAFCO)** as of and for the twelve months ended June 30, 2014. We have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by LAFCO and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist LAFCO in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to **LAFCO**.

October 31, 2014

Draft

LAFCO of Monterey County
Balance Sheets
June 30, 2014 and 2013

ASSETS

	ACCT #	2014	2013
CURRENT ASSETS:			
Cash Held in Rabobank:			
Rabobank Operating	1000	$ 51,754.26	$ 144,102.54
Total Cash Held in Rabobank		51,754.26	144,102.54
Cash Held in County Treasury:			
Cash Held for Operating Expenses	1010	288,394.58	102,664.42
Designated Cash for Reserve for Litigation	1012	300,036.51	299,936.51
Designated Cash for Accrued Leave	1013	40,000.14	67,000.60
Designated Cash for Post Retirement (GASB 45)	1014	9,968.00	9,084.00
Designated Cash for Reserve for Contingency	1015	156,779.00	165,000.00
Total Cash Held in County Treasury		795,178.23	643,685.53
Petty Cash	1100	100.00	100.00
Total Cash		847,032.49	787,888.07
Other Current Assets:			
Prepaid Insurance	1400	5,894.19	9,042.60
Prepaid Expenses	1405	2,959.98	2,644.28
Total Other Current Assets		8,854.17	11,686.88
Total Current Assets		855,886.66	799,574.95
PROPERTY AND EQUIPMENT:			
Equipment	1500	29,120.35	23,906.06
Accumulated Depreciation	1550	(22,039.14)	(20,451.65)
Total Property and Equipment		7,081.21	3,454.41
TOTAL ASSETS		$ 862,967.87	$ 803,029.36

LIABILITIES AND EQUITY

	ACCT #	2014	2013
CURRENT LIABILITIES:			
Accounts Payable	2000	$ 14,340.58	$ 21,799.40
Deferred Fees Revenue	2010	10,202.00	-
Payroll Liabilities	2200	328.11	126.00
Accrued Leave	2220	40,000.14	67,000.60
Post Retirement (GASB 45)	2230	9,968.00	9,084.00
Total Current Liabilities		74,838.83	98,010.00
Total Liabilities		74,838.83	98,010.00
EQUITY:			
Invested in Capital Assets	3700	7,081.21	3,454.41
Encumbered Funds	3710	6,895.00	6,395.00
Reserve for Litigation	3800	300,036.51	299,936.51
Reserve for Contingency	3810	156,779.00	165,000.00
Unreserved Fund*	3850	317,337.32	230,233.44
Total Equity		788,129.04	705,019.36
TOTAL LIABILITIES AND EQUITY		$ 862,967.87	$ 803,029.36

* Includes revenue received in the current year to be used for operating expenses through 6/30/14

Draft

See Accountants' Compilation Report

LAFCO of Monterey County
Income and Expense Budget Performance - Summary
June 30, 2014

ACCT #		June 14	June 13	% of Budget Received/ Spent June 14	July 13 - June 14	July 12 - June 13	Adopted 13/14 Budget	Remaining Budget Balance	% of Remaining Budget Balance
	Income:								
4000	Fees: Project	$ -	$ 14,325.00	0.00%	$ 9,946.47	$ 38,934.30	$ 10,000.00	$ (53.53)	-0.54%
4205	County Contributions	-	-	0.00%	250,164.00	215,397.00	250,164.00	-	0.00%
4210	City Contributions	-	-	0.00%	250,164.01	215,397.00	250,164.00	0.01	0.00%
4220	District Contributions	-	-	0.00%	250,166.00	215,398.00	250,163.00	3.00	0.00%
4300	Interest	843.69	785.71	56.25%	3,668.95	3,495.21	1,500.00	2,168.95	144.60%
	Total Income	843.69	15,110.71	0.11%	764,109.43	688,621.51	761,991.00	2,118.43	0.28%
	Expense:								
VAR	Employee Salaries	26,362.42	27,274.31	6.51%	349,779.05	312,217.45	404,946.00	55,166.95	13.62%
VAR	Employee Benefits	15,092.84	6,754.99	7.88%	150,909.79	143,116.80	191,445.00	40,535.21	21.17%
7000	Postage and Shipping	335.75	1,574.06	13.43%	2,327.67	2,918.64	2,500.00	172.33	6.89%
7010	Books and Periodical	-	-	0.00%	815.98	789.33	1,000.00	184.02	18.40%
7030	Copy Machine	315.70	285.81	4.86%	5,682.92	3,541.47	6,500.00	817.08	12.57%
7040	Outside Printers	416.76	-	10.42%	3,825.13	990.51	4,000.00	174.87	4.37%
7060	Office Supplies	1,400.88	167.42	31.13%	4,754.33	3,775.17	4,500.00	(254.33)	-5.65%
7080	Computer Hardware/Peripherals	689.01	825.24	9.84%	2,890.32	922.65	7,000.00	4,109.68	58.71%
7085	Computer Support Svcs Fixed Costs	723.34	395.00	10.33%	7,873.04	3,695.00	7,000.00	(873.04)	-12.47%
7090	Computer Support Svcs Variable Costs	2,100.00	2,701.51	19.09%	5,530.00	5,029.29	11,000.00	5,470.00	49.73%
7100	Computer Software	-	-	0.00%	89.98	-	2,500.00	2,410.02	96.40%
7105	Meeting Broadcast Services	325.00	2,600.00	9.85%	2,275.00	2,600.00	3,300.00	1,025.00	31.06%
7110	Property and Gen Liability Insurance	341.17	380.07	6.20%	4,093.71	4,560.40	5,500.00	1,406.29	25.57%
7120	Office Maintenance Services	-	-	0.00%	-	-	400.00	400.00	100.00%
7140	Travel	-	-	0.00%	7,114.80	1,659.66	7,000.00	(114.80)	-1.64%
7150	Training, Conferences & Workshops	95.00	-	1.12%	5,805.31	5,972.00	8,500.00	2,694.69	31.70%
7160	Vehicle Mileage	24.64	75.31	1.23%	1,449.22	858.14	2,000.00	550.78	27.54%
7170	Rental of Buildings	1,926.28	2,027.66	8.27%	23,115.36	24,331.92	23,300.00	184.64	0.79%
7200	Telephone Communications	324.33	716.15	6.49%	4,347.10	4,272.84	5,000.00	652.90	13.06%
7230	Temporary Help Services (Clerical)	-	-	0.00%	1,859.19	-	2,000.00	140.81	7.04%
7242	Outside Prof. Services: Accounting	6,000.00	6,000.00	16.00%	36,900.00	36,000.00	37,500.00	600.00	1.60%
7245	General and Special Legal Services	540.31	1,091.00	10.81%	3,707.83	7,748.06	5,000.00	1,292.17	25.84%
7248	Outside Prof. Services: Annual Audit	-	-	0.00%	13,000.00	12,000.00	13,000.00	-	0.00%
7250	Miscellaneous Office Expense	-	-	0.00%	599.72	588.07	600.00	0.28	0.05%
7260	Legal Notices	-	16.00	0.00%	1,677.65	1,677.54	4,000.00	2,322.35	58.06%
7261	Pass-Through Expense	-	-	0.00%	350.00	-	-	(350.00)	0.00%
7270	Recruitment Advertising	520.00	992.97	6.50%	4,820.60	3,812.94	8,000.00	3,179.40	39.74%
7280	LAFCO Memberships	-	-	0.00%	4,116.00	3,976.00	4,400.00	284.00	6.45%
7285	Records Storage & Security	1,740.99	533.42	17.41%	10,452.05	533.42	10,000.00	(452.05)	-4.52%
7290	Litigation Reserve	-	-	0.00%	-	-	100.00	100.00	100.00%
7300	Depreciation	310.00	224.24	0.00%	1,587.49	1,747.12	-	(1,587.49)	0.00%
	Total Expense	59,584.42	54,635.16	7.62%	661,749.24	589,334.42	781,991.00	120,241.76	15.38%
	Net Ordinary Income (Loss)	(58,740.73)	(39,524.45)		102,360.19	99,287.09	(20,000.00)		
	Other Income/(Expense):								
8106	Prior Year Project Fees Returned	-	-		(6,379.25)	-	-		
8107	Use of Contingency Reserve	-	-		(13,221.00)	-	-		
8110	From Unreserved Funds	-	-		-	-	20,000.00		
8130	Gain/(Loss) on County Investments	-	-		349.74	-	-		
	Total Other Income/(Expense)	-	-		(19,250.51)	-	20,000.00		
	Net Income (Loss)	$ (58,740.73)	$ (39,524.45)		$ 83,109.68	$ 99,287.09	$ -		

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LAFCO of Monterey County
Income and Expense Budget Performance - Detail
June 30, 2014

ACCT #		June 14	June 13	% of Budget Received/ Spent June 14	July 13 - June 14	July 12 - June 13	Adopted 13/14 Budget	Remaining Budget Balance	% of Remaining Budget Balance
	Income:								
4000	Fees: Project	$ -	$ 14,325.00	0.00%	$ 9,946.47	$ 38,934.30	$ 10,000.00	$ (53.53)	-0.54%
4205	County Contributions	-	-	0.00%	250,164.00	215,397.00	250,164.00	-	0.00%
4210	City Contributions	-	-	0.00%	250,164.01	215,397.00	250,164.00	0.01	0.00%
4220	District Contributions	-	-	0.00%	250,166.00	215,398.00	250,163.00	3.00	0.00%
4300	Interest	843.69	785.71	56.25%	3,668.95	3,495.21	1,500.00	2,168.95	144.60%
	Total Income	843.69	15,110.71	0.11%	764,109.43	688,621.51	761,991.00	2,118.43	0.28%
	Expense:								
6000	Employee Salaries-Other	-	3,762.50		4,000.01	37,966.88			
6002	Regular Earnings	26,362.42	23,511.81		345,779.04	274,250.57			
	Employee Salaries	26,362.42	27,274.31	6.51%	349,779.05	312,217.45	404,946.00	55,166.95	13.62%
6006	Flex Plan Cash	270.06	284.71		3,255.37	3,416.52			
6007	Management Expense Allowance	50.00	50.00		600.00	600.00			
6010	Accrued Leave	2,900.19	1,987.89		(27,000.46)	7,710.38			
6011	Car Allowance	400.00	400.00		4,800.00	4,800.00			
6013	Post Retirement Healthcare Reserve	-	(4,697.00)		884.00	(2,452.00)			
6100	Employee Benefits - Other	-	-		-	300.00			
6101	Payroll Expenses	477.05	366.28		7,667.76	5,277.66			
6102	Worker's Compensation Insurance	3,203.84	306.66		10,266.34	3,680.00			
6103	Employee Memberships	-	-		718.00	1,198.00			
6104	Deferred Comp Plan Contribution	1,454.68	1,457.73		20,966.27	16,811.06			
6105	PERS Retirement	2,917.32	3,088.42		40,343.85	53,260.08			
6110	PERS Health - Other	12.86	6.50		162.97	62.52			
6111	PERS Health - Med ER Non-Elective	476.00	345.00		6,199.00	3,299.00			
6112	PERS Health - Med ER Pre Tax	2,191.97	2,254.12		30,993.73	21,712.44			
6131	LIFE	71.40	61.35		999.60	736.20			
6132	ADD	12.00	12.00		168.00	144.00			
6133	Dental	321.41	440.11		4,375.88	4,450.42			
6134	Vision	36.84	49.22		509.06	492.64			
6135	LTD	223.31	256.43		4,556.84	4,662.73			
6136	EAP	26.80	26.80		321.60	321.60			
6139	STD	47.11	58.77		554.02	633.55			
7294	Accrued Leave Reserve	-	-		39,567.96	12,000.00			
	Employee Benefits	15,092.84	6,754.99	7.88%	150,909.79	143,116.80	191,445.00	40,535.21	21.17%
7000	Postage and Shipping	335.75	1,574.06	13.43%	2,327.67	2,918.64	2,500.00	172.33	6.89%
7010	Books and Periodical	-	-	0.00%	815.98	789.33	1,000.00	184.02	18.40%
7030	Copy Machine	315.70	285.81	4.86%	5,682.92	3,541.47	6,500.00	817.08	12.57%
7040	Outside Printers	416.76	-	10.42%	3,825.13	990.51	4,000.00	174.87	4.37%
7060	Office Supplies	1,400.88	167.42	31.13%	4,754.33	3,775.17	4,500.00	(254.33)	-5.65%
7080	Computer Hardware/Peripherals	689.01	825.24	9.84%	2,890.32	922.65	7,000.00	4,109.68	58.71%
7085	Computer Support Svcs Fixed Costs	723.34	395.00	10.33%	7,873.04	3,695.00	7,000.00	(873.04)	-12.47%
7090	Computer Support Svcs Variable Costs	2,100.00	2,701.51	19.09%	5,530.00	5,029.29	11,000.00	5,470.00	49.73%
7100	Computer Software	-	-	0.00%	89.98	-	2,500.00	2,410.02	96.40%
7105	Meeting Broadcast Services	325.00	2,600.00	9.85%	2,275.00	2,600.00	3,300.00	1,025.00	31.06%
7110	Property and Gen Liability Insurance	341.17	380.07	6.20%	4,093.71	4,560.40	5,500.00	1,406.29	25.57%
7120	Office Maintenance Services	-	-	0.00%	-	-	400.00	400.00	100.00%
7140	Travel	-	-	0.00%	7,114.80	1,659.66	7,000.00	(114.80)	-1.64%
7150	Training, Conferences & Workshops	95.00	-	1.12%	5,805.31	5,972.00	8,500.00	2,694.69	31.70%
7160	Vehicle Mileage	24.64	75.31	1.23%	1,449.22	858.14	2,000.00	550.78	27.54%
7170	Rental of Buildings	1,926.28	2,027.66	8.27%	23,115.36	24,331.92	23,300.00	184.64	0.79%
7200	Telephone Communications	324.33	716.15	6.49%	4,347.10	4,272.84	5,000.00	652.90	13.06%
7230	Temporary Help Services (Clerical)	-	-	0.00%	1,859.19	-	2,000.00	140.81	7.04%
7242	Outside Prof. Services: Accounting	6,000.00	6,000.00	16.00%	36,900.00	36,000.00	37,500.00	600.00	1.60%
7245	General and Special Legal Services	540.31	1,091.00	10.81%	3,707.83	7,748.06	5,000.00	1,292.17	25.84%
7248	Outside Prof. Services: Annual Audit	-	-	0.00%	13,000.00	12,000.00	13,000.00	-	0.00%
7250	Miscellaneous Office Expense	-	-	0.00%	599.72	588.07	600.00	0.28	0.05%
7260	Legal Notices	-	16.00	0.00%	1,677.65	1,677.54	4,000.00	2,322.35	58.06%
7261	Pass-Through Expense	-	-	0.00%	350.00	-	-	(350.00)	0.00%
7270	Recruitment Advertising	520.00	992.97	6.50%	4,820.60	3,812.94	8,000.00	3,179.40	39.74%
7280	LAFCO Memberships	-	-	0.00%	4,116.00	3,976.00	4,400.00	284.00	6.45%
7285	Records Storage & Security	1,740.99	533.42	17.41%	10,452.05	533.42	10,000.00	(452.05)	-4.52%
7290	Litigation Reserve	-	-	0.00%	-	-	100.00	100.00	100.00%
7300	Depreciation	310.00	224.24	0.00%	1,587.49	1,747.12	-	(1,587.49)	0.00%
	Total Expense	59,584.42	54,635.16	7.62%	661,749.24	589,334.42	781,991.00	120,241.76	15.38%
	Net Ordinary Income (Loss)	(58,740.73)	(39,524.45)		102,360.19	99,287.09	(20,000.00)		
	Other Income/(Expense):								
8106	Prior Year Project Fees Returned	-	-		(6,379.25)	-	-		
8107	Use of Contingency Reserve	-	-		(13,221.00)	-	-		
8110	From Unreserved Funds	-	-		-	-	20,000.00		
8130	Gain/(Loss) on County Investments	-	-		349.74	-	-		
	Total Other Income/(Expense)	-	-		(19,250.51)	-	20,000.00		
	Net Income (Loss)	$ (58,740.73)	$ (39,524.45)		$ 83,109.68	$ 99,287.09	$ -		

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See Accountants' Compilation Report

LAFCO of Monterey County
Income and Expense by Month
June 30, 2014

	July 13	Aug 13	Sept 13	Oct 13	Nov 13	Dec 13
Ordinary Income/Expense						
Income:						
4000 · Fees: Project	$ 7,927.27	$ 2,625.00	$ -	$ (1.00)	$ (1,104.80)	$ -
4205 · County Contributions	250,164.00	-	-	-	-	-
4210 · City Contributions	250,164.01	-	-	-	-	-
4220 · District Contributions	250,166.00	-	-	-	-	-
4300 · Interest	-	-	-	870.57	-	-
Total Income	758,421.28	2,625.00	-	869.57	(1,104.80)	-
Expense:						
6000 · Employee Salaries	31,421.22	38,796.02	28,212.70	27,901.74	28,154.40	28,096.09
6100 · Employee Benefits	8,849.52	15,837.26	14,243.65	10,293.22	12,731.70	12,436.99
7000 · Postage and Shipping	97.20	35.80	387.03	140.00	59.29	158.77
7010 · Books and Periodical	238.00	-	-	-	468.28	60.00
7030 · Copy Machine	286.14	315.70	315.70	315.70	315.70	1,122.01
7040 · Outside Printers	607.52	-	269.49	480.26	615.01	-
7060 · Office Supplies	531.99	458.88	180.06	109.40	717.51	904.92
7080 · Computer Hardware/Peripherals	-	-	-	-	-	-
7085 · Computer Support Svcs Fixed Costs	-	-	1,298.34	-	602.67	628.67
7090 · Computer Support Svcs Variable Costs	-	-	600.00	-	250.00	1,352.00
7100 · Computer Software	-	-	-	-	-	-
7105 · Meeting Broadcast Services	-	-	-	-	-	-
7110 · Property and Gen Liability Insurance	341.14	341.14	341.14	341.14	341.14	341.14
7140 · Travel	169.00	1,216.46	4,285.95	15.00	149.96	206.10
7150 · Training, Conferences & Workshops	3,545.07	630.00	80.12	-	210.12	-
7160 · Vehicle Mileage	-	-	501.49	335.00	200.01	-
7170 · Rental of Buildings	1,926.28	1,926.28	1,926.28	1,926.28	1,926.28	1,926.28
7200 · Telephone Communications	170.74	381.10	650.40	805.28	150.97	479.74
7230 · Temp Help Services (Clerical)	-	-	-	-	-	720.35
7242 · Outside Prof. Services: Accounting	-	3,000.00	3,000.00	3,000.00	3,900.00	3,000.00
7245 · General and Special Legal Services	-	-	414.96	207.48	103.74	470.28
7248 · Outside Prof. Services: Annual Audit	-	-	5,000.00	7,000.00	1,000.00	-
7250 · Miscellaneous Office Expense	-	227.79	143.73	26.66	96.91	53.38
7260 · Legal Notices	381.15	264.54	-	307.80	8.00	-
7261 · Pass-Through Expense	-	-	-	-	-	-
7270 · Recruitment Advertising	-	-	-	-	-	-
7280 · LAFCO Memberships	3,111.00	-	-	-	1,005.00	-
7285 · Records Storage & Security	1,021.02	994.84	785.40	582.51	1,322.10	294.13
7300 · Depreciation	118.00	114.00	117.00	116.00	116.00	117.00
8106 · Prior Year Project Fees Returned	-	-	-	-	3,100.00	-
8107 · Use of Contingency Reserve	-	-	-	13,221.00	-	-
8130 · (Gain)/Loss on County Investments	-	-	-	-	-	-
Total Expense	52,921.48	64,431.73	62,755.03	67,124.47	57,544.79	52,367.85
Net Income/(Loss)	**$ 705,499.80**	**$ (61,806.73)**	**$ (62,755.03)**	**$ (66,254.90)**	**$ (58,649.59)**	**$ (52,367.85)**

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LAFCO of Monterey County
Income and Expense by Month
June 30, 2014

	Jan 14	Feb 14	Mar 14	Apr 14	May 14	June 14	Total
Ordinary Income/Expense							
Income:							
4000 · Fees: Project	$ 750.00	$ (250.00)	$ -	$ -	$ -	$ -	$ 9,946.47
4205 · County Contributions	-	-	-	-	-	-	250,164.00
4210 · City Contributions	-	-	-	-	-	-	250,164.01
4220 · District Contributions	-	-	-	-	-	-	250,166.00
4300 · Interest	1,087.64	-	-	867.05	-	843.69	3,668.95
Total Income	1,837.64	(250.00)	-	867.05	-	843.69	764,109.43
Expense:							
6000 · Employee Salaries	38,081.60	24,009.72	27,272.04	23,944.08	27,527.02	26,362.42	349,779.05
6100 · Employee Benefits	15,423.34	12,395.52	12,890.56	9,496.60	11,218.59	15,092.84	150,909.79
7000 · Postage and Shipping	-	-	158.77	85.09	869.97	335.75	2,327.67
7010 · Books and Periodical	-	-	49.70	-	-	-	815.98
7030 · Copy Machine	800.15	315.70	315.70	949.02	315.70	315.70	5,682.92
7040 · Outside Printers	-	521.78	464.06	424.33	25.92	416.76	3,825.13
7060 · Office Supplies	(114.57)	132.22	99.91	83.82	249.31	1,400.88	4,754.33
7080 · Computer Hardware/Peripherals	171.16	604.00	1,254.99	171.16	-	689.01	2,890.32
7085 · Computer Support Svcs Fixed Costs	855.67	433.67	2,193.34	682.67	454.67	723.34	7,873.04
7090 · Computer Support Svcs Variable Costs	550.00	-	100.00	250.00	328.00	2,100.00	5,530.00
7100 · Computer Software	-	-	89.98	-	-	-	89.98
7105 · Meeting Broadcast Services	-	-	-	975.00	975.00	325.00	2,275.00
7110 · Property and Gen Liability Insurance	341.14	341.14	341.14	341.14	341.14	341.17	4,093.71
7140 · Travel	-	-	-	1,072.33	-	-	7,114.80
7150 · Training, Conferences & Workshops	-	95.00	-	1,150.00	-	95.00	5,805.31
7160 · Vehicle Mileage	-	-	-	257.60	130.48	24.64	1,449.22
7170 · Rental of Buildings	1,926.28	1,926.28	1,926.28	1,926.28	1,926.28	1,926.28	23,115.36
7200 · Telephone Communications	321.00	5.89	403.47	191.99	462.19	324.33	4,347.10
7230 · Temp Help Services (Clerical)	366.52	772.32	-	-	-	-	1,859.19
7242 · Outside Prof. Services: Accounting	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	6,000.00	36,900.00
7245 · General and Special Legal Services	414.96	-	933.66	414.96	207.48	540.31	3,707.83
7248 · Outside Prof. Services: Annual Audit	-	-	-	-	-	-	13,000.00
7250 · Miscellaneous Office Expense	11.33	24.00	15.92	-	-	-	599.72
7260 · Legal Notices	-	-	714.16	2.00	-	-	1,677.65
7261 · Pass-Through Expense	-	-	350.00	-	-	-	350.00
7270 · Recruitment Advertising	-	-	1,711.06	1,855.38	734.16	520.00	4,820.60
7280 · LAFCO Memberships	-	-	-	-	-	-	4,116.00
7285 · Records Storage & Security	-	363.26	1,227.19	791.96	1,328.65	1,740.99	10,452.05
7300 · Depreciation	115.00	116.00	117.00	114.76	116.73	310.00	1,587.49
8106 · Prior Year Project Fees Returned	3,279.25	-	-	-	-	-	6,379.25
8107 · Use of Contingency Reserve	-	-	-	-	-	-	13,221.00
8130 · (Gain)/Loss on County Investments	-	-	-	(349.74)	-	-	(349.74)
Total Expense	65,542.83	45,056.50	55,628.93	47,830.43	50,211.29	59,584.42	680,999.75
Net Income/(Loss)	**$ (63,705.19)**	**$ (45,306.50)**	**$ (55,628.93)**	**$ (46,963.38)**	**$ (50,211.29)**	**$ (58,740.73)**	**$ 83,109.68**

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LAFCO of Monterey County
Accounts Receivable Summary
As of June 30, 2014

Accounts Receivable-For Fiscal Year Ending 6/2014:

Description	Date	Amount
		$ -
	ACCT # 1225	**$ -**

*All 2013-2014 fees have been collected.

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LAFCO of Monterey County
Equipment Summary
As of June 30, 2014

Equipment and Accumulated Depreciation:

Description	Date In Service	Cost	Amount Depreciated
Computer Equipment	10/24/2005	$ 6,749.91	$ 6,749.91
Dell Computer System	6/1/2006	2,268.22	2,268.22
Credenza	9/1/2006	516.20	516.20
Computer Equipment	9/20/2006	3,120.20	3,120.20
Bill Quick Basic Software	8/17/2007	565.00	565.00
Adobe Systems, Inc. Software	1/18/2008	399.00	399.00
HP Compaq DC 9700 Computer	6/23/2009	975.49	975.49
Microsoft Office Pro 2010 Software	6/30/2010	2,041.24	2,041.24
Acrobat V.9 Computer Software	6/30/2010	445.88	445.88
Ergonomic Chair	6/29/2010	502.51	372.00
ThinkPad W510 Laptop	6/30/2010	2,146.73	1,930.00
SNAP OUT Telephone System	7/28/2010	2,185.00	1,597.00
Apple Mbair 13.3 CTO Laptop	6/14/2013	1,990.68	855.00
Microsoft Office Plus 2013 Software	6/16/2014	1,412.00	39.00
Adobe Acrobat XI Pro Software	6/16/2014	1,128.00	31.00
Apple Mbair 13.3 CTO Laptop	6/27/2014	1,914.35	96.00
Acer Aspire V5 Touchscreen Laptop	6/30/2014	759.94	38.00
	ACCT # 1500	**$ 29,120.35**	
		ACCT # 1550	**$ 22,039.14**

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LAFCO of Monterey County
Accounts Payable Summary
As of June 30, 2014

Accounts Payable:

Vendor	Description	Date	Inv#	Amount
AT&T Mobility	Telephone Service 5/14/14-6/13/14	6/13/2014	287257567904x062114	$ 178.96
Copymat	Outside Printing	6/17/2014	68332	402.85
Corporate Express	Credit on Returned Supplies	6/17/2008	88070801	(43.97)
County of Monterey, Information Technology	Computer Support Services through 6/30/14	6/30/2014	Dept 812 P/E 6/30/14	750.67
County of Monterey, Information Technology	Armstrong Production Services-6/23 Meeting	6/30/2014		325.00
Earth Design ,Inc.	Staff Recruitment Interview on 6/20/14 -4 hrs @ $130/Hr	6/30/2014	0122-14	520.00
Hayashi Wayland, LLP	Accounting Services	6/30/2014	234598	3,000.00
Office of County Counsel- Co of Monterey	Legal Services for June 2014	6/30/2014	14-000173	402.86
Pitney Bowes	Credit on Returned Supplies	6/8/2014	80000-9090-0108-3604	(721.85)
Quality Water Enterprises, Inc.	Water Stand Rental and Water	6/20/2014	484389	19.46
SDRMA	2013-2014 W/C Balance Due	6/30/2014	7149/47881	2,586.17
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 5/18/14	5/21/2014	3391	209.44
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 5/25/14	5/29/2014	3433	281.44
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 6/1/14	6/5/2014	3482	189.81
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 6/8/14	6/12/2014	3526	297.80
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 6/15/14	6/19/2014	3579	196.35
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 6/22/14	6/26/2014	3635	523.61
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 6/29/14	6/30/2014	3694	533.42
Staples Advantage	Office Supplies	6/21/2014	3234666408	213.31
Staples Advantage	Office Supplies	6/24/2014	3234723076	7.43
Staples Advantage	Office Supplies	6/25/2014	3234796798	25.36
Staples Advantage	Office Supplies	6/26/2014	3234863327	2.59
Staples Advantage	Office Supplies	6/27/2014	3234927315	142.48
Staples Advantage	Office Supplies	6/30/2014	3235502903	172.86
Staples Advantage	Office Supplies	6/30/2014	3236261741	154.11
Sunrise Express	6/13/14 Binder Deliveries	6/30/2014	643362	212.58
Thom McCue	Mileage Reimbursement 4/1/14-6/30/14	6/30/2014	4/1/14-6/30/14	24.64
Rabobank Visa Card X6757	Office Supplies; Computer Equipment; Regional Meeting	6/30/2014		3,733.20
			ACCT # 2000	**$ 14,340.58**

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LAFCO of Monterey County
Accrued Leave Summary
As of June 30, 2014

Executive Officer and Analyst Positions:

Employee	Title	Total Hours of Accrued Annual Leave *	Hourly Rate	Annual Leave Book Value
Kate McKenna	Executive Director	456.41	76.31	$ 34,828.65
Darren McBain	Senior Analyst	49.00	39.15	1,918.35
				$ 36,747.00

Clerk / Administrative Secretary Position:

Employee	Accrued Sick Leave	Accrued Vacation **	Hourly Rate	Sick Leave Book Value	Vacation Book Value
Gail Lawrence	55.96	33.53	27.91	$ 1,561.84	$ 935.82

Annual Leave	$ 36,747.00
Sick Leave	1,561.84
Vacation	935.82
Compensatory Time***	755.48
ACCT # 2220	**$ 40,000.14**

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.

Draft

LAFCO of Monterey County
Detail of Encumbrances
As of June 30, 2014

Human Resources Encumbered Funds:

Subject	Date Paid/ Inv. No.	Add'l Funds Received/(Paid)	Remaining Balance
Contract Transfer*			$ 3,460.00
06-07 Budget Carryover		5,000.00	8,460.00
Fenton & Keller	10/04/07 Inv No. 60042	(1,233.00)	7,227.00
Fenton & Keller	4/30/07 Inv. No. 62165	(2,764.50)	4,462.50
07-08 Budget Carryover		400.00	4,862.50
08-09 Budget Carryover		500.00	5,362.50
09-10 Budget Carryover		500.00	5,862.50
Fenton & Keller	10/27/10 Inv No. 69698	(467.50)	5,395.00
10-11 Budget Carryover		500.00	5,895.00
11-12 Budget Carryover		500.00	6,395.00
12-13 Budget Carryover		500.00	6,895.00
		ACCT # 3710	**$ 6,895.00**

*RGS was replaced by Fenton & Keller in September 2007.
The original contract with RGS was for $10,000. The balance of $3,460 was transferred to Fenton & Keller on September 1, 2007.

Draft

LAFCO of Monterey County
Detail of Reserve for Litigation Account
As of June 30, 2014

Reserve for Litigation:

Date	Vendor/Description	Invoice #		Amount
	Beginning Balance as of 7/1/08		$	18,330.28
7/1/2008	08/09 Budget Amount			25,000.00
8/22/2008	Office of County Counsel-Co. of Monterey	08-000147		(564.69)
8/27/2008	Best, Best & Krieger	582486		(2,713.66)
10/14/2008	Best, Best & Krieger	586916		(390.00) *
2/19/2009	Best, Best & Krieger	596717		(2,106.00) *
3/13/2009	Best, Best & Krieger	598793		(19.50)
3/13/2009	Best, Best & Krieger	599174		(6,907.12) *
4/22/2009	Best, Best & Krieger	601472		(156.00)
5/26/2009	Best, Best & Krieger	603629		(175.50)
7/1/2009	09/10 Budget Amount			10,000.00
10/15/2009	Best, Best & Krieger	614071		(312.00)
7/1/2010	10/11 Budget Amount			30,000.00
6/30/2011	Transfer from Unreserved Fund			174,950.70
7/1/2011	11/12 Budget Amount			30,000.00
7/1/2012	12/13 Budget Amount			25,000.00
7/1/2013	13/14 Budget Amount			100.00
		ACCT # 3800	**$**	**300,036.51**

*The original invoice is greater than the amount stated above. This is the amount allocated to the litigation reserve. The remaining balance is allocated to general and special legal services.

Draft

LAFCO of Monterey County
Detail of Reserve for Contingency Account
As of June 30, 2014

Reserve for Contingency:

Date	Vendor/Description	Invoice #		Amount
	Beginning Balance as of 7/1/13		$	170,000.00
10/8/2013	Soledad Community Health Care District*			(13,221.00)
		ACCT # 3800	**$**	**156,779.00**

*The Executive Director of Lafco along with the Commission approved a one time contribution from the Contingency Reserve to go toward the 2013-2014 fees due from Soledad Community Health Care District. This was intended to provide short term relief from hardships of a sudden 200-fold increase as compared to previous years. The original amount invoiced was $13,722.00. Lafco received payment in the amount of $501.00.

Draft

AGENDA
ITEM
NO. 3

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: November 7, 2014

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **DRAFT FINANCIAL STATEMENTS FOR PERIOD ENDING SEPTEMBER 30, 2014**

SUMMARY OF RECOMMENDATION:

Recommend that this item be considered and accepted by the full Commission at the next regular LAFCO meeting of December 1, 2014.

EXECUTIVE OFFICER'S REPORT:

Enclosed are draft financial statements for the first quarter of the current fiscal year. The statements are subject to change based on any adjustments that may be made to the year-end financial statements dated June 30, 2014 (Agenda Item No. 2).

Overall revenue and expenditure levels are as anticipated for this period. Annual contributions have been received from all local agencies. Expenditures are at or under the expected levels.

Mr. Mike Briley, CPA, Managing Partner of Hayashi & Wayland, will join me in presenting this item.

Respectfully Submitted,

Kate McKenna

Kate McKenna, AICP
Executive Officer

Enclosure

Local Agency Formation Commission
of Monterey County
Financial Statements
September 30, 2014

Draft

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY

Draft

Table of Contents

Accountants' Compilation Report	1
Balance Sheets	2
Income and Expense Budget Performance – Summary	3
Income and Expense Budget Performance – Detail	4
Income and Expense by Month	5
Accounts Receivable Summary	6
Equipment Summary	7
Accounts Payable Summary	8
Accrued Leave Summary	9
Detail of Encumbrances	10
Detail of Reserve for Litigation Account	11
Detail of Reserve for Contingency Account	12

HAYASHI | WAYLAND

ACCOUNTANTS' COMPILATION REPORT

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

We have compiled the accompanying financial statements of the **Local Agency Formation Commission of Monterey County (LAFCO)** as of and for the three months ended September 30, 2014. We have not audited or reviewed the financial statements included in the accompanying prescribed form and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements included in the form prescribed by LAFCO and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist LAFCO in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The financial statements included in the accompanying prescribed form are presented in accordance with the requirements of LAFCO, which differ from accounting principles generally accepted in the United States of America. Accordingly, these financial statements are not designed for those who are not informed about such differences.

We are not independent with respect to **LAFCO**.

October 31, 2014

1188 PADRE DRIVE, SUITE 101, SALINAS, CA 93901 | PHONE: 831.759.6300 | FAX: 831.759.6380 | **HW-CPA.COM**
HAYASHI & WAYLAND ACCOUNTING & CONSULTING, LLP | LOCATIONS IN CARMEL, KING CITY, PASO ROBLES & SALINAS

LAFCO of Monterey County
Balance Sheets
September 30, 2014 and 2013

ASSETS

	ACCT #	2014	2013
CURRENT ASSETS:			
Cash Held in Rabobank:			
Rabobank Operating	1000	$ 196,870.03	$ 93,356.64
Total Cash Held in Rabobank		196,870.03	93,356.64
Cash Held in County Treasury:			
Cash Held for Operating Expenses	1010	718,993.10	661,250.83
Designated Cash for Reserve for Litigation	1012	300,036.51	300,036.51
Designated Cash for Accrued Leave	1013	42,069.81	40,484.56
Designated Cash for Post Retirement (GASB 45)	1014	9,968.00	9,084.00
Designated Cash for Reserve for Contingency	1015	156,779.00	170,000.00
Total Cash Held in County Treasury		1,227,846.42	1,180,855.90
Petty Cash	1100	100.00	100.00
Total Cash		1,424,816.45	1,274,312.54
Other Current Assets:			
Accounts Receivable - For Fiscal Yr Ending 6/14	1226	-	63,323.64
Accounts Receivable - For Fiscal Yr Ending 6/15	1227	5,230.80	-
Prepaid Insurance	1400	4,986.04	8,754.46
Prepaid Expenses	1405	2,241.98	2,241.98
Total Other Current Assets		12,458.82	74,320.08
Total Current Assets		1,437,275.27	1,348,632.62
PROPERTY AND EQUIPMENT:			
Equipment	1500	29,120.35	23,906.06
Accumulated Depreciation	1550	(22,737.14)	(20,800.65)
Total Property and Equipment		6,383.21	3,105.41
TOTAL ASSETS		$ 1,443,658.48	$ 1,351,738.03

LIABILITIES AND EQUITY

	ACCT #	2014	2013
CURRENT LIABILITIES:			
Accounts Payable	2000	$ 6,131.83	$ 15,582.07
Payroll Liabilities	2200	192.12	630.00
Accrued Leave	2220	42,069.81	40,484.56
Post Retirement (GASB 45)	2230	9,968.00	9,084.00
Total Current Liabilities		58,361.76	65,780.63
Total Liabilities		58,361.76	65,780.63
EQUITY:			
Invested in Capital Assets	3700	6,383.21	3,105.41
Encumbered Funds	3710	14,789.40	6,895.00
Reserve for Litigation	3800	300,036.51	300,036.51
Reserve for Contingency	3810	156,779.00	170,000.00
Unreserved Fund**	3850	907,308.60	805,920.48
Total Equity		1,385,296.72	1,285,957.40
TOTAL LIABILITIES AND EQUITY		$ 1,443,658.48	$ 1,351,738.03

**Includes revenue received in the current year to be used for operating expenses through 6/30/15

Draft

LAFCO of Monterey County
Income and Expense Budget Performance - Summary
September 30, 2014

ACCT #		Sept 14	Sept 13	% of Budget Received/ Spent Sept 14	July 14-Sept 14	July 13-Sept 13	Adopted 14/15 Budget	Remaining Budget Balance	% of Remaining Budget Balance
	Income:								
4000	Fees: Project	$ 3,000.00	$ -	30.00%	$ 6,750.00	$ 10,552.27	$ 10,000.00	$ (3,250.00)	-32.50%
4205	County Contributions	-	-	0.00%	249,367.00	250,164.00	249,367.00	-	0.00%
4210	City Contributions	-	-	0.00%	249,366.99	250,164.01	249,367.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	249,367.00	250,166.00	249,366.00	1.00	0.00%
4300	Interest	-	-	0.00%	-	-	1,500.00	(1,500.00)	-100.00%
	Total Income	3,000.00	-	0.39%	754,850.99	761,046.28	759,600.00	(4,749.01)	-0.63%
	Expense:								
VAR	Employee Salaries	28,666.50	28,212.70	6.84%	95,039.98	98,429.94	419,000.00	323,960.02	77.32%
VAR	Employee Benefits	9,933.32	14,243.65	5.37%	30,729.90	38,930.43	185,000.00	154,270.10	83.39%
7000	Postage and Shipping	158.77	387.03	5.29%	198.60	520.03	3,000.00	2,801.40	93.38%
7010	Books and Periodical	161.32	-	16.13%	399.32	238.00	1,000.00	600.68	60.07%
7030	Copy Machine	315.70	315.70	4.86%	1,499.58	917.54	6,500.00	5,000.42	76.93%
7040	Outside Printers	-	269.49	0.00%	-	877.01	5,000.00	5,000.00	100.00%
7060	Office Supplies	567.74	180.06	12.62%	1,109.16	1,170.93	4,500.00	3,390.84	75.35%
7080	Computer Hardware/Peripherals	171.16	-	6.85%	497.69	-	2,500.00	2,002.31	80.09%
7085	Computer Support Svcs Fixed Costs	-	1,298.34	0.00%	-	1,298.34	7,500.00	7,500.00	100.00%
7090	Computer Support Svcs Variable Costs	-	600.00	0.00%	-	600.00	6,000.00	6,000.00	100.00%
7100	Computer Software	-	-	0.00%	161.93	-	500.00	338.07	67.61%
7105	Meeting Broadcast Services	-	-	0.00%	-	-	3,300.00	3,300.00	100.00%
7110	Property and Gen Liability Insurance	422.30	341.14	7.97%	1,266.90	1,023.42	5,300.00	4,033.10	76.10%
7120	Office Maintenance Services	-	-	0.00%	-	-	400.00	400.00	100.00%
7140	Travel	-	4,285.95	0.00%	-	5,671.41	7,000.00	7,000.00	100.00%
7145	CaLafco Travel Expenses	-	1.59	0.00%	-	-	-	-	0.00%
7150	Training, Conferences & Workshops	-	80.12	0.00%	80.12	4,255.19	8,500.00	8,419.88	99.06%
7160	Vehicle Mileage	-	501.49	0.00%	-	501.49	2,000.00	2,000.00	100.00%
7170	Rental of Buildings	1,926.28	1,926.28	8.27%	5,778.84	5,778.84	23,300.00	17,521.16	75.20%
7200	Telephone Communications	427.50	650.40	7.13%	2,123.83	1,202.24	6,000.00	3,876.17	64.60%
7230	Temporary Help Services (Clerical)	-	-	0.00%	-	-	2,000.00	2,000.00	100.00%
7242	Outside Prof. Services: Accounting	3,000.00	3,000.00	8.00%	6,000.00	6,000.00	37,500.00	31,500.00	84.00%
7245	General and Special Legal Services	-	414.96	0.00%	-	414.96	11,500.00	11,500.00	100.00%
7248	Outside Prof. Services: Annual Audit	5,000.00	5,000.00	38.46%	5,000.00	5,000.00	13,000.00	8,000.00	61.54%
7250	Miscellaneous Office Expense	19.46	143.73	3.24%	52.21	371.52	600.00	547.79	91.30%
7260	Legal Notices	236.25	-	5.91%	236.25	645.69	4,000.00	3,763.75	94.09%
7280	LAFCO Memberships	-	-	0.00%	3,158.00	3,111.00	4,700.00	1,542.00	32.81%
7285	Records Storage & Security	1,154.00	785.40	11.54%	2,898.00	2,801.26	10,000.00	7,102.00	71.02%
7300	Depreciation	231.00	117.00	0.00%	698.00	349.00	-	(698.00)	0.00%
	Total Expense	52,391.30	62,755.03	6.72%	156,928.31	180,108.24	779,600.00	622,671.69	79.87%
	Net Ordinary Income (Loss)	(49,391.30)	(62,755.03)		597,922.68	580,938.04	(20,000.00)		
	Other Income/(Expense):								
8110	From Unreserved Funds	-	-		-	-	20,000.00		
8112	Encumbered Funds: Recruitment Advertising	(180.00)	-		(755.00)	-	-		
	Total Other Income/(Expense)	(180.00)	-		(755.00)	-	20,000.00		
	Net Income (Loss)	$ (49,571.30)	$ (62,755.03)		$ 597,167.68	$ 580,938.04	$ -		

Draft

See Accountants' Compilation Report

LAFCO of Monterey County
Income and Expense Budget Performance - Detail
September 30, 2014

ACCT #		Sept 14	Sept 13	% of Budget Received/ Spent Sept 14	July 14-Sept 14	July 13-Sept 13	Adopted 14/15 Budget	Remaining Budget Balance	% of Remaining Budget Balance
	Income:								
4000	Fees: Project	$ 3,000.00	$ -	30.00%	$ 6,750.00	$ 10,552.27	$ 10,000.00	$ (3,250.00)	-32.50%
4205	County Contributions	-	-	0.00%	249,367.00	250,164.00	249,367.00	-	0.00%
4210	City Contributions	-	-	0.00%	249,366.99	250,164.01	249,367.00	(0.01)	0.00%
4220	District Contributions	-	-	0.00%	249,367.00	250,166.00	249,366.00	1.00	0.00%
4300	Interest	-	-	0.00%	-	-	1,500.00	(1,500.00)	-100.00%
	Total Income	3,000.00	-	0.39%	754,850.99	761,046.28	759,600.00	(4,749.01)	-0.63%
	Expense:								
6000	Employee Salaries-Other	-	-		-	4,000.01			
6002	Regular Earnings	28,666.50	28,212.70		95,039.98	94,429.93			
	Employee Salaries	28,666.50	28,212.70	6.84%	95,039.98	98,429.94	419,000.00	323,960.02	77.32%
6006	Flex Plan Cash	270.06	270.06		810.18	824.83			
6007	Management Expense Allowance	50.00	50.00		150.00	150.00			
6010	Accrued Leave	1,216.59	2,216.29		2,069.67	1,051.92			
6011	Car Allowance	400.00	400.00		1,200.00	1,200.00			
6101	Payroll Expenses	444.90	591.66		1,473.20	2,367.65			
6102	Worker's Compensation Insurance	129.33	616.66		388.00	2,127.17			
6103	Employee Memberships	-	-		718.00	718.00			
6104	Deferred Comp Plan Contribution	1,561.58	1,749.18		5,222.22	5,854.62			
6105	PERS Retirement	2,435.84	3,205.78		8,399.31	11,131.47			
6110	PERS Health - Other	13.25	36.03		39.36	51.11			
6111	PERS Health - Med ER Non-Elective	476.00	575.00		1,428.00	1,380.00			
6112	PERS Health - Med ER Pre Tax	2,191.97	2,778.77		6,575.91	8,461.44			
6131	LIFE	71.40	285.60		214.20	428.40			
6132	ADD	12.00	48.00		36.00	72.00			
6133	Dental	321.41	657.54		964.23	1,537.76			
6134	Vision	36.84	77.34		110.52	175.78			
6135	LTD	227.23	541.40		701.29	1,082.80			
6136	EAP	26.80	26.80		80.40	80.40			
6139	STD	48.12	117.54		149.41	235.08			
	Employee Benefits	9,933.32	14,243.65	5.37%	30,729.90	38,930.43	185,000.00	154,270.10	83.39%
7000	Postage and Shipping	158.77	387.03	5.29%	198.60	520.03	3,000.00	2,801.40	93.38%
7010	Books and Periodical	161.32	-	16.13%	399.32	238.00	1,000.00	600.68	60.07%
7030	Copy Machine	315.70	315.70	4.86%	1,499.58	917.54	6,500.00	5,000.42	76.93%
7040	Outside Printers	-	269.49	0.00%	-	877.01	5,000.00	5,000.00	100.00%
7060	Office Supplies	567.74	180.06	12.62%	1,109.16	1,170.93	4,500.00	3,390.84	75.35%
7080	Computer Hardware/Peripherals	171.16	-	6.85%	497.69	-	2,500.00	2,002.31	80.09%
7085	Computer Support Svcs Fixed Costs	-	1,298.34	0.00%	-	1,298.34	7,500.00	7,500.00	100.00%
7090	Computer Support Svcs Variable Costs	-	600.00	0.00%	-	600.00	6,000.00	6,000.00	100.00%
7100	Computer Software	-	-	0.00%	161.93	-	500.00	338.07	67.61%
7105	Meeting Broadcast Services	-	-	0.00%	-	-	3,300.00	3,300.00	100.00%
7110	Property and Gen Liability Insurance	422.30	341.14	7.97%	1,266.90	1,023.42	5,300.00	4,033.10	76.10%
7120	Office Maintenance Services	-	-	0.00%	-	-	400.00	400.00	100.00%
7140	Travel	-	4,285.95	0.00%	-	5,671.41	7,000.00	7,000.00	100.00%
7145	CaLafco Travel Expenses	-	1.59	0.00%	-	-	-	-	0.00%
7150	Training, Conferences & Workshops	-	80.12	0.00%	80.12	4,255.19	8,500.00	8,419.88	99.06%
7160	Vehicle Mileage	-	501.49	0.00%	-	501.49	2,000.00	2,000.00	100.00%
7170	Rental of Buildings	1,926.28	1,926.28	8.27%	5,778.84	5,778.84	23,300.00	17,521.16	75.20%
7200	Telephone Communications	427.50	650.40	7.13%	2,123.83	1,202.24	6,000.00	3,876.17	64.60%
7230	Temporary Help Services (Clerical)	-	-	0.00%	-	-	2,000.00	2,000.00	100.00%
7242	Outside Prof. Services: Accounting	3,000.00	3,000.00	8.00%	6,000.00	6,000.00	37,500.00	31,500.00	84.00%
7245	General and Special Legal Services	-	414.96	0.00%	-	414.96	11,500.00	11,500.00	100.00%
7248	Outside Prof. Services: Annual Audit	5,000.00	5,000.00	38.46%	5,000.00	5,000.00	13,000.00	8,000.00	61.54%
7250	Miscellaneous Office Expense	19.46	143.73	3.24%	52.21	371.52	600.00	547.79	91.30%
7260	Legal Notices	236.25	-	5.91%	236.25	645.69	4,000.00	3,763.75	94.09%
7280	LAFCO Memberships	-	-	0.00%	3,158.00	3,111.00	4,700.00	1,542.00	32.81%
7285	Records Storage & Security	1,154.00	785.40	11.54%	2,898.00	2,801.26	10,000.00	7,102.00	71.02%
7300	Depreciation	231.00	117.00	0.00%	698.00	349.00	-	(698.00)	0.00%
	Total Expense	52,391.30	62,755.03	6.72%	156,928.31	180,108.24	779,600.00	622,671.69	79.87%
	Net Ordinary Income (Loss)	(49,391.30)	(62,755.03)		597,922.68	580,938.04	(20,000.00)		
	Other Income/(Expense):								
8110	From Unreserved Funds	-	-		-	-	20,000.00		
8112	Encumbered Funds: Recruitment Advertising	(180.00)	-		(755.00)	-	-		
	Total Other Income/(Expense)	(180.00)	-		(755.00)	-	20,000.00		
	Net Income (Loss)	$ (49,571.30)	$ (62,755.03)		$ 597,167.68	$ 580,938.04	$ -		

Draft

See Accountants' Compilation Report

LAFCO of Monterey County
Income and Expense by Month
September 30, 2014

	July 14	Aug 14	Sept 14	Total
Ordinary Income/Expense				
Income:				
4000 · Fees: Project	$ -	$ 3,750.00	$ 3,000.00	$ 6,750.00
4205 · County Contributions	249,367.00	-	-	249,367.00
4210 · City Contributions	249,366.99	-	-	249,366.99
4220 · District Contributions	249,367.00	-	-	249,367.00
Total Income	748,100.99	3,750.00	3,000.00	754,850.99
Expense:				
6000 · Employee Salaries	25,950.44	40,423.04	28,666.50	95,039.98
6100 · Employee Benefits	9,191.20	11,605.38	9,933.32	30,729.90
7000 · Postage and Shipping	-	39.83	158.77	198.60
7010 · Books and Periodical	238.00	-	161.32	399.32
7030 · Copy Machine	315.70	868.18	315.70	1,499.58
7060 · Office Supplies	92.57	448.85	567.74	1,109.16
7080 · Computer Hardware/Peripherals	155.37	171.16	171.16	497.69
7100 · Computer Software	81.95	79.98	-	161.93
7110 · Property and Gen Liability Insurance	422.30	422.30	422.30	1,266.90
7150 · Training, Conferences & Workshops	-	80.12	-	80.12
7170 · Rental of Buildings	1,926.28	1,926.28	1,926.28	5,778.84
7200 · Telephone Communications	149.36	1,546.97	427.50	2,123.83
7242 · Outside Prof. Services: Accounting	-	3,000.00	3,000.00	6,000.00
7248 · Outside Prof. Services: Annual Audit	-	-	5,000.00	5,000.00
7250 · Miscellaneous Office Expense	12.00	20.75	19.46	52.21
7260 · Legal Notices	-	-	236.25	236.25
7280 · LAFCO Memberships	3,158.00	-	-	3,158.00
7285 · Records Storage & Security	1,152.00	592.00	1,154.00	2,898.00
7300 · Depreciation	232.00	235.00	231.00	698.00
8112 · Encumbered Funds: Recruitment Advertising	575.00	-	180.00	755.00
Total Expense	43,652.17	61,459.84	52,571.30	157,683.31
Net Income/(Loss)	**$ 704,448.82**	**$ (57,709.84)**	**$ (49,571.30)**	**$ 597,167.68**

See Accountants' Compilation Report

Draft

LAFCO of Monterey County
Accounts Receivable Summary
As of September 30, 2014

Accounts Receivable-For Fiscal Year Ending 6/2015:

Description	Date		Amount
Greenfield	7/1/14	$	4,595.80
Mission-Soledad FPD	7/1/14		290.00
Monterey Co. Resource Conservation	7/1/14		9.00
Spreckels Memorial District	7/1/14		336.00
	ACCT # 1227	**$**	**5,230.80**

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LAFCO of Monterey County
Equipment Summary
As of September 30, 2014

Equipment and Accumulated Depreciation:

Description	Date In Service	Cost	Amount Depreciated
Computer Equipment	10/24/2005	$ 6,749.91	$ 6,749.91
Dell Computer System	6/1/2006	2,268.22	2,268.22
Credenza	9/1/2006	516.20	516.20
Computer Equipment	9/20/2006	3,120.20	3,120.20
Bill Quick Basic Software	8/17/2007	565.00	565.00
Adobe Systems, Inc. Software	1/18/2008	399.00	399.00
HP Compaq DC 9700 Computer	6/23/2009	975.49	975.49
Microsoft Office Pro 2010 Software	6/30/2010	2,041.24	2,041.24
Acrobat V.9 Computer Software	6/30/2010	445.88	445.88
Ergonomic Chair	6/29/2010	502.51	383.00
ThinkPad W510 Laptop	6/30/2010	2,146.73	1,989.00
SNAP OUT Telephone System	7/28/2010	2,185.00	1,645.00
Apple Mbair 13.3 CTO Laptop	6/14/2013	1,990.68	969.00
Microsoft Office Plus 2013 Software	6/16/2014	1,412.00	157.00
Adobe Acrobat XI Pro Software	6/16/2014	1,128.00	125.00
Apple Mbair 13.3 CTO Laptop	6/27/2014	1,914.35	278.00
Acer Aspire V5 Touchscreen Laptop	6/30/2014	759.94	110.00
	ACCT # 1500	**$ 29,120.35**	
		ACCT # 1550	**$ 22,737.14**

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LAFCO of Monterey County
Accounts Payable Summary
As of September 30, 2014

Accounts Payable:

Vendor	Description	Date	Inv#	Amount
AT&T Mobility	Telephone Expense 8/14/14-9/13/14	9/13/2014	8/14/14-9/13/14	$ 276.88
Bianchi, Kasavan & Pope, LLP	Progress Billing #1 Audit Services 2014-2015	9/30/2014	181420	5,000.00
Corporate Express	Credit on Returned Supplies	6/17/2008	88070801	(43.97)
Monterey County Herald	24 Week Subscription	9/24/2014		161.32
Pitney Bowes	Credit on Returned Supplies	6/8/2014	80000-9090-0108-3604	(721.85)
Quality Water Enterprises, Inc.	Water Stand Rental and Water	9/20/2014	484389	19.46
SlingShot Connections	Temp Services: Jimenez, Alma for W/E 9/21/14	9/24/2014	4372	636.00
Staples Advantage	Office Supplies	9/24/2014	3243314224	395.01
The Salinas Californian	Notice of Public Hearings 9/1/14-9/28/14	9/28/2014	2845744	236.25
Rabobank Visa Card X6757	Chair from Staples Advantage	9/23/2014		172.73
			ACCT # 2000	**$ 6,131.83**

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See Accountants' Compilation Report

LAFCO of Monterey County
Accrued Leave Summary
As of September 30, 2014

Executive Officer and Analyst Positions:

Employee	Title	Total Hours of Accrued Annual Leave *	Hourly Rate	Annual Leave Book Value
Kate McKenna	Executive Director	482.58	77.84	$ 37,564.03
Darren McBain	Senior Analyst	11.40	39.15	446.31
				$ 38,010.34

Clerk / Administrative Secretary Position:

Employee	Accrued Sick Leave	Accrued Vacation **	Hourly Rate	Sick Leave Book Value	Vacation Book Value
Gail Lawrence	59.02	59.36	27.91	$ 1,647.25	$ 1,656.74

Annual Leave	$ 38,010.34
Sick Leave	1,647.25
Vacation	1,656.74
Compensatory Time***	755.48
ACCT # 2220	**$ 42,069.81**

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.

See Accountants' Compilation Report

LAFCO of Monterey County
Detail of Encumbrances
As of September 30, 2014

Encumbered Funds:

Subject	Date Paid/ Inv. No.	Funds Received/(Paid)
Human Resources Encumbered Funds:		
Contract Transfer*		$ 3,460.00
06-07 Budget Carryover		5,000.00
Fenton & Keller	10/04/07 Inv No. 60042	(1,233.00)
Fenton & Keller	4/30/07 Inv. No. 62165	(2,764.50)
07-08 Budget Carryover		400.00
08-09 Budget Carryover		500.00
09-10 Budget Carryover		500.00
Fenton & Keller	10/27/10 Inv. No. 69698	(467.50)
10-11 Budget Carryover		500.00
11-12 Budget Carryover		500.00
12-13 Budget Carryover		500.00
		6,895.00
Computer Support Svc Variable Encumbered Funds:		
13-14 Budget Carryover		5,470.00
		5,470.00
Recruitment Advertising Encumbered Funds:		
13-14 Budget Carryover		3,179.40
ID Concepts, LLC	7/7/2014	(115.00)
Hardee Investigations	7/15/14 Inv. No. LAFCO-01	(460.00)
Hardee Investigations	9/11/14 Inv. No. LAFCO-02	(180.00)
		2,424.40
	ACCT # 3710	**$ 14,789.40**

*RGS was replaced by Fenton & Keller in September 2007.
The original contract with RGS was for $10,000. The balance of $3,460 was transferred to Fenton & Keller on September 1, 2007.

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LAFCO of Monterey County
Detail of Reserve for Litigation Account
As of September 30, 2014

Reserve for Litigation:

Date	Vendor/Description	Invoice #		Amount
	Beginning Balance as of 7/1/08		$	18,330.28
7/1/2008	08/09 Budget Amount			25,000.00
8/22/2008	Office of County Counsel-Co. of Monterey	08-000147		(564.69)
8/27/2008	Best, Best & Krieger	582486		(2,713.66)
10/14/2008	Best, Best & Krieger	586916		(390.00) *
2/19/2009	Best, Best & Krieger	596717		(2,106.00) *
3/13/2009	Best, Best & Krieger	598793		(19.50)
3/13/2009	Best, Best & Krieger	599174		(6,907.12) *
4/22/2009	Best, Best & Krieger	601472		(156.00)
5/26/2009	Best, Best & Krieger	603629		(175.50)
7/1/2009	09/10 Budget Amount			10,000.00
10/15/2009	Best, Best & Krieger	614071		(312.00)
7/1/2010	10/11 Budget Amount			30,000.00
6/30/2011	Transfer from Unreserved Fund			174,950.70
7/1/2011	11/12 Budget Amount			30,000.00
7/1/2012	12/13 Budget Amount			25,000.00
7/1/2013	13/14 Budget Amount			100.00
		ACCT # 3800	**$**	**300,036.51**

*The original invoice is greater than the amount stated above. This is the amount allocated to the litigation reserve. The remaining balance is allocated to general and special legal services.

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LAFCO of Monterey County
Detail of Reserve for Contingency Account
As of September 30, 2014

Reserve for Contingency:

Date	Vendor/Description	Invoice #		Amount
	Beginning Balance as of 7/1/13		$	170,000.00
10/8/2013	Soledad Community Health Care District*			(13,221.00)
		ACCT # 3800	**$**	**156,779.00**

*The Executive Director of Lafco along with the Commission approved a one time contribution from the Contingency Reserve to go toward the 2013-2014 fees due from Soledad Community Health Care District. This was intended to provide short term relief from hardships of a sudden 200-fold increase as compared to previous years. The original amount invoiced was $13,722.00. Lafco received payment in the amount of $501.00.

Draft

AGENDA
ITEM
NO. 4

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: November 7, 2014

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **PROFIT AND LOSS ACTUAL VS. BUDGET REPORT, OCTOBER 24, 2014**

SUMMARY OF RECOMMENDATION:

This item is for information only.

EXECUTIVE OFFICER'S REPORT:

Enclosed is the Profit and Loss Actual vs. Budget Report dated October 24, 2014. Mr. Mike Briley, CPA, Managing Partner, Hayashi & Wayland, will assist in presenting this information item.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer

Enclosure

AGENDA
ITEM
NO. 5

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
P.O. Box 1369 132 W. Gabilan Street, Suite 102
Salinas, CA 93902 Salinas, CA 93901
Telephone (831) 754-5838 Fax (831) 754-5831
www.monterey.lafco.ca.gov

KATE McKENNA, AICP
Executive Officer

DATE: November 7, 2014

TO: Budget and Finance Committee

FROM: Kate McKenna, AICP, Executive Officer

SUBJECT: **BUDGET AMENDMENT NO. 1 FOR FY 2014-2015**

SUMMARY OF RECOMMENDATION:

Recommend that the Local Agency Formation Commission approve a Resolution to:

1. Adopt Amendment No. 1 to the Fiscal Year 2014-2015 Budget, to transfer $5,000 from Line Item 7245 (General Legal Services) to Line Item 7230 (Temporary Help Services – Clerical), with no net change to the overall budget.

EXECUTIVE OFFICER'S REPORT:

The proposed budget amendment will supplement the available funds for a vendor to provide part-time, temporary clerical services to the LAFCO office.

The current adopted budget includes line item funding for temporary clerical help ($2,000) and records archiving ($10,000). Together, these funds enable the hiring of an entry-level clerk on a one to two days-per-week basis, through a vendor. The needs of this office are for more experienced clerical assistance. The proposed amendment will fund a higher hourly pay rate for skilled temporary help, but will not fund additional hours.

Temporary help services are used for records management, records archiving, agenda packet preparation, large mail-outs, and other administrative functions. The fulltime Clerk to the Commission position regularly incurs overtime in each pay period. Clerical staffing needs will be addressed as part of the next annual budget preparation cycle in 2015.

Fiscal Impact

The proposed amendment will add $5,000 to this year's budgeted line item for temporary clerical assistance. It can be accomplished by moving funds out of the General Legal Services line item, with no overall net change to the adopted budget. Please refer to the enclosed worksheet.

Sincerely,

Kate McKenna

Kate McKenna, AICP,
Executive Officer

Enclosure

LOCAL AGENCY FORMATION COMMISSION OF MONTEREY COUNTY
PRELIMINARY BUDGET WORKSHEET - AMENDMENT NO. 1
FISCAL YEAR 2014-2015
Nov. 7, 2014

		Adopted Budget Fiscal Year 2014-15	Proposed Budget Amendment No. 1	Proposed Amended Budget FY 2014-15
6000	Employee Salaries	$ 419,000.00	$ -	$ 419,000.00
6100	Employee Benefits	$ 185,000.00		$ 185,000.00
	2220-Accrued Leave Reserve	$ -	$ -	$ -
	2230-Post-Retirement Healthcare Obligation Reserve	$ -	$ -	$ -
2001	Litigation Settlement Agreement Costs	$ -	$ -	$ -
7000	Postage and Shipping	$ 3,000.00	$ -	$ 3,000.00
7010	Books and Periodicals	$ 1,000.00	$ -	$ 1,000.00
7030	Copy Machine Charges	$ 6,500.00		$ 6,500.00
7040	Outside Printers	$ 5,000.00	$ -	$ 5,000.00
7060	Office Supplies	$ 4,500.00	$ -	$ 4,500.00
7070	Office Equipment and Furnishings	$ -	$ -	$ -
7080	Computer/Hardware/Peripherals	$ 2,500.00	$ -	$ 2,500.00
7085	Computer Support Services (Fixed Costs)	$ 7,500.00	$ -	$ 7,500.00
7090	Computer Support Services (Variable Costs)	$ 6,000.00		$ 6,000.00
7100	Computer Software	$ 500.00	$ -	$ 500.00
7105	Meeting Broadcast Services	$ 3,300.00	$ -	$ 3,300.00
7110	Property and General Liability Insurance	$ 5,300.00	$ -	$ 5,300.00
7120	Office Maintenance Services	$ 400.00	$ -	$ 400.00
7130	Other Equipment Maintenance	$ -	$ -	$ -
7140	Travel	$ 7,000.00	$ -	$ 7,000.00
7145	CALAFCO Travel Expenses	$ -	$ -	$ -
7150	Training, Conferences and Workshops	$ 8,500.00	$ -	$ 8,500.00
7160	Vehicle Mileage	$ 2,000.00	$ -	$ 2,000.00
7170	Rental of Buildings	$ 23,300.00	$ -	$ 23,300.00
7200	Telephone Communications	$ 6,000.00	$ -	$ 6,000.00
7230	Temporary Help Services (Clerical)	$ 2,000.00	$ 5,000.00	$ 7,000.00
7240	Outside Professional Services - Total for Line Items 7242 - 7249	$ 62,000.00	$ -	$ 57,000.00
	7242 Accounting and Financial Services	37,500	$ -	$ 37,500.00
	7245 General Counsel and Special Counsel	$ 11,500.00	($5,000)	$ 6,500.00
	7247 Human Resources	$ -	$ -	$ -
	7248 Annual Audit	$ 13,000.00	$ -	$ 13,000.00
	7249 Temporary In-House Professional Services	$ -	$ -	$ -
7250	Miscellaneous Office Expenses	$ 600.00	$ -	$ 600.00
7260	Legal Notices	$ 4,000.00	$ -	$ 4,000.00
7261	Pass-Through Expenses	$ -	$ -	$ -
7270	Recruitment Advertising	$ -		
7280	LAFCO Memberships	$ 4,700.00	$ -	$ 4,700.00
7290	Litigation Reserve		$ -	
XXXX	Records Storage and Security	$ 10,000.00		$ 10,000.00
7295	Contingency Reserve	$ -	$ -	$ -
	SUB TOTAL EXPENDITURES (see Note 1)	$ 779,600.00	$ -	$ 779,600.00
	LESS PASS-THROUGH EXPENSES (Acct. 7261)	-	$ -	
	TOTAL EXPENDITURES (NET) (see Note 1)	779.600.00	$ -	$ 779,600.00