



**Monterey Bay Air Resources District  
BUDGET/PERSONNEL/NOMINATING  
COMMITTEE MEETING AGENDA**

**CHRIS LOPEZ, CHAIR**

**WEDNESDAY, DECEMBER 18, 2024 – 12:30 P.M.**

**24580 Silver Cloud Court, 3<sup>rd</sup> Floor, Monterey, CA 93940**

***\*Lunch will be provided for the Committee and presenting staff\****

**ZOOM MEETING OPTION FOR PUBLIC**

Link to meeting: <https://us02web.zoom.us/j/89435522550>

Webinar ID: 894 3552 2550

By Phone (audio only; Webinar ID required): 1-669-900-6833

Members of the public that wish to participate in the meeting may do so by joining the Zoom Webinar ID, attending in-person at 24580 Silver Cloud Ct. Monterey, or attending in-person at remote teleconference locations when listed above. Should you have any questions, please contact Sirie Thongchua, Executive Assistant, at (831) 718-8028 or by email at [sirie@mbard.org](mailto:sirie@mbard.org).

**To Provide Public Comment via Zoom teleconference/video conference:** During the live meeting verbal public comments may be made by members of the public joining the meeting via Zoom. Use the “raise hand” feature (for those joining by phone, press \*9 to “raise hand”) during the public comment period for the agenda item you wish to address. Members of the public participating via Zoom will be muted during the meeting and may be unmuted to speak during public comment after requesting and receiving recognition by the Chair. Please clearly state your full name for the record at the start of your public comment.

**To Submit Public Comment Before the Meeting:** Persons who wish to address the Committee for public comment of an item not on the agenda are encouraged to submit comments in writing to Sirie Thongchua, Executive Assistant, at [sirie@mbard.org](mailto:sirie@mbard.org) by 5:00 p.m. on Tuesday, December 17, 2024. Comments received will be distributed to the Committee prior to the meeting.

## SUMMARY OF ACTIONS

1. Call to Order – **The meeting was called to order by Chair Lopez at 12:37 p.m.**
2. Roll Call
  - a. **Present:** Mary Adams, Mary Ann Carbone, Kollin Kosmicki, Mike LeBarre, Chris Lopez. Felipe Hernandez (Budget & Personnel Committee Alternate) and Luis Alejo (Alternate for Wendy Askew) joined the meeting following Agenda Item #6.
  - b. AB 2449 Remote Participation
    - Vice Chair Kosmicki participated remotely in accordance with AB 2449 using the Just Cause provision and explained briefly why he could not attend in person.
    - Chair Lopez asked Vice Chair Kosmicki to address questions regarding teleconferencing participation.
3. Public Comment – **None.**

### CONSENT AGENDA

**Motion:** Approve items on the Consent Agenda. **Action:** Approve. **Moved by** Mary Adams, **Seconded by** Mary Ann Carbone. **Vote:** Motion carried unanimously by roll call vote. **(Summary: Yes = 5).**  
**Yes:** Mary Adams, Mary Ann Carbone, Kollin Kosmicki, Mike LeBarre, Chris Lopez.

4. **Accepted and Filed** Summary of Actions for the MBARD Budget/Personnel/Nominating Committee Meeting of October 16, 2024

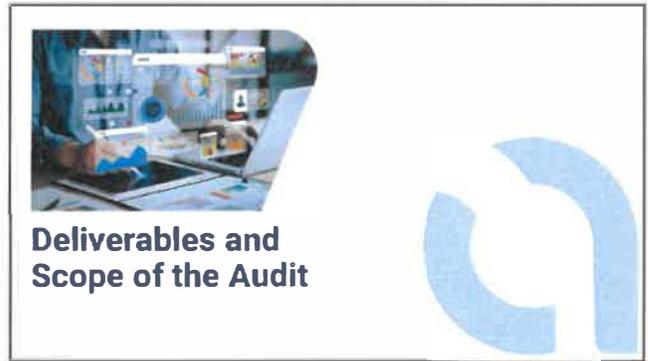
### REGULAR AGENDA

5. **Received** Monterey County Treasurer’s Report of Investments for the Quarter Ended September 30, 2024
6. **Received** Report on Other Post Employment Benefits (OPEB) Trust and Pension Trust Accounts for the Quarter Ended September 30, 2024
7. **Received** Draft Financial Statements and Independent Audit Report for the Year Ended June 30, 2024, Prepared by Badawi & Associates and **Recommended** Acceptance by the Board of Directors  
*Recommended Action: Receive draft Financial Statements and Independent Audit Report as prepared by Badawi & Associates for the fiscal year ended June 30, 2024, and recommend acceptance by the Board of Directors.*
8. Order for Adjournment – **The meeting adjourned at 1:14 p.m.**

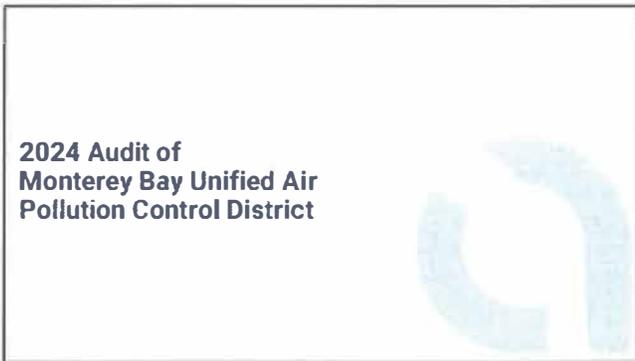
Sirie Thongchua  
Executive Assistant



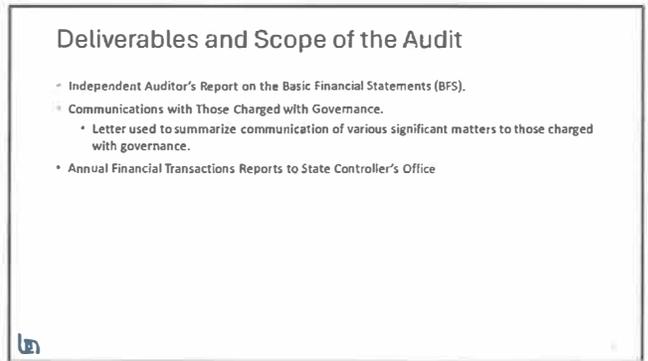
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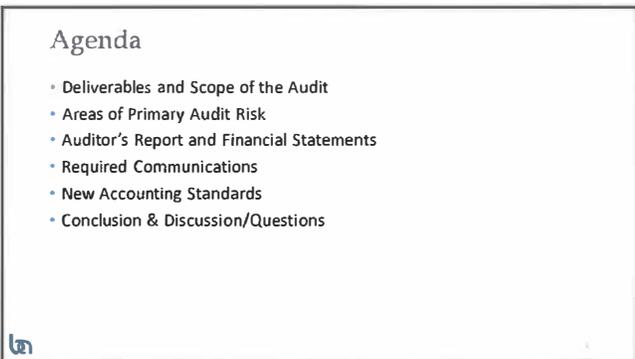
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# Agenda Item No. 6

## Areas of Primary Audit Risk

The risk of management override of controls is addressed by the following procedures:

- Assignment of audit staff based on consideration of audit risk.
- Procedures to incorporate an element of unpredictability in the audit from period to period.
- Consideration of the selection and application of significant accounting principles.
- Examination of journal entries.
- Review of accounting estimates for bias.
- Evaluation of business rationale for unusual transactions.
- Evaluation of the appropriateness of fraud-related inquiries performed.

Revenues & Receivables – Improper Revenue Recognitions.

- Testing of license, permits, DMV surcharges and fees
- Reviewing reconciliation of grant revenues



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## Government-Wide Financial Statements

### Assets and Deferred Outflows of Resources



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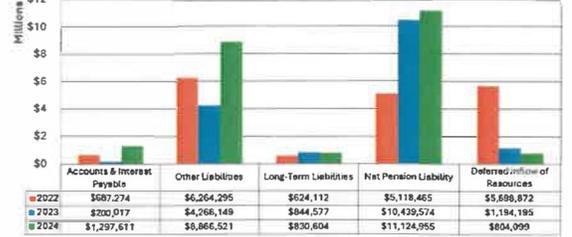


## Auditor's Report and Financial Statements

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## Government-Wide Financial Statements

### Liabilities and Deferred Inflows of Resources



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## Auditor's Report

### Auditing Standards

- Audit performed in accordance with Generally Accepted Auditing Standards

### Unmodified opinion

- Financial statements are fairly presented in all material respects
- Significant accounting policies have been consistently applied
- Estimates are reasonable
- Disclosures are properly reflected in the financial statements



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## Government-Wide Financial Statements

### Net Position



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### General Fund

#### Expenditure Coverage

	2022	2023	2024
Unrestricted Fund Revenues	\$ 8,106,018	\$ 8,138,736	\$ 8,089,255
Total Expenditures	\$ 10,216,005	\$ 9,632,997	\$ 10,640,667
Unrestricted Net Position as % of Total Expenditures	79.32%	84.41%	81.92%
Number of months	10	10	10

AICPA recommendation: **3.4**

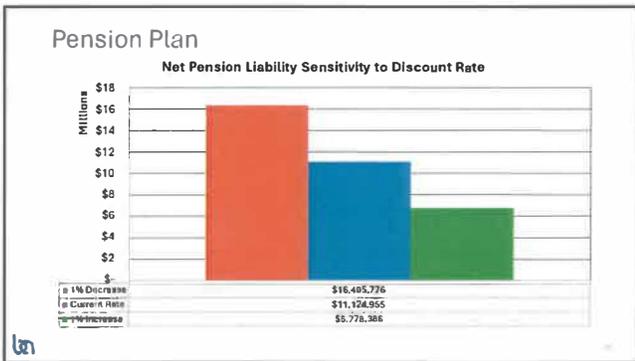
Measure of District's ability to operate with no revenues using available fund balances.

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## Required Communications

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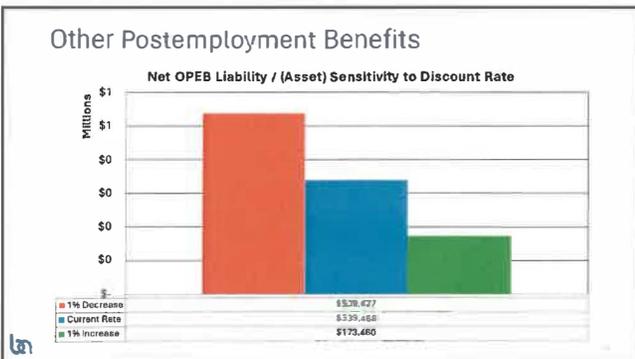


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### Required Communications

Auditor's Responsibilities	Management's Responsibilities
Opinion on whether financial statements are fairly stated in accordance with U.S. GAAP	Management is responsible for the financial statements
Evaluate internal control over financial reporting included tone at the top	Establish and maintain internal control over financial reporting
Evaluate compliance with laws, contracts, and grants	Making all financial records available to us
Ensure financial statements are clear and transparent	Establish internal control to prevent and detect fraud
Communicate with the governing body	Inform us of all known and suspected fraud
	Comply with laws and regulations
	Take corrective action on audit findings

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### Required Communications

<b>Independence</b> <ul style="list-style-type: none"> <li>It is our responsibility to maintain independence</li> <li>We will maintain our independence by strict adherence to the AICPA and the Board of Accountancy rules and regulations</li> <li>No services performed that could affect our independence other than preparing the financial statements.</li> </ul>
<b>Timing of the Audit</b> <ul style="list-style-type: none"> <li>Within the time frame communicated in our engagement letter.</li> </ul>
<b>Significant Accounting Policies and Unusual Transactions</b> <ul style="list-style-type: none"> <li>The District adopted the following new pronouncements during the year:                             <ul style="list-style-type: none"> <li>GASB Statement No. 100 – Accounting Changes and Error Corrections</li> </ul> </li> </ul>

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## Agenda Item No. 6

### Required Communications

- Management Judgment and Accounting Estimates**
  - Capital assets depreciation and useful life
  - Pension and OPEB related estimates
- Difficulties Encountered in Performing the Audit**
  - No difficulties encountered
- Significant Audit Adjustments and Unadjusted Differences**
  - Management has posted all proposed audit adjustments.
- Deficiencies in Internal Control over Financial Reporting**
  - No material weaknesses identified during our audit.



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### New Accounting Standards

- 2025**
  - GASB Statement No. 101 – Compensated Absences
  - GASB Statement No. 102 – Certain Risk Disclosures
- 2026**
  - GASB Statement No. 103 – Financial Reporting Model Improvements
  - GASB Statement No. 104 – Disclosure of Certain Capital Assets



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**Thank You for Allowing us to Provide Audit Services to the District.**



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