



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 26-209

March 17, 2026

Introduced: 3/4/2026

Current Status: Agenda Ready

Version: 1

Matter Type: General Agenda Item

- a. Approve and authorize the Auditor-Controller to sign a Renewal Sales Order with FinQuery, LLC, applying the terms and conditions of the parties' previously Board-approved Subscription Agreement ("Agreement") dated March 23, 2021, for a software tool for analysis of County's real property and other types of leases in compliance with Governmental Accounting Standards Board (GASB) Statement No. 87 and No. 96, extending the agreement for an additional one-year term, for a revised total agreement term of March 23, 2021 through March 23, 2027, and adding \$48,480 for a total agreement amount of \$225,559; and
- b. Authorize the Auditor-Controller to sign up to three future amendments to this Agreement where the amendments do not significantly change the scope of work and do not cause an increase of more than 10% (\$5,690) of the original contract amount of \$56,900, for a revised total agreement amount of \$231,249.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Auditor-Controller to sign a Renewal Sales Order with FinQuery, LLC, applying the terms and conditions of the parties' previously Board-approved Subscription Agreement ("Agreement") dated March 23, 2021, for a software tool for analysis of County's real property and other types of leases in compliance with Governmental Accounting Standards Board (GASB) Statement No. 87 and No. 96, extending the agreement for an additional one-year term, for a revised total agreement term of March 23, 2021 through March 23, 2027, and adding \$48,480 for a total agreement amount of \$225,559; and
- b. Authorize the Auditor-Controller to sign up to three future amendments to this Agreement where the amendments do not significantly change the scope of work and do not cause an increase of more than 10% (\$5,690) of the original contract amount of \$56,900, for a revised total agreement amount of \$231,249.

SUMMARY/DISCUSSION:

The Auditor-Controller's Office (ACO) is charged with ensuring the County's Annual Comprehensive Financial Report (ACFR) complies with the principles as set forth by the Governmental Accounting Standards Board (GASB). GASB is the governing body that issues accounting and financial reporting standards for state and local governments. Complying with

GASB is mandated but also is a requirement for the County to continue receiving a clean (unmodified) opinion on the ACFR from the external auditor, and the Certificate of Achievement for Excellence in Financial Reporting award, both of which are vital to County's credit rating.

GASB issued Statement No. 87 - Leases which had an effective date of July 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating and capital leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB issued Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs) which had an effective date of July 2022. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

To achieve accurate and timely compliance with both standards on an ongoing basis, the County must rely on maintaining software that will retain documentation, calculate, account for, and report the amortization and other necessary schedules related to each lease and SBITA record held by County departments. Our current ERP System continues to be incapable of supporting GASB No. 87 and GASB No. 96 financial reporting requirements.

The ACO began implementation efforts with FinQuery, formerly LeaseQuery, in April 2021. Lease contracts were gathered from County departments. For successful implementation, each of these leases were reviewed for required information (i.e. inception date, payment amounts, possession date, in arrears payment terms, annual escalation, discount rate etc.) and compiled for the calculations and footnote disclosures. GASB No. 87 and GASB No. 96 implementations have been completed and incorporated into the County's ACFR. ACO is seeking to renew the subscription contract annually with FinQuery. The subscription fees are quoted to be \$48,480 per Sales Order attached.

FinQuery software will continue to assist the County departments and the ACO staff in complying with the GASB No. 87 and GASB No. 96 requirements. The software retains audit trail, documentation, calculations for the leases and necessary footnote disclosures for the financial statements. It will create efficiencies by eliminating manual ongoing calculations for each lease and SBITA record held by County departments and by creating a central repository for all the calculations and schedules. The software consolidates all the lease information and provides consolidated disclosures and compliance reports which are used by ACO staff when developing the County's ACFR each fiscal year. FinQuery will continue to support the

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accounting for leases and SBITA records countywide to ensure compliance with GASB No. 87 and No. 96 as well as provide the necessary document retention for audit purposes.

OTHER AGENCY INVOLVEMENT:

County Counsel has approved the contract as to the legal form. The Information Technology Department has reviewed and approved the contract.

FINANCING:

ACO is seeking an increase of \$48,480 to the FinQuery, LLC agreement for a not to exceed total amount of \$225,559. Funding is included in the ACO FY 2025-26 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This proposed action will allow the Auditor-Controller's Office to promote accountability and transparency while practicing efficient and effective resource management.

Mark a check to the related Board of Supervisors Strategic Initiatives

- Economic Development
- Administration
- Health & Human Services
- Infrastructure
- Public Safety

DocuSigned by:
Siomara Barajas, CPA
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 3/6/2026 | 10:42 AM PST

Prepared by: Siomara, Barajas, CPA, Chief Deputy Auditor-Controller, 755-5303
 Approved by: Rupa Shah, CPA, Auditor-Controller, 755-5084

DocuSigned by:
Rupa Shah
5020CB565A18490
 3/6/2026 | 12:16 PM PST

Attachments:

- Board Report
- Renewal FinQuery LLC
- GASB Statement No. 87 Summary
- GASB Statement No. 96 Subscription Based IT Arrangements
- FinQuery agreement and renewals 2021-2025