

**COACHELLA VALLEY CONSERVATION COMMISSION**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**



**DavisFarr**  
CERTIFIED PUBLIC ACCOUNTANTS

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Financial Statements**

**Year ended June 30, 2021**

**(With Independent Auditor's Report Thereon)**

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# COACHELLA VALLEY CONSERVATION COMMISSION

## Financial Statements

Year ended June 30, 2021

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## **Independent Auditor's Report**

To the Commission Members  
Coachella Valley Conservation Commission  
Palm Desert, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Coachella Valley Conservation Commission (the Commission), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission'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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. 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 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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

The financial statements of the Coachella Valley Conservation Commission for the year ended June 30, 2020 were audited by other auditors whose report dated January 11, 2021 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the *management's discussion and analysis* and *budgetary comparison information* for the General Fund and each major special revenue fund 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 of 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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The *combining and individual nonmajor fund financial statements* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining fund financial statements* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2022 on our consideration of the Commission'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to 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 *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

DavisFarrLLP

Irvine, California  
April 22, 2022

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of Coachella Valley Conservation Commission ("Commission") provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

### Using the Accompanying Financial Statements

This annual report consists of a series of financial statements. The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the Commission as a whole and present a longer-term view of the Commission's finances. Also included in the accompanying report are the *fund financial statements*. The fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Commission's operations in more detail than the government-wide statements by providing information about the Commission's most significant funds.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The *basic financial statements* include two kinds of statements that present different views of the Commission:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the Commission's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the Commission government, reporting the Commission's operations in *more detail* than the government-wide statements.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provide additional financial and budgetary information.

### Reporting the Commission as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the Commission as a whole. One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Commission as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Commission's net position and changes in them. You can think of the Commission's net position - the difference between assets and liabilities as one way to measure the Commission's financial health, or *financial position*. Over time, *increases and decreases* in the Commission's net position is one indicator of whether its *financial health* is improving or deteriorating.

## Reporting the Commission's Major Funds

The **fund financial statements** provide detailed information about the Commission's most significant funds - not the Commission as a whole. Some funds are required to be established by grant or legal requirements. However, the Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain resources.

*Governmental funds* - the Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Commission's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Commission's programs.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

#### Statements of Net Position

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Assets:				
Cash and investments	\$ 30,534,082	\$ 25,379,955	\$ 5,154,127	20.3%
Account receivable	1,294,125	1,309,727	(15,602)	(1.2)%
Other current assets	19,329	72,647	(53,318)	(73.4)%
Capital assets, not depreciated	<u>73,457,878</u>	<u>71,968,512</u>	<u>1,489,366</u>	<u>2.1%</u>
Total Assets	<u>105,305,414</u>	<u>98,730,841</u>	<u>6,574,573</u>	<u>6.7%</u>
Liabilities:				
Accounts payable	178,735	60,264	118,471	196.6%
Due to other governments	<u>817,793</u>	<u>415,370</u>	<u>402,423</u>	<u>96.9%</u>
Total Liabilities	<u>996,528</u>	<u>475,634</u>	<u>520,894</u>	<u>109.5%</u>
Net Position:				
Investment in capital assets	73,457,878	71,968,512	1,489,366	2.1%
Restricted	30,160,257	25,591,718	4,568,539	17.9%
Unrestricted	<u>690,751</u>	<u>694,977</u>	<u>(4,226)</u>	<u>(0.6)%</u>
Total Net Position	<u>\$104,308,886</u>	<u>\$ 98,255,207</u>	<u>\$6,053,679</u>	<u>6.2%</u>

A summary of the government-wide *statement of activities* follows:

Statements of Activities

	Fiscal Year <u>2021</u>	Fiscal Year <u>2020</u>	Dollar Change	Total Percent Change
Operating Expenses:				
Administrative	\$ 467,919	266,679	201,240	75.5%
Biological monitoring and land management program	<u>1,015,273</u>	<u>1,267,042</u>	<u>(251,769)</u>	<u>(19.9)%</u>
Total Expenses	<u>1,483,192</u>	<u>1,533,721</u>	<u>(50,529)</u>	<u>(3.3)%</u>
Program Revenues:				
Operating contributions and grants	3,462,816	3,027,957	434,859	14.4%
Capital contributions and grants	4,060,411	2,514,324	1,546,087	61.5%
General Revenues:				
Interest income	18,875	386,093	(367,218)	(95.1)%
Other revenues	<u>6,955</u>	<u>219,765</u>	<u>(212,810)</u>	<u>(96.8)%</u>
Total Revenues	<u>7,549,057</u>	<u>6,148,139</u>	<u>1,400,918</u>	<u>22.8%</u>
Changes in Net Position	6,065,865	4,614,418	1,451,447	31.5%
Net Position - Beginning, as restated	<u>98,243,021</u>	<u>93,640,789</u>	<u>4,602,232</u>	<u>4.9%</u>
Net Position - Ending	<u>\$104,308,886</u>	<u>98,255,207</u>	<u>6,053,679</u>	<u>6.2%</u>

The increase or decrease in net position can provide an indication as to whether the overall financial position of the Commission improved or deteriorated during the year. Net position of the Commission's governmental activities increased by 6.2% (\$104.3 million compared to \$98.3 million). The net position of the Commission changed as a result of the revenue and expense fluctuations and also capital assets described below for the activities of the Commission.

## MAJOR FUNDS

**General Fund** - The General Fund accounts for all of the general revenues of the Commission not specifically levied or collected for some special purpose, and for the expenditures related to the rendering of general services by the Commission. The current fiscal year's excess was \$1,442,103, bringing the ending fund balance of the General Fund to \$11,201,265.

The reasons for significant amounts in the revenues and expenditures of the Commission's General Fund are as follows:

- Agencies mitigation fees in the amount of \$1,439,940 were received from a few agencies contributing toward the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP), an increase of \$434,440 from the prior year.

**Management And Monitoring Fund** - The Management and Monitoring Fund accounts for the revenues associated with implementation of the land management program and the biological monitoring program for the CVMSHCP. The current fiscal year's decrease was (\$159,849), bringing the total ending fund balance to \$515,713.

The reasons for significant amounts in the revenues and expenditures of the Commission's Management and Monitoring Fund are as follows:

- The Commission adopted a fee ordinance in FY 2011/12 which permits part of the Development Mitigation fees collected to be used for Management and Monitoring. Current year amount allocated to this fund was \$ 457,096, a decrease of \$378 from the prior year's revenue.
- Consultant expenditures were \$544,665, a decrease of \$37,917 from the prior year's expenditures, partially due to capital outlays associated with the construction of the sheep barrier fence being classified as such.

**Land Acquisition Fund** - The Land Acquisition Fund accounts for the revenues generated by the Local Development Mitigation Fee (LDMF) and mitigation contributions from various agencies. The current fiscal year's excess was \$2,690,431, bringing the total ending fund balance to \$11,705,923.

The reasons for significant amounts in the revenues and expenditures of the Commission's Land Acquisition Fund are as follows:

- As noted in the Management and Monitoring Fund section, a fee ordinance was adopted in FY 2011/12 and since part of the development fee was allocated, the Development Mitigation fee that allocated to this fund was \$2,233,290 a decrease of \$259 from the prior year's revenue.
- Capital outlay expense decreased by \$785,436, from \$1,854,485 in the prior year to \$1,069,049 in the current year due to timing of escrow close on land acquisitions.

**Management Contingency Fund** - The Management Contingency Fund accounts for the funds established for the purpose of which is to provide the ability to address immediate and/or large scale Monitoring and Management Program needs on the Permittees lands. The current fiscal year's decrease in fund balance was (\$418,310), bringing the ending fund balance to \$4,595,271.

The reasons for significant amount in the expenditures of the Commission's Management Contingency Fund are as follows:

- \$ 420,317 was transferred out to the Management and Monitoring Fund for expenditures incurred on the sheep barrier project, an increase of \$415,024.

**In-Lieu Fee Fund** - The In-Lieu Fee Fund accounts for the funds generated from mitigation for unavoidable impacts to Waters of the U.S. and are used to perform restoration projects. The current fiscal year's excess was \$1,021,777, bringing the ending fund balance to \$1,965,450.

The reasons for significant amount in the expenditures of the Commission's Management Contingency Fund are as follows:

- Agencies mitigation fees in the amount of \$1,045,974 was received in the current year, a decrease of \$11,350 from the prior year's amount.
- Consultant expenditures was \$22,134, a decrease of \$78,710 from the prior year's expenditure, mainly due to a decrease in work performed by a vendor.

**CAPITAL ASSETS**

Capital Assets  
(not being depreciated)

	<u>Balance</u> <u>June 30, 2021</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Increase</u>
Land	\$ 73,037,561	\$ 71,968,512	\$ 1,069,049
Construction in Progress	<u>420,317</u>	<u>-</u>	<u>420,317</u>
Total	<u>\$ 73,457,878</u>	<u>\$ 71,968,512</u>	<u>\$ 1,489,366</u>

The major additions to capital assets were land acquisitions within the conservation area.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, members, and resource providers with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Commission's Office, attention: Auditor, at 73710 Fred Waring Drive, Suite 200, Palm Desert, California 92260.

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## **BASIC FINANCIAL STATEMENTS**

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Statement of Net Position**

**June 30, 2021**

**(with comparative prior year information)**

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Assets:		
Cash and investments (note 2)	\$ 30,534,082	25,379,955
Interest receivable	19,329	56,592
Accounts receivable	10,000	-
Deposits	-	16,055
Due from other governments	1,284,125	1,309,727
Capital assets, not depreciated (note 4)	<u>73,457,878</u>	<u>71,968,512</u>
Total Assets	<u>105,305,414</u>	<u>98,730,841</u>
Liabilities:		
Accounts payable	178,735	60,264
Due to other governments	<u>817,793</u>	<u>415,370</u>
Total Liabilities	<u>996,528</u>	<u>475,634</u>
Net Position:		
Investment in capital assets	73,457,878	71,968,512
Restricted:		
Endowment	10,839,926	9,393,466
Management and monitoring	7,614,408	7,424,734
Land acquisition	11,705,923	8,773,518
Unrestricted	<u>690,751</u>	<u>694,977</u>
Total Net Position	<u>\$ 104,308,886</u>	<u>98,255,207</u>

See accompanying notes to financial statements.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Statement of Activities**

**Year ended June 30, 2021**

**(with comparative prior year information)**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	
					2021	2020
Governmental Activities:						
Administrative	\$ 467,919	-	1,902,930	-	1,435,011	1,190,447
Biological monitoring and land management program	<u>1,015,273</u>	-	<u>1,559,886</u>	<u>4,060,411</u>	<u>4,605,024</u>	<u>2,818,113</u>
Total Governmental Activities	<u>\$ 1,483,192</u>	<u>-</u>	<u>3,462,816</u>	<u>4,060,411</u>	<u>6,040,035</u>	<u>4,008,560</u>
			General Revenues:			
			Investment income		18,875	386,093
			Other revenues		<u>6,955</u>	<u>219,765</u>
			Total General Revenues		<u>25,830</u>	<u>605,858</u>
			Change in Net Position		6,065,865	4,614,418
			Net Position - Beginning, as restated (note 8)		<u>98,243,021</u>	<u>93,640,789</u>
			Net Position - Ending		<u>\$ 104,308,886</u>	<u>98,255,207</u>

See accompanying notes to financial statements.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Balance Sheet - Governmental Funds**

**June 30, 2021**

**(with comparative prior year information)**

		Special Revenue Funds		
	General Fund	Management and Monitoring	Land Acquisition	Management Contingency
<b>Assets:</b>				
Cash and investments	\$ 10,578,724	789,881	11,676,309	4,591,798
Interest receivable	7,725	200	7,330	3,473
Deposits	-	-	-	-
Accounts receivable	-	-	10,000	-
Due from other funds (note 3)	48,423	-	-	-
Due from other governments	<u>962,990</u>	<u>56,816</u>	<u>264,319</u>	<u>-</u>
 Total Assets	 <u>\$ 11,597,862</u>	 <u>846,897</u>	 <u>11,957,958</u>	 <u>4,595,271</u>
 <b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,009	132,521	39,714	-
Due to other funds (note 3)	-	-	-	-
Due to other governments	<u>394,588</u>	<u>198,663</u>	<u>212,321</u>	<u>-</u>
 Total Liabilities	 <u>396,597</u>	 <u>331,184</u>	 <u>252,035</u>	 <u>-</u>
 <b>Fund Balances:</b>				
<b>Restricted:</b>				
Endowment	10,510,514	-	-	-
Management and monitoring	-	515,713	-	4,595,271
Land acquisition	-	-	11,705,923	-
Unassigned	<u>690,751</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>11,201,265</u>	 <u>515,713</u>	 <u>11,705,923</u>	 <u>4,595,271</u>
 Total Liabilities and Fund Balances	 <u>\$ 11,597,862</u>	 <u>846,897</u>	 <u>11,957,958</u>	 <u>4,595,271</u>

See accompanying notes to financial statements.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Balance Sheet - Governmental Funds (Continued)**

**June 30, 2021**

**(with comparative prior year information)**

Special Revenue Fund	Other Governmental Funds	Total Governmental Funds	
		2021	2020
In-Lieu Fee			
2,030,585	866,785	30,534,082	25,379,955
-	601	19,329	56,592
-	-	-	16,055
-	-	10,000	-
-	-	48,423	-
-	-	1,284,125	1,309,727
<u>2,030,585</u>	<u>867,386</u>	<u>31,895,959</u>	<u>26,762,329</u>
4,491	-	178,735	60,264
48,423	-	48,423	-
<u>12,221</u>	<u>-</u>	<u>817,793</u>	<u>415,370</u>
<u>65,135</u>	<u>-</u>	<u>1,044,951</u>	<u>475,634</u>
-	329,412	10,839,926	9,393,466
1,965,450	537,974	7,614,408	7,424,734
-	-	11,705,923	8,773,518
-	-	690,751	694,977
<u>1,965,450</u>	<u>867,386</u>	<u>30,851,008</u>	<u>26,286,695</u>
<u>2,030,585</u>	<u>867,386</u>	<u>31,895,959</u>	<u>26,762,329</u>

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**COACHELLA VALLEY CONSERVATION COMMISSION**

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position**

**June 30, 2021**

Fund balances of governmental funds	\$ 30,851,008
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, such as land used in governmental activities, are not financial resources and, therefore, are not reported in the funds.	<u>73,457,878</u>
Net Position of Governmental Activities	<u>\$ 104,308,886</u>

See accompanying notes to financial statements.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds**

**Year ended June 30, 2021**

**(with comparative prior year information)**

	Special Revenue Funds			
	General Fund	Management and Monitoring	Land Acquisition	Management Contingency
Revenues:				
Development mitigation fees	\$ -	457,096	2,233,290	-
Agencies mitigation fees	1,439,940	56,296	1,827,121	-
Tipping fees	462,990	-	-	-
Grants	-	520	-	-
Investment income	7,092	2,554	6,736	2,007
Miscellaneous	-	6,955	-	-
	<u>1,910,022</u>	<u>523,421</u>	<u>4,067,147</u>	<u>2,007</u>
Total Revenues				
Expenditures:				
Current:				
Administrative fees	-	4,571	22,334	-
Insurance	13,442	-	-	-
Per diem	8,700	-	-	-
General and office expenses	11,054	44,597	-	-
Professional services	29,301	3,988	50,900	-
Consultants	405,422	544,665	210,341	-
Land improvements	-	56,712	24,092	-
Equipment	-	28,737	-	-
Capital outlay	-	420,317	1,069,049	-
	<u>467,919</u>	<u>1,103,587</u>	<u>1,376,716</u>	<u>-</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,442,103</u>	<u>(580,166)</u>	<u>2,690,431</u>	<u>2,007</u>
Other Financing Sources (Uses):				
Transfers in (note 3)	-	420,317	-	-
Transfers out (note 3)	-	-	-	(420,317)
	<u>-</u>	<u>420,317</u>	<u>-</u>	<u>(420,317)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balances	<u>1,442,103</u>	<u>(159,849)</u>	<u>2,690,431</u>	<u>(418,310)</u>
Fund Balance - Beginning, as restated (note 8)	<u>9,759,162</u>	<u>675,562</u>	<u>9,015,492</u>	<u>5,013,581</u>
Fund Balance - End	<u>\$ 11,201,265</u>	<u>515,713</u>	<u>11,705,923</u>	<u>4,595,271</u>

See accompanying notes to financial statements.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds (Continued)**

**Year ended June 30, 2021**

**(with comparative prior year information)**

Special Revenue Fund	Other Governmental Funds	Total Governmental Funds	
In-Lieu Fee		2021	2020
-	-	2,690,386	2,691,023
1,045,974	-	4,369,331	2,167,771
-	-	462,990	451,626
-	-	520	231,861
140	347	18,876	386,093
-	-	6,955	219,765
<u>1,046,114</u>	<u>347</u>	<u>7,549,058</u>	<u>6,148,139</u>
-	-	26,905	25,535
-	-	13,442	9,295
-	-	8,700	4,275
2,203	-	57,854	21,623
-	-	84,189	81,280
22,134	-	1,182,562	1,143,715
-	-	80,804	239,011
-	-	28,737	8,987
-	-	1,489,366	1,854,485
<u>24,337</u>	<u>-</u>	<u>2,972,559</u>	<u>3,388,206</u>
<u>1,021,777</u>	<u>347</u>	<u>4,576,499</u>	<u>2,759,933</u>
-	-	420,317	5,293
-	-	(420,317)	(5,293)
-	-	-	-
1,021,777	347	4,576,499	2,759,933
<u>943,673</u>	<u>867,039</u>	<u>26,274,509</u>	<u>23,526,762</u>
<u>1,965,450</u>	<u>867,386</u>	<u>30,851,008</u>	<u>26,286,695</u>

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities**

**Year Ended June 30, 2021**

Net change in fund balances - total governmental funds	\$	4,576,499
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets is allocated over their estimated useful lives and reported as depreciation expense (if applicable). This amount of capital outlays during the year, as the Commission holds no assets being depreciated.		<u>1,489,366</u>
Change in Net Position of Governmental Activities	\$	<u>6,065,865</u>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies**

(a) Description of Reporting Entity

The Coachella Valley Conservation Commission (the Commission) was formed under California's Joint Powers Law on December 1, 2005 for the purpose of overseeing and administering the Coachella Valley Multiple Species Habitat Conservation Plan (the CVMSHCP), a regional habitat conservation plan which balances conservation of rare and endangered species and development on an area-wide and regional basis under Section 6500 et. seq. of the Government Code. The Commission's members are the Cities of Cathedral City, Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage, Coachella Valley Water District, Imperial Irrigation District, and Mission Springs Water District. Nonvoting participants of the Commission are Coachella Valley Association of Governments, Riverside County Flood Control and Water Conservation District, Riverside County Regional Parks and Open Space District and Riverside County Waste Management District.

The CVMSHCP is a long-term habitat conservation plan permitted by the California Department of Fish and Game as of September 9, 2008 and the United States Fish and Wildlife Services as of October 1, 2008 under the authority of the state and federal Endangered Species Acts. Although the Commission was formed as an independent joint powers authority prior to issuance of the state and federal permits for the CVMSHCP, it did not begin functioning as an independent agency until October 2008. With the approval of the CVMSHCP permits, funding for the activities of the Commission, including land acquisition, land management and biological monitoring, became available as of October 1, 2008.

With the CVMSHCP, over 240,000 acres of open space will be protected as well as 27 species of plants and animals that are threatened or facing extinction. The Commission is also empowered to acquire land and administer grant programs to not-for-profit programs and permittees to conserve lands that contribute to the CVMSHCP's reserves, and to coordinate conservation easement agreements with landowners, seek grants and other funding sources to assist with acquisition, and coordinate with other state and federal acquisition programs in the CVMSHCP's area to ensure efficiency and consistency among acquisition programs. The basic financial statements of the Commission include all activities for which the Commission is financially accountable.

Major sources of revenue for the Commission include a Local Development Mitigation Fee collected on new development, tipping fees from Riverside County landfills, and regional infrastructure mitigation funds from various agencies, including the Coachella Valley Association of Governments, Coachella Valley Water District and Imperial Irrigation District. Other funding sources may be identified in subsequent years.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for services.

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The Commission has no business-type activities, fiduciary activities, or component units.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances have been eliminated for purposes of the Statement of Net Position.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

The underlying accounting system of the Commission is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the Commission's governmental funds are presented after the Government-wide Financial Statements. These statements display information about major funds individually and other governmental funds in the aggregate. All of the Commission's funds, with the exceptions of the Lizard Endowment and Travertine Point Monitoring Funds, are considered major funds.

#### (c) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transaction are recognized in accordance with the requirements of GASB Statement No. 33.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered "available spendable resources" since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance reserve accounts.

Under the modified accrual basis of accounting, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term liabilities are reported as other financing sources.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Commission does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission does not have any items that qualify for reporting in this category.

#### Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

#### Governmental Fund Balances

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance — this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance — this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted. The accompanying financial statements include restricted fund balance for management and monitoring, land acquisition, and endowment. The CVMSHCP that created the funding source restricted the use of these funds for specific purposes.

Committed Fund Balance — this includes amounts that can be used only for the specific purposes determined by a formal action of the Commission. It includes legislation (Commission action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Commission action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The Commission considers a resolution to constitute a formal action of the Commission for the purposes of establishing committed fund balance.

Assigned Fund Balance — this includes amounts that are designated or expressed by the Commission but does not require a formal action like a resolution or ordinance. The Commission may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes.

Unassigned Fund Balance — this includes the remaining spendable amounts which are not included in one of the other classifications.

It is the Commission's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Commission.

#### (d) Fund Classifications

The Commission reports the following major governmental funds:

General Fund – This fund is used to account for all of the general revenues of the Commission not specifically levied or collected for special purposes, and for the expenditures related to the rendering of general services by the Commission.

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 1: Summary of Significant Accounting Policies (Continued)**

Management and Monitoring Special Revenue Fund – This fund is used to account for the revenues associated with implementation of the land management program and the biological management program for the CVMSHCP. These programs are supported by grants and funds provided by various agencies to support implementation of the CVMSHCP.

Land Acquisition Special Revenue Fund – This fund is used to account for the revenues generated by the Local Development Mitigation Fee (LDMF) and mitigation contributions from various agencies. These revenues are used to support the acquisition of lands by the Commission on behalf of the Local Permittees to meet the goals of the CVMSHCP.

Management Contingency Special Revenue Fund – This fund is used for the ability to address immediate and/or large-scale Monitoring and Management Program needs on the permittees' lands. According to the Coachella Valley Multiple Species Habitat Conservation Plan, the Commission will establish a \$5.0 million management contingency fund as a subset of the Monitoring and Management Program budgets. This one-time Management Contingency Fund will be established within the first 10 years after permit issuance (2008) and will be included in the Operating Fund Budget as a separate item.

In-Lieu Fee Special Revenue Fund – This fund is used to account for monies received from fees charged to other agencies for environmental mitigation.

(e) Reclassification and Eliminations

Inter-fund balances must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once - in the function in which they are allocated.

(f) Cash and Investments

The Commission pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

(g) Capital Assets

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received as part of a service concession arrangement, are recorded at acquisition value at the date of acquisition. Generally, the Commission capitalizes assets with a cost in excess of \$5,000 with a useful life in excess of one year.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 1: Summary of Significant Accounting Policies (Continued)**

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation expense is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The Commission currently reports no depreciable assets.

(h) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

(i) Comparative Financial Statements

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Commission's prior year financial statements, from which selected financial data was derived. The Commission has reclassified certain prior year information to conform with current year presentations.

**Note 2: Cash and Investments**

Cash and investments of the Commission consisted of the following at June 30, 2021:

Cash and deposits:	
Deposits with financial institutions	\$ 2,074,790
Investments:	
Riverside County Pooled Investment Fund	<u>28,459,292</u>
Total cash and investments	<u>\$30,534,082</u>

Deposits

The Commission's deposits with financial institutions were insured or collateralized as required by State Law.

Investments Authorized by the California Government Code and the Commission's Investment Policy

The table below identifies the investment types that are authorized for the Commission by the California Government Code (or the Commission's investment policy, where more restrictive).

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 2: Cash and Investments (Continued)**

The table also identifies certain provisions of the California Government Code (or the Commission's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	3 years	None	None
Money Market Mutual Funds investing in United States Treasury Investments	N/A	20%	10%
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest, rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The Commission's investment in the Riverside County Pooled Investment Fund of \$28,459,292 is available on demand.

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Commission does not hold any investments subject to minimum credit ratings. The pooled investments held with the Riverside County Pooled Investment Fund are considered to be unrated.

### Investment in Riverside County Investment Pool

The Commission is a voluntary participant in the County of Riverside Treasury Pool. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by the County for the entire County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County.

### Fair Value Hierarchy

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission has all the investments in Level 2 inputs.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 3: Interfund Activities**

Transfers

The Management Contingency Fund transferred \$420,317 to the Management and Monitoring Special Revenue Fund to pay for expenditures incurred for construction of the Peninsular Big Horn Sheep Fence Barrier Project.

Due to/from Other Funds

Interfund receivables and payables are as follows at June 30, 2021:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 48,423	-
In-Lieu Fee fund	-	48,423
Total	<u>\$ 48,423</u>	<u>\$ 48,423</u>

Interfund borrowings were to cover the In-Lieu Fee fund temporary cash deficits.

**Note 4: Capital Assets**

A summary of capital asset activity for the year ended June 30, 2021, is as follows:

	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2021</u>
Capital assets, not depreciated:				
Land	\$ 71,968,512	1,069,049	-	73,037,561
Construction in Progress	-	420,317	-	420,317
Total capital assets, not depreciated	<u>\$ 71,968,512</u>	<u>1,489,366</u>	<u>-</u>	<u>73,457,878</u>

**Note 5: Liability, Property and Workers' Compensation Protection Description**

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The Coachella Valley Conservation Commission is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 5: Liability, Property and Workers' Compensation Protection Description (Continued)**

#### Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

#### *Primary Liability Program*

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula.

(2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

#### Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

### **Note 6: Future Funding**

Per the 2011 Local Development Mitigation Fee Nexus Study, plan implementation costs include the direct and indirect costs associated with land acquisition, the Monitoring Program, and the Management Program, including Adaptive Management. Additional costs include staff costs associated with Plan Administration. The estimated costs of Plan implementation for the permittees over the 75-year term are \$1,708,767,000. Revenue sources to fund these costs are as follows:

# COACHELLA VALLEY CONSERVATION COMMISSION

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **Note 6: Future Funding (Continued)**

Local Development Mitigation Fee	\$1,212,881,000
Conservation Trust Fund	160,432,000
Regional Road Projects and Infrastructure Mitigation	100,814,000
Interest on Investments	<u>234,640,000</u>
Total Revenues	<u>\$1,708,767,000</u>

In accordance with the CVMSHCP, Coachella Valley Association of Governments (CVAG) committed \$30 million of future Measure A funds, which would mitigate all the regional transportation projects listed in the current Transportation Project Prioritization Study (TPPS). Under the CVMSHCP, the \$30 million in the CVAG transportation funds would contribute to both land acquisition and the establishment of the Endowment Fund, which would ensure monitoring and management of the acquired lands. The CVMSHCP area includes 1.1 million acres, encompassing the entire Coachella Valley and the surrounding mountains. The CVMSHCP will benefit the local jurisdictions by providing Take Authorization for all development, including public infrastructure projects, undertaken by the Permittees (signatories to the MSHCP) outside the Conservation Areas. By providing Take Authorization for public and private development projects, the MSHCP eliminates the need for projects to conduct biological surveys and negotiate individual project mitigation with the U.S. Fish and Wildlife Service and the California Department of Fish and Game. At June 30, 2021, the outstanding commitment from CVAG is \$7,175,000. This commitment has not been recorded as a receivable because it has not met all the revenue recognition requirements.

### **Note 7: Related Party Transactions**

The Commission entered into a contract with Coachella Valley Association of Governments (CVAG), whereby CVAG, under the direction of the Commission, will coordinate and administer the implementation of CVMSHCP. The contract calls for the Commission to pay CVAG based upon actual staff time spent at rates not to exceed the rates paid by CVAG. The amount shall not exceed \$850,000 for fiscal year 2020-2021. During the year, CVAG incurred and charged the Commission \$766,500 of staff time and allocated administrative expenses, all of which was accounted for in the fiscal year.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**Note 8: Prior Period Adjustments**

During the fiscal year ended June 30, 2021, CVCC recorded a prior period adjustment between the Land Acquisition and In Lieu Fee Fund for mitigation fees. CVCC also recorded a correction for consulting expenses related to prior fiscal year. See the following adjustments as shown below:

	Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
	Statement of Activities	Land Acquisition Fund	In Lieu Fee Fund
Beginning net position/fund balance, as previously reported	\$ 98,255,207	8,773,518	1,197,833
Mitigation Fees	-	241,974	(241,974)
Consulting expenses	<u>(12,186)</u>	<u>-</u>	<u>(12,186)</u>
Beginning net position/fund balance, as restated	<u>\$ 98,243,021</u>	<u>9,015,492</u>	<u>943,673</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - General Fund**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Agencies mitigation fees	\$ -	-	1,439,940	1,439,940
Tipping fees	440,000	440,000	462,990	22,990
Investment income	3,850	3,850	7,092	3,242
Total Revenues	<u>443,850</u>	<u>443,850</u>	<u>1,910,022</u>	<u>1,466,172</u>
Expenditures:				
Insurance	13,442	13,442	13,442	-
Per diem	10,200	10,200	8,700	1,500
General and office expenses	10,187	10,187	11,054	(867)
Professional services	40,200	40,200	29,301	10,899
Consultants	262,506	262,506	405,422	(142,916)
Total Expenditures	<u>336,535</u>	<u>336,535</u>	<u>467,919</u>	<u>(131,384)</u>
Excess of Revenues over Expenditures	<u>107,315</u>	<u>107,315</u>	<u>1,442,103</u>	<u>1,597,556</u>
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	107,315	107,315	1,442,103	1,334,788
Fund Balance - Beginning	<u>9,759,162</u>	<u>9,759,162</u>	<u>9,759,162</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 9,866,477</u>	<u>9,866,477</u>	<u>11,201,265</u>	<u>1,334,788</u>

See notes to required supplementary information.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Management and Monitoring**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Development mitigation fees	\$ 253,601	253,601	457,096	203,495
Agencies mitigation fees	-	-	56,296	56,296
Grants	240,407	240,407	520	(239,887)
Investment income	8,450	8,450	2,554	(5,896)
Miscellaneous	7,500	7,500	6,955	(545)
	<u>509,958</u>	<u>509,958</u>	<u>523,421</u>	<u>13,463</u>
Total Revenues				
Expenditures:				
Administrative fees	2,536	2,536	4,571	(2,035)
General and office expenses	3,700	3,700	44,597	(40,897)
Professional services	6,000	6,000	3,988	2,012
Consultants	1,059,261	1,059,261	544,665	514,596
Land improvements	2,103,816	2,103,816	56,712	2,047,104
Equipment	-	-	28,737	(28,737)
Utilities	15,000	15,000	-	15,000
Capital outlay	-	-	420,317	(420,317)
	<u>3,190,313</u>	<u>3,190,313</u>	<u>1,103,587</u>	<u>2,086,726</u>
Total Expenditures				
Deficiency of Revenues under Expenditures	<u>(2,680,355)</u>	<u>(2,680,355)</u>	<u>(580,166)</u>	<u>(2,073,263)</u>
Other Financing Sources (Uses):				
Transfers in	<u>2,403,830</u>	<u>2,403,830</u>	<u>420,317</u>	<u>(1,983,513)</u>
Total Other Financing (Uses)	<u>2,403,830</u>	<u>2,403,830</u>	<u>420,317</u>	<u>(1,983,513)</u>
Net Change in Fund Balance	(276,525)	(276,525)	(159,849)	116,676
Fund Balance - Beginning	<u>675,562</u>	<u>675,562</u>	<u>675,562</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 399,037</u>	<u>399,037</u>	<u>515,713</u>	<u>116,676</u>

See notes to required supplementary information.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Land Acquisition**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Development mitigation fees	\$ 1,238,169	1,238,169	2,233,290	995,121
Agencies mitigation fees	1,500,000	1,500,000	1,827,121	327,121
Investment income	<u>82,615</u>	<u>82,615</u>	<u>6,736</u>	<u>(75,879)</u>
Total Revenues	<u>2,820,784</u>	<u>2,820,784</u>	<u>4,067,147</u>	<u>1,246,363</u>
Expenditures:				
Administrative fees	12,382	12,382	22,334	(9,952)
General and office expenses	500	500	-	500
Professional services	170,000	170,000	50,900	119,100
Consultants	351,897	351,897	210,341	141,556
Land improvements	500,000	500,000	24,092	475,908
Capital outlay	<u>8,500,000</u>	<u>8,500,000</u>	<u>1,069,049</u>	<u>7,430,951</u>
Total Expenditures	<u>9,534,779</u>	<u>9,534,779</u>	<u>1,376,716</u>	<u>8,158,063</u>
Excess (Deficiency) of Revenues over/under Expenditures	<u>(6,713,995)</u>	<u>(6,713,995)</u>	<u>2,690,431</u>	<u>(6,911,700)</u>
Net Change in Fund Balance	(6,713,995)	(6,713,995)	2,690,431	9,404,426
Fund Balance - Beginning, as restated	<u>9,015,492</u>	<u>9,015,492</u>	<u>9,015,492</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 2,301,497</u>	<u>2,301,497</u>	<u>11,705,923</u>	<u>9,404,426</u>

See notes to required supplementary information.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual - Management Contingency**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 50,275	50,275	2,007	(48,268)
Total Revenues	<u>50,275</u>	<u>50,275</u>	<u>2,007</u>	<u>(48,268)</u>
Other Financing Sources (Uses):				
Transfers out	<u>(2,103,816)</u>	<u>(2,103,816)</u>	<u>(420,317)</u>	<u>1,683,499</u>
Total Other Financing (Uses)	<u>(2,103,816)</u>	<u>(2,103,816)</u>	<u>(420,317)</u>	<u>1,683,499</u>
Net Change in Fund Balance	(2,053,541)	(2,053,541)	(418,310)	1,635,231
Fund Balance - Beginning	5,013,581	5,013,581	5,013,581	-
Fund Balance - Ending	<u>\$ 2,960,040</u>	<u>2,960,040</u>	<u>4,595,271</u>	<u>1,635,231</u>

See notes to required supplementary information.

**COACHELLA VALLEY CONSERVATION COMMISSION**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual - In Lieu Fee**

**Year ended June 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Agencies mitigation fees	\$ -	-	1,045,974	1,045,974
Investment income	100	100	140	40
Total Revenues	<u>100</u>	<u>100</u>	<u>1,046,114</u>	<u>1,046,014</u>
Expenditures:				
General and office expenses	1,985	1,985	2,203	(218)
Consultants	54,164	54,164	22,134	32,030
Total Expenditures	<u>56,149</u>	<u>56,149</u>	<u>24,337</u>	<u>31,812</u>
Excess (Deficiency) of Revenues over/under Expenditures	<u>(56,049)</u>	<u>(56,049)</u>	<u>1,021,777</u>	<u>1,014,202</u>
Net Change in Fund Balance	(56,049)	(56,049)	1,021,777	1,077,826
Fund Balance - Beginning, as restated	<u>943,673</u>	<u>943,673</u>	<u>943,673</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 887,624</u>	<u>887,624</u>	<u>1,965,450</u>	<u>1,077,826</u>

See notes to required supplementary information.

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Notes to Required Supplementary Information**

**Year ended June 30, 2021**

**Note 1: Budgets and Budgetary Accounting**

The Commission adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds. The Executive Director or designee is authorized to transfer budgeted amounts between the accounts of any department. Revisions that alter the total appropriations of any fund are approved by the Commission's Board. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the fund level. Reserves for encumbrances are not recorded by the Commission.

**Note 2: Excess of Expenditures over Appropriations**

For the fiscal year ended June 30, 2021, expenditures exceeded appropriations in the General Fund by \$139,687.

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**SUPPLEMENTARY INFORMATION**

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Combining Balance Sheet  
Nonmajor Governmental Funds**

**June 30, 2021**

	Special Revenue Funds		
	Lizard Endowment	Travertine Point Monitoring	Total Governmental Funds
Assets:			
Cash and investments	\$ 329,184	537,601	866,785
Interest receivable	228	373	601
Total Assets	\$ 329,412	537,974	867,386
Fund Balances:			
Restricted:			
Endowment	\$ 329,412	-	329,412
Management and monitoring	-	537,974	537,974
Total Fund Balances	\$ 329,412	537,974	867,386

**COACHELLA VALLEY CONSERVATION COMMISSION**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds**

**Year ended June 30, 2021**

	<u>Special Revenue Funds</u>		<u>Total Governmental Funds</u>
	<u>Lizard Endowment</u>	<u>Travertine Point Monitoring</u>	
Revenues:			
Investment income	\$ 131	216	347
Total Revenues	<u>131</u>	<u>216</u>	<u>347</u>
Net Change in Fund Balances	<u>131</u>	<u>216</u>	<u>347</u>
Fund Balance - Beginning	<u>329,281</u>	<u>537,758</u>	<u>867,039</u>
Fund Balance - Ending	<u>\$ 329,412</u>	<u>537,974</u>	<u>867,386</u>