

**CVCC VOTING MEMBERS WILL RECEIVE A UNIQUE PANELIST LINK BY EMAIL.
PLEASE USE THIS LINK TO PARTICIPATE IN THIS MEETING.**



Pursuant to Assembly Bill 361 and the findings made by the CVCC, this meeting will only be conducted via video/teleconferencing.

COACHELLA VALLEY CONSERVATION COMMISSION MEETING AGENDA

**THURSDAY, MAY 12, 2022
10:30 a.m.**

INSTRUCTIONS FOR PARTICIPATION

Members of the public may use the following link:

<https://us02web.zoom.us/j/81593802711?pwd=SkRmc0hKZWlYN1cxdW92TDRWYU9PZz09>

Password: 224687

One Tap Mobile: US: +16699009128,,81593802711#

Dial In: +1 669-900-9128

Webinar ID: 815 9380 2711

Password: 224687

***This will provide listening access and ability to address the
CVCC when called upon.***

IF YOU ARE UNABLE TO CONNECT VIA DIAL IN OPTION, PLEASE CALL 760-346-1127

Public comment is encouraged to be emailed to the CVCC prior to the meeting via email to cvag@cvag.org by 5:00 pm on the day prior to the Commission meeting. Comments intended to be read aloud should be no more than 300 characters in length.

**THIS MEETING IS HANDICAPPED ACCESSIBLE.
ACTION MAY RESULT ON ANY ITEMS ON THIS AGENDA.**

1. **CALL TO ORDER – Mayor Linda Evans, Chair**

2. **ROLL CALL – Jennifer Nelson**

A. Member Roster

[4](#)

3. **AGENDA MODIFICATIONS (IF ANY)**

4. **PUBLIC COMMENTS ON AGENDA ITEMS**

Any person wishing to address the Coachella Valley Conservation Commission on items appearing on this agenda may do so at this time. At the discretion of the Chair, comments may be taken at the time items are presented. Please limit comments to 3 minutes.

5. **COMMISSION CHAIR/DIRECTOR ANNOUNCEMENTS**

6. **CONSENT CALENDAR**

A. Approve April 14, 2022 CVCC Meeting Minutes

[5](#)

B. Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of the Coachella Valley Conservation Commission and its committees

[10](#)

C. Approve CVCC's existing Investment Policy as CVCC Policy 22-01

[11](#)

D. Appoint the CVCC Vice Chair as the primary delegate to the California Joint Powers Insurance Authority's Board of Directors, with the CVCC Auditor serving as the alternate, for the current and future years

[16](#)

7. **DISCUSSION / ACTION**

A. CVCC's Audit for Fiscal Year 2020/21 and Related Reports – Claude Kilgore

[17](#)

Recommendation: Receive and file the Audited Financial Statements for the fiscal year ended June 30, 2021, Report on Internal Controls over Financial Reporting, and the Auditor's Communication with Those Charged with Governance

B. Acquisition of one parcel in the Whitewater Floodplain Conservation Area – Jim Karpiak

[68](#)

Recommendation: Approve Resolution 2022-04 for acquisition of one parcel consisting of approximately 22.68+/- acres in the Whitewater Floodplain Conservation

Area at a cost not to exceed \$130,000, plus closing and transaction related costs not to exceed \$5,000 and authorize the Executive Director to execute all necessary contracts and take such other actions as necessary for the acquisition

- C. Update on the Peninsular Bighorn Sheep in the CVMSHCP Plan Area –** [73](#)
Erin Schaeffer, Wildlife Biologist for the California Department of Fish and Wildlife

Recommendation: Information

8. INFORMATION

- A. Attendance Record** [74](#)
- B. Contracts under \$25,000** [75](#)
- C. CVAG/ CVCC Meeting Calendar for Fiscal Year 2022/23** [76](#)
- D. Progress on the La Quinta Peninsular Bighorn Sheep Fence** [77](#)
- E. Update on Agreement with Desert Hot Springs Police Department for Enforcement on CVCC Lands** [78](#)
- F. CVCC Investment Report as of March 31, 2022** [80](#)
- G. CVCC Unaudited Financial Statement as of March 31, 2022** [81](#)

9. PUBLIC COMMENTS ON NON-AGENDA ITEMS

Any member of the public wishing to address the Commission on items of general interest within the purview of this Commission may do so at this time. Please limit comments to 2 minutes.

10. ANNOUNCEMENTS

Upcoming Meetings:

The next meeting of the **Coachella Valley Conservation Commission** will be held on Thursday, June 9, 2022, at 10:30 a.m. via Zoom webinar.

The next meeting of the **CVAG General Assembly** will be on Monday, June 27, 2022, at 6 p.m. via Zoom webinar.

11. ADJOURN

Item 2A

**Coachella Valley Conservation Commission
Member Roster
2021 - 2022**



| | |
|---------------------------------|--|
| City of Cathedral City | Mayor Pro Tem Rita Lamb <i>Alternate: Mayor Ernesto Gutierrez</i> |
| City of Coachella | Mayor Steven Hernandez, Vice Chair <i>Alternate: Mayor Pro Tem Josie Gonzalez</i> |
| Coachella Valley Water District | Board Member Anthony Bianco |
| City of Desert Hot Springs | Mayor Pro Tem Gary Gardner <i>Alternate: Mayor Scott Matas</i> |
| Imperial Irrigation District | Director Alex Cardenas <i>Alternate: Director JB Hamby</i> |
| City of Indian Wells | Mayor Pro Tem Donna Griffith <i>Alternate: Councilmember Richard Balocco</i> |
| City of Indio | Councilmember Elaine Holmes <i>Alternate: Mayor Pro Tem Oscar Ortiz</i> |
| City of La Quinta | Mayor Linda Evans, Chair |
| Mission Springs Water District | Vice President Nancy Wright <i>Alternate: President Randy Duncan</i> |
| City of Palm Desert | Councilmember Kathleen Kelly <i>Alternate: Councilmember Gina Nestande</i> |
| City of Palm Springs | Councilmember Dennis Woods <i>Alternate: Mayor Lisa Middleton</i> |
| City of Rancho Mirage | Mayor Pro Tem Richard W. Kite <i>Alternate: Councilmember Steve Downs</i> |
| Riverside County | Supervisor Kevin Jeffries - District 1 <i>Alternate: Councilmember Glenn Miller, Indio</i> Supervisor Karen Spiegel – District 2 <i>Alternate: Mayor Pro Tem Kathleen Fitzpatrick, La Quinta</i> Supervisor Chuck Washington – District 3 <i>Alternate: Mayor Jan Harnik, Palm Desert</i> Supervisor V. Manuel Perez – District 4 <i>Alternate: Mayor Scott Matas, Desert Hot Springs</i> Supervisor Jeff Hewitt – District 5 <i>Alternate: President Russ Martin, Mission Springs Water District Board of Directors</i> |

ITEM 6A

Coachella Valley Conservation Commission
Meeting Minutes
April 14, 2022



The audio file for this committee can be found at: <http://www.cvag.org/audio.htm>

1. **CALL TO ORDER** – The meeting was called to order by Chair Linda Evans, City of La Quinta, at 10:30 a.m. via Zoom, pursuant to the guidelines of Assembly Bill 361.
2. **ROLL CALL** – Roll call was taken and it was determined that a quorum was present.

Members Present

Mayor Pro Tem Rita Lamb
Mayor Steven Hernandez, Vice Chair
Board Member Anthony Bianco
Mayor Pro Tem Gary Gardner
Director Alex Cardenas
Councilmember Donna Griffith
Councilmember Elaine Holmes
Mayor Linda Evans, Chair
Vice President Nancy Wright
Councilmember Kathleen Kelly
Councilmember Dennis Woods
Councilmember Richard Kite
Councilmember Glenn Miller
Councilmember Kathleen Fitzpatrick
Mayor Jan Harnik
Supervisor V. Manuel Perez
President Russ Martin

Agency

City of Cathedral City
City of Coachella (*Arrived at Item 6B*)
Coachella Valley Water District (*Arrived at Item 4*)
City of Desert Hot Springs
Imperial Irrigation District (*Left at Item 7*)
City of Indian Wells
City of Indio
City of La Quinta
Mission Springs Water District
City of Palm Desert
City of Palm Springs
City of Rancho Mirage
Riverside County – District 1 (*Left at Item 6D*)
Riverside County – District 2
Riverside County – District 3
Riverside County – District 4
Riverside County – District 5

Others Present

Tom Kirk
Kathleen Brundige
Peter Satin
Elizabeth Paige
Erica Felci
Joanna Stueckle
Jennifer Nelson
Peter Satin
Emmanuel Martinez
Kevin Broadie
Tony Quiroz
Allen McMillen
Jim Karpiak
James Brownyard
Pat Cooper
Trinidad Arredondo

CVAG
CVAG
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CVAG
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CVAG
CVAG
CVAG
CVAG
CVAG
CVAG
CVAG
CVMC
DVBA
County of Riverside
CVUSD Trustee

3. PUBLIC COMMENTS ON AGENDA ITEMS

None.

4. COMMISSION CHAIR / DIRECTOR COMMENTS –

Executive Director Tom Kirk provided an update on the recent Willow Hole restoration effort.

5. CONSENT CALENDAR

A. Approve February 10, 2022 CVCC Meeting Minutes

B. Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of the Coachella Valley Conservation Commission and its committees

C. Receive and file an inflationary adjustment of 8.2-percent to the Local Development Mitigation Fee for fiscal year 2022/2023, to take effect July 1, 2022

IT WAS MOVED BY COUNCILMEMBER KELLY AND SECONDED BY MAYOR PRO TEM GARDNER TO APPROVE THE CONSENT CALENDAR ITEMS.

THE MOTION CARRIED WITH 16 AYES AND 1 MEMBER ABSENT.

| | |
|------------------------------------|--------|
| Mayor Pro Tem Rita Lamb | Aye |
| Mayor Steven Hernandez | Absent |
| Board Member Anthony Bianco | Aye |
| Mayor Pro Tem Gary Gardner | Aye |
| Director Alex Cardenas | Aye |
| Mayor Pro Tem Donna Griffith | Aye |
| Councilmember Elaine Holmes | Aye |
| Mayor Linda Evans | Aye |
| Vice President Nancy Wright | Aye |
| Councilmember Kathleen Kelly | Aye |
| Councilmember Dennis Woods | Aye |
| Councilmember Richard Kite | Aye |
| Councilmember Glen Miller | Aye |
| Mayor Pro Tem Kathleen Fitzpatrick | Aye |
| Mayor Jan Harnik | Aye |
| Supervisor V. Manuel Perez | Aye |
| President Russ Martin | Aye |

6. DISCUSSION / ACTION

A. 2021 Annual Report – Kathleen Brundige & Peter Satin

Peter Satin presented the staff report which included detailed information on the Coachella Valley Multiple Species Habitat Conservation Plan. Discussion ensued with Commissioners requesting staff create a fact sheet highlighting the information that could be shared at City Council meetings.

IT WAS MOVED BY MAYOR PRO TEM FITZPATRICK AND SECONDED BY COUNCILMEMBER HOLMES TO ACCEPT THE 2021 ANNUAL REPORT ON THE COACHELLA VALLEY MULTIPLE SPECIES HABITAT CONSERVATION PLAN

THE MOTION CARRIED WITH 16 AYES AND 1 MEMBERS ABSENT.

| | |
|------------------------------------|--------|
| Mayor Pro Tem Rita Lamb | Aye |
| Mayor Steven Hernandez | Absent |
| Board Member Anthony Bianco | Aye |
| Mayor Pro Tem Gary Gardner | Aye |
| Director Alex Cardenas | Aye |
| Mayor Pro Tem Donna Griffith | Aye |
| Councilmember Elaine Holmes | Aye |
| Mayor Linda Evans | Aye |
| Vice President Nancy Wright | Aye |
| Councilmember Kathleen Kelly | Aye |
| Councilmember Dennis Woods | Aye |
| Councilmember Richard Kite | Aye |
| Councilmember Glen Miller | Aye |
| Mayor Pro Tem Kathleen Fitzpatrick | Aye |
| Mayor Jan Harnik | Aye |
| Supervisor V. Manuel Perez | Aye |
| President Russ Martin | Aye |

B. Acquisition of five parcels in the Upper Mission Creek/Big Morongo Canyon and Highway 111/I-10 and Whitewater Floodplain Conservation Areas – Jim Karpiak

Jim Karpiak of the Coachella Valley Mountains Conservancy provided the staff report regarding the purchase of five parcels and responded to Commissioners' questions.

IT WAS MOVED BY MAYOR PRO TEM GARDNER AND SECONDED BY PRESIDENT MARTIN TO APPROVE RESOLUTION NO. 2022-02 FOR ACQUISITION OF FIVE PARCELS CONSISTING OF APPROXIMATELY 127.52+/- ACRES IN THE UPPER MISSION CREEK/BIG MORONGO CANYON AND HIGHWAY 111/I-10 AND WHITEWATER FLOODPLAIN CONSERVATION AREAS AT A COST NOT TO EXCEED \$817,000, PLUS CLOSING AND TRANSACTION RELATED COSTS NOT TO EXCEED \$13,000 AND AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE ALL NECESSARY CONTRACTS AND TAKE SUCH OTHER ACTIONS AS NECESSARY FOR THE ACQUISITION

THE MOTION CARRIED UNANIMOUSLY.

| | |
|-----------------------------|-----|
| Mayor Pro Tem Rita Lamb | Aye |
| Mayor Steven Hernandez | Aye |
| Board Member Anthony Bianco | Aye |
| Mayor Pro Tem Gary Gardner | Aye |

| | |
|------------------------------------|-----|
| Director Alex Cardenas | Aye |
| Mayor Pro Tem Donna Griffith | Aye |
| Councilmember Elaine Holmes | Aye |
| Mayor Linda Evans | Aye |
| Vice President Nancy Wright | Aye |
| Councilmember Kathleen Kelly | Aye |
| Councilmember Dennis Woods | Aye |
| Councilmember Richard Kite | Aye |
| Councilmember Glen Miller | Aye |
| Mayor Pro Tem Kathleen Fitzpatrick | Aye |
| Mayor Jan Harnik | Aye |
| Supervisor V. Manuel Perez | Aye |
| President Russ Martin | Aye |

C. Acquisition of eight tax default parcels from the Riverside County Treasurer-Tax Collector (2021 Default List) – Jim Karpiak

Mr. Karpiak presented the staff report and explained the process of acquiring tax default parcels. Member discussion ensued.

IT WAS MOVED BY MAYOR EVANS AND SECONDED BY SUPERVISOR HEWITT TO APPROVE RESOLUTION 2022-03 AUTHORIZING ACQUISITION OF EIGHT TAX DEFAULT PARCELS AT A COST NOT TO EXCEED \$36,762.80, PLUS ADMINISTRATION COSTS, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT OF SALE TO PURCHASE THE PROPERTIES

THE MOTION CARRIED UNANIMOUSLY.

| | |
|------------------------------------|-----|
| Mayor Pro Tem Rita Lamb | Aye |
| Mayor Steven Hernandez | Aye |
| Board Member Anthony Bianco | Aye |
| Mayor Pro Tem Gary Gardner | Aye |
| Director Alex Cardenas | Aye |
| Mayor Pro Tem Donna Griffith | Aye |
| Councilmember Elaine Holmes | Aye |
| Mayor Linda Evans | Aye |
| Vice President Nancy Wright | Aye |
| Councilmember Kathleen Kelly | Aye |
| Councilmember Dennis Woods | Aye |
| Councilmember Richard Kite | Aye |
| Councilmember Glen Miller | Aye |
| Mayor Pro Tem Kathleen Fitzpatrick | Aye |
| Mayor Jan Harnik | Aye |
| Supervisor V. Manuel Perez | Aye |
| President Russ Martin | Aye |

D. Update on State Advocacy Efforts – Emmanuel Martinez

Emmanuel Martinez provided the staff report. Member discussion ensued.

IT WAS MOVED BY COUNCILMEMBER WOODS AND SECONDED BY SUPERVISOR PEREZ TO ADOPT CVCC'S 2022 STATE LEGISLATIVE PLATFORM, AND DIRECTING STAFF TO PROVIDE UPDATES AT FUTURE MEETINGS ON STEPS RELATED TO LEGISLATION

THE MOTION CARRIED UNANIMOUSLY.

| | |
|------------------------------------|-----|
| Mayor Pro Tem Rita Lamb | Aye |
| Mayor Steven Hernandez | Aye |
| Board Member Anthony Bianco | Aye |
| Mayor Pro Tem Gary Gardner | Aye |
| Director Alex Cardenas | Aye |
| Mayor Pro Tem Donna Griffith | Aye |
| Councilmember Elaine Holmes | Aye |
| Mayor Linda Evans | Aye |
| Vice President Nancy Wright | Aye |
| Councilmember Kathleen Kelly | Aye |
| Councilmember Dennis Woods | Aye |
| Councilmember Richard Kite | Aye |
| Councilmember Glen Miller | Aye |
| Mayor Pro Tem Kathleen Fitzpatrick | Aye |
| Mayor Jan Harnik | Aye |
| Supervisor V. Manuel Perez | Aye |
| President Russ Martin | Aye |

7. **INFORMATION** - The following items were provided in the agenda for information only:

A. Attendance Record

B. Contracts under \$25,000

C. Earmark request to Assemblymembers for new Desert Community Conservation Corps

Councilmember Woods requested updates on Item 7C be provided at a future meeting.

8. **PUBLIC COMMENTS ON NON-AGENDA ITEMS**

None.

9. **ANNOUNCEMENTS**

Upcoming Meetings:

The next meeting of the **Coachella Valley Conservation Commission** will be held on Thursday, May 12, 2022, at 10:30 a.m. via Zoom webinar.

10. **ADJOURN** – The meeting was adjourned by Chair Evans at 11:36 a.m.

Respectfully submitted,
Jennifer Nelson, Clerk

ITEM 6B

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: Remote Teleconference/Virtual Meetings Pursuant to Assembly Bill 361

Contact: Jennifer Nelson, Executive Assistant/Clerk (jnelson@cvag.org)

Recommendation: Reaffirm that findings still exist, pursuant to Assembly Bill 361, and authorize continuation of remote teleconference/virtual meetings of the Coachella Valley Conservation Commission and its committees

Background: All meetings of the Coachella Valley Conservation Commission are subject to the Ralph M. Brown Act (Gov. Code §§ 54950 *et seq.*) and must be open and public so that any member of the public may attend and participate in the meetings.

Starting in March 2020, Governor Newsom issued a series of executive orders aimed at preventing the spread of COVID-19, as it was determined that social distancing was an important factor addressing the pandemic. Among these were Executive Orders N-25-20, N-29-20 and N-35-20 (collectively, the “Brown Act Orders”) that waived the teleconferencing requirements of the Brown Act to allow legislative bodies to meet virtually.

On June 11, 2021, the Governor issued Executive Order N-08-21 to begin winding down some of the prior measures that were adopted to respond to COVID-19. Notably, this order rescinds the Brown Act Orders, effective September 30, 2021. On September 16, 2021, Governor Newsom signed Assembly Bill 361 (AB 361), which effective October 1, 2021, allows legislative bodies to meet virtually provided the legislative body makes specific findings.

Specific Findings Required under AB 361:

The CVCC has previously made the following findings pursuant to AB 361:

1. A statewide state of emergency is currently in place;
2. State or local officials have imposed or recommended measures to promote social distancing in connection with COVID-19; and
3. Meeting in person would present imminent risks to the health or safety of attendees.

With this item, CVCC staff is recommending the CVCC confirm these findings still exist and continue virtual meetings, pursuant to AB 361.

Fiscal Analysis: There are no additional costs to CVCC for hosting virtual meetings. Commission members are paid the same stipends as they would in person.

ITEM 6C

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: Annual Review of CVCC's Investment Policy

Contact: Claude T. Kilgore, CVCC Auditor / Director of Finance/Admin. (ckilgore@cvag.org)

Recommendation: Approve CVCC's existing Investment Policy as CVCC Policy 22-01

CVCC Finance Committee: Concurred (Meeting of May 2nd)

Background: Pursuant to California Government Code Section 53646(a)(2), local agencies (other than counties) "may annually render to his/her legislative body and any oversight committee an investment policy." While not explicitly required by statute, CVCC staff has long maintained that an investment policy should always be in place and provided to the Commission for annual review.

This review is a continuation of CVCC's commitment to uphold the best interest of its members and to ensure shared fiduciary responsibility, increased authority and legitimacy of the investment policy, as well as transparency and disclosure to CVCC members.

CVCC staff has reviewed the existing investment policy and finds that it is sufficient. Staff recommends that the policy be approved as CVCC 22-01.

Fiscal Analysis: There is no cost to passing the resolution.

Attachment: CVCC Policy 22-01

CVCC POLICY NUMBER: 22-01

COACHELLA VALLEY CONSERVATION COMMISSION (CVCC) INVESTMENT POLICY FOR CVCC FUNDS

It is the policy of Coachella Valley Conservation Commission (CVCC) to invest public funds in accordance with the requirements of State law to achieve a market rate of return while minimizing the potential for losses, to meet daily cash flow needs of CVCC and to comply with all laws of the State of California regarding the investment of public funds. The ultimate goal is to enhance CVCC's financial condition while protecting its financial assets.

This investment policy is intended to provide guidelines for the prudent investment of CVCC's temporarily idle cash and to identify CVCC's policies regarding the investment process. Investments of public funds shall be made in accordance with the following policy.

1. Investment Objectives:
 - Safety – preservation of the public's funds so that necessary public projects and programs can be constructed and managed;
 - Liquidity – assurance of liquidity to meet daily cash flow needs; and
 - Yield – obtaining the maximum investment yield consistent with the above.
2. Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for the herein defined individual security's credit risk or market price changes, provided deviations from expectations are reported in the herein defined timely fashion and appropriate action is taken to control adverse developments.

3. The CVCC Secretary, and designee, the CVCC Auditor, are responsible for establishing and maintaining an internal control structure designed to ensure the safety of the assets of CVCC and that CVCC assets are protected from loss, theft or misuse. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived; and, (b) the valuation of costs and benefits requires estimates and judgments by management. Accordingly, the CVCC

Secretary, and designee, the CVCC Auditor, shall maintain an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

4. All security transactions entered into by the Coachella Valley Conservation Commission shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian designated by the CVCC Auditor and evidenced by safekeeping receipts. Funds invested with the Riverside County Pooled Investment Fund are exempt from this paragraph.
5. Pursuant to CVCC's policies and prior direction, the CVCC Secretary and designee, the CVCC Auditor, are hereby delegated the authority to implement the investment policy set forth herein.
6. Except for those funds necessary to assure maintenance of ongoing CVCC operations, CVCC investment may include:
 - United States Treasury Bonds, Treasury Notes or Treasury Bills
 - Certificates of Deposit, placed with commercial banks and savings and loan companies (not to exceed the FDIC guarantee of \$250,000 per financial institution unless collateralized per Section 7)
 - State of California Local Agency Investment Fund (LAIF)
 - AAA-rated Money Market Funds investing in US Treasury investments
 - Riverside County Pooled Investment Fund

The County of Riverside (County) serves as CVCC's treasurer. The County's Pool is professionally managed and maintains liquidity and diversification so as to minimize risk to the public agencies whose funds are held by the Pool. CVCC Staff reviews the County Treasurer's Investment Portfolio monthly, as well as providing a quarterly investment report to CVCC's Executive Committee (see section 13).

7. Collateralization will be required on demand deposits, certificates of deposit and repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, a minimum collateralization level is required.

Surplus funds can only be deposited in state or federal commercial banks and savings associations, state or federal credit unions, State of California Local Agency Investment Fund (LAIF) or the Riverside County Pooled Investment Fund within the State of California. The deposits cannot exceed the amount of the bank's or savings and loan's paid-up capital and surplus. The bank or savings and loan must secure public funds deposits with eligible securities having a market value of 110% of the total amount of the deposits. State law also allows as an eligible security, first trust deeds having a value of 150% of the total amount of the deposits.

The CVCC Secretary or CVCC Auditor may waive security for that portion of a deposit which is insured pursuant to Federal law. Currently, the first \$250,000 of a deposit is federally insured. Deposits in excess of \$250,000 are required to be collateralized as previously indicated.

8. CVCC, to ensure the safety of its investment portfolio, will diversify its investments by security type and institution. No more than 55% of CVCC's total investment portfolio shall be placed with any single financial institution, with the exception of LAIF, whereby CVCC has the option of investing up to the maximum allowable by LAIF.
9. The CVCC Auditor shall develop and maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness, who maintain an office in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

No public deposit shall be made except in a qualified public depository as established by state laws. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the CVCC Auditor with the following: audited financial statements, proof of National Association of Security Dealers' certification, and proof of State of California registration. A current (for the fiscal year most recently ended) audited financial statement is required to be on file for each financial institution and broker/dealer in which CVCC invests.

10. The list of permissible investments in Section 6 is intentionally more limited than those set forth in California Government Code Sections 53601 and 53635.
11. Unless further restricted by state law, all investments hereunder shall be limited to a maximum maturity date of three years from date of purchase. A minimum of fifty percent (50%) of CVCC's invested funds must be invested in securities with maturities of one year or less. A minimum of seventy five percent (75%) of CVCC's invested funds must be invested in securities with maturities of two years or less.
12. Excluded from this resolution are investments of employee deferred compensation, employee cafeteria plan and retirement plan funds.
13. This investment policy shall be reviewed at least annually by the Executive Committee and CVCC Secretary in accordance with California Government Code Section 53646 requirements.
14. Under provisions of the California Government Code Section 53646, there shall be a report, at least quarterly, to the Executive Committee on the status of all CVCC investments. This quarterly report will include the following information: Amount on Deposit, Market Value, Source for Market Values, Yield (rate of interest), Type of Investment and Institution. In addition, quarterly report shall:
 1. State compliance of the portfolio to CVCC's investment policy or manner in which the portfolio is not in compliance; and
 2. Include a statement denoting the ability of CVCC to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

15. The CVCC Secretary, or designee, shall suggest such amendments to this policy as he or she, from time to time, deems necessary or prudent.

ADOPTED this twelfth day of May 2022.

Linda Evans, Chair
Coachella Valley Conservation Commission

ATTEST:

Tom Kirk
CVCC Executive Director/ Secretary

ITEM 6D

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: CVCC representation at the California Joint Powers Insurance Authority's Board of Directors

Contact: Erica Felci, Assistant Executive Director (efelci@cvag.org)

Recommendation: Appoint the CVCC Vice Chair as the primary delegate to the California Joint Powers Insurance Authority's Board of Directors, with the CVCC Auditor serving as the alternate, for the current and future years

Background: The CVCC, its sister agency the Coachella Valley Association of Governments (CVAG) and a number of its member jurisdictions are longtime members of the California Joint Powers Insurance Authority, which was formed more than 40 years ago to provide risk management solutions and strategic oversight to its members. The Authority is governed by elected officials from its member agencies, with an Executive Committee that is elected by members and guided by the California JPIA's mission.

Each year, the California JPIA Director requests that CVCC certify a primary delegate and an alternate to California JPIA Board of Directors. The primary delegate must be an elected official who serves on the governing body. The primary delegate has voting rights and if the alternate would vote should the delegate not be present.

It has been the longstanding practice at CVCC and at CVAG to have the Vice Chair designated as the director on record and designated staff – specifically the CVAG Director of Administrative Services, whose title is also the CVCC Auditor – to serve as the alternate “for the current and future years.” Because this policy was done long before CVAG had a formal officer rotation and before CVAG staff had some positions renamed, the CVAG Executive Committee in April 2022 reaffirmed this policy approach. Staff is recommending the CVCC take a similar, reaffirming vote.

Upon approval, CVCC will file a certification form so it is represented at the next Annual Board of Directors meeting, which is currently scheduled for July 20, 2022 at 7 p.m. at the Authority's campus in La Palma.

Fiscal Analysis: There is no cost to CVCC for this item.

**Coachella Valley Conservation Commission
May 12, 2022**



STAFF REPORT

Subject: CVCC's Audit for Fiscal Year 2020/21 and Related Reports

Contact: Claude T. Kilgore, Director of Finance/Administration (ckilgore@cvag.org)

Recommendation: Receive and file the Audited Financial Statements for the fiscal year ended June 30, 2021, Report on Internal Controls over Financial Reporting, and the Auditor's Communication with Those Charged with Governance

CVCC Finance Committee: Concurred (Meeting of May 2nd)

Background: CVCC has engaged the Coachella Valley Association of Governments (CVAG) to provide staffing and other administrative tasks since its inception. CVAG's Financial Statements Audit Procurement Policy, adopted on June 3, 2002, requires CVAG to obtain from qualified auditing firms, proposals to perform CVAG's annual financial audit every five years. In June 2021, CVAG hired the audit firm of Davis Farr LLP – a firm with an impressive history of professional work in the Coachella Valley – for engagement as CVAG/CVCC/DCE independent auditor for the five fiscal years starting with Fiscal year 2020/21. The firm has an impressive history of professional work in the Coachella Valley.

Davis Farr LLP performed the annual audit over CVCC's Basic Financial Statements as of June 30, 2021, and for the fiscal year then ended which include the Government-Wide Financial Statements including the Statement of Net Position and Statement of Activities as well as the Fund Financial Statements which include the Balance Sheet – Governmental Funds, Reconciliation of the Governmental Funds Balance Sheets to the Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds, Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities, and Notes to the Basic Financial Statements. Davis Farr issued an Unmodified Opinion, which means that CVCC's Basic Financial Statements present fairly, in all material respects, the respective financial position of the 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

In accordance with Government Auditing Standards, Davis Farr also issued a report on their consideration of CVCC's internal control over financial reporting and their tests of CVCC's compliance with certain provisions of laws, regulations, contracts, and grant agreements as well as other matters; Davis Farr was not engaged to provide an opinion on internal control over financial reporting or on compliance. During its testing, Davis Farr did not identify any material weaknesses or significant deficiencies in internal controls. However, the auditors are recommending that CVCC adopt its own procurement policy, instead of relying on CVAG's policy. Staff is currently working on this policy and anticipates bringing it forward to the CVCC at an

upcoming meeting. Finally, Davis Farr has provided a letter to the CVCC Commission Members outlining Significant Audit Findings as promulgated by AU-C Section 260, "The Auditor's Communication with Those Charged With Governance."

CVCC staff appreciated working with, and would like to thank, the Davis Farr team which was led by Partner Shannon Ayala for their diligence and hard work in issuing the reports and findings. A member of the Davis Farr team will present the reports and be available to address any Board questions or comments.

Fiscal Analysis: The professional fees associated with the audit were previously budgeted and there is no additional financial impact.

Attachments:

1. CVCC's Audited Financial Statements for the year ended June 30, 2021
2. Report on Internal Controls over Financial Reporting
3. Auditor's Communication with Those Charged with Governance

COACHELLA VALLEY CONSERVATION COMMISSION

Financial Statements

Year ended June 30, 2021

(With Independent Auditor's Report Thereon)

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.

DavisFarr LLP

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

| | <u>Fiscal Year 2021</u> | <u>Fiscal Year 2020</u> | <u>Dollar Change</u> | <u>Total Percent Change</u> |
|--|---------------------------------|---------------------------------|--------------------------|-------------------------------------|
| 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)

| | Balance <u>June 30, 2021</u> | Balance <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)

| | Governmental Activities | |
|--|-------------------------|-------------------|
| | 2021 | 2020 |
| 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>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.

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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 |
| Assets: | | | | |
| 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> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| 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> |
| Fund Balances: | | | | |
| Restricted: | | | | |
| 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)

| | | <u>Special Revenue Funds</u> | | |
|--|----------------------|------------------------------|---------------------|---------------------------|
| | 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 | 1,442,103 | (159,849) | 2,690,431 | (418,310) |
| Fund Balance - Beginning, as restated (note 8) | 9,759,162 | 675,562 | 9,015,492 | 5,013,581 |
| 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 | In-Lieu Fee | Other Governmental Funds | Total Governmental Funds | |
|-------------------------|------------------|--------------------------------|--------------------------|-------------------|
| | | | 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.

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|------------------|---------------------------------|----------------------------------|
| 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 Activities | Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | |
|--|----------------------------|---|---------------------|
| | Governmental 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> |

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 | <u>3,850</u> | <u>3,850</u> | <u>7,092</u> | <u>3,242</u> |
| 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 | <u>262,506</u> | <u>262,506</u> | <u>405,422</u> | <u>(142,916)</u> |
| 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 | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 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) |
| Total Revenues | <u>509,958</u> | <u>509,958</u> | <u>523,421</u> | <u>13,463</u> |
| 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) |
| Total Expenditures | <u>3,190,313</u> | <u>3,190,313</u> | <u>1,103,587</u> | <u>2,086,726</u> |
| 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 | 50,275 | 50,275 | 2,007 | (48,268) |
| Other Financing Sources (Uses): | | | | |
| Transfers out | (2,103,816) | (2,103,816) | (420,317) | 1,683,499 |
| Total Other Financing (Uses) | (2,103,816) | (2,103,816) | (420,317) | 1,683,499 |
| 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 | \$ 2,960,040 | 2,960,040 | 4,595,271 | 1,635,231 |

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 | <u>100</u> | <u>100</u> | <u>140</u> | <u>40</u> |
| 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 | <u>54,164</u> | <u>54,164</u> | <u>22,134</u> | <u>32,030</u> |
| 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.

COACHELLA VALLEY CONSERVATION COMMISSION

**Combining Balance Sheet
Nonmajor Governmental Funds**

June 30, 2021

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

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> | | |
|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| | Lizard Endowment | Travertine Point Monitoring | Total Governmental Funds |
| 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> |

**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***

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

Independent Auditor's Report

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 Coachella Valley Conservation Commission (CVCC), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise CVCC's basic financial statements, and have issued our report thereon dated April 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered CVCC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CVCC's internal control. Accordingly, we do not express an opinion on the effectiveness of CVCC'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 entity'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.

Our consideration of 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 audit 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.

In addition, as a service to you we identified other matters during our audit that provide you an opportunity to enhance your existing internal controls. The matter below is provided as recommendation for your consideration and is not considered to be material weaknesses or significant deficiencies in internal control.

(2021-001) Procurement Policy

Coachella Valley Conservation Commission (CVCC) currently does not have its own procurement policy. CVCC follows the Coachella Valley Association of Government's procurement policy. We recommend CVCC create its own purchasing guidelines and follow its own procurement policies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CVCC'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, 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 the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

DavisFarrLLP

Irvine, California
April 22, 2022

To the Commission Members
Coachella Valley Conservation Commission

We have audited the financial statements of Coachella Valley Conservation Commission (CVCC) for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by CVCC are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. We noted no transactions entered into by CVCC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting CVCC's financial statements were:

- Estimates involving estimated acquisition value of donated land. We evaluated the key factors and assumptions used to develop certain estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Additionally, the following immaterial misstatements detected as a result of audit procedures

were not corrected by management:

- Correction of revenue recorded related to the prior fiscal year

Management believes these adjustments are not material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 22, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to CVCC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as CVCC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

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

DavisFarrLLP

Irvine, California
April 22, 2022

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: Acquisition of one parcel in the Whitewater Floodplain Conservation Area

Contact: Jim Karpiak, Coachella Valley Mountains Conservancy (jkarpiak@cvmc.ca.gov)

Recommendation: Approve Resolution 2022-04 for acquisition of one parcel consisting of approximately 22.68+/- acres in the Whitewater Floodplain Conservation Area at a cost not to exceed \$130,000, plus closing and transaction related costs not to exceed \$5,000 and authorize the Executive Director to execute all necessary contracts and take such other actions as necessary for the acquisition

Background: In February 2022, an appraisal report was completed for specific parcels in various conservation areas, the fair market value of the target properties was determined, and contingent offer letters were then sent to potential willing sellers. One willing seller in the Whitewater Floodplain Conservation Area accepted the contingent offer and has executed an agreement for the purchase and sale of real estate with the CVCC for the following parcel (the Property):

1. APN 660-300-007 consisting of approximately 22.68+/-acres, for a purchase price of \$130,000 (or \$5,732.00 per acre), plus closing costs and transaction related costs totaling approximately \$5,000.

The purchase price of the Property is consistent with other recent conservation purchases in the area. The Property is in the City of Palm Springs, within the Whitewater Floodplain Conservation Area and features important habitat for the Coachella Valley fringe-toed lizard, Coachella Valley giant sand-treader cricket, Coachella Valley Jerusalem cricket, Coachella Valley milkvetch, Le Conte's thrasher and Palm Springs pocket mouse. The Property also contains hydrologic features, cultural resources, significant scenic attributes, and future recreational options consistent with the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). Furthermore, the Property is also near other parcels already owned by CVCC and its conservation partners, making for efficient management practices.

The purchase agreement is contingent upon: (1) approval by the CVCC; (2) Seller's ability to provide the CVCC an owner's policy of title insurance subject only to such exceptions as may be accepted in writing by the CVCC; and (3) a site inspection demonstrating that there are no hazardous materials or hazardous conditions on the Property, and all debris shall be removed by close of escrow by seller.

Staff recommends the CVCC approve the purchase of the Property for use as part of the CVMSHCP reserve system with recreational options, consistent with habitat values in perpetuity to advance the plan's goals and objectives.

Fiscal Analysis: The cost of the purchase is \$130,000, with closing costs not to exceed \$5,000. Funding for this purchase is available in CVCC's Land Acquisition Fund.

Attachments:

1. Resolution 2022-04
2. Property location map

Resolution No. 2022-04

**A RESOLUTION OF THE
COACHELLA VALLEY CONSERVATION COMMISSION
AUTHORIZING ACQUISITION OF
APN 660-300-007**

WHEREAS, the Coachella Valley Conservation Commission ("Commission") is a public agency of the State of California formed by a Joint Exercise of Powers Agreement; and

WHEREAS, the Commission implements the Coachella Valley Multiple Species Habitat Conservation Plan/Natural Community Conservation Plan ("Plan"); and

WHEREAS, the primary means of conservation under the Plan is acquisition of land from willing sellers; and

WHEREAS, APN 660-300-007 consisting of approximately 22.68+/- acres, as further described in Exhibit A (collectively, "Property"), is within the Whitewater Floodplain Conservation Area of the Plan, containing biological resources such as important plant or wildlife habitat or hydrologic features, cultural resources, significant scenic attributes, and recreational options consistent with habitat values; and

WHEREAS, the owners have accepted a contingent offer for the Commission to purchase the Property at the fair market value determined by an appraisal; and

WHEREAS, acquisition of the Property would advance the goals and objectives of the Plan; and

NOW, THEREFORE, be it resolved that the Commission approves the purchase of the Property using the Land Acquisition Fund at the appraised fair market value of \$130,000.00, plus closing and transaction related costs estimated not to exceed \$5,000.00; and

FURTHER, the Commission hereby authorizes the Executive Director to negotiate and execute all necessary contracts and documents and take such other actions as necessary to effect the acquisition of the Property.

The foregoing Resolution was passed by the Coachella Valley Conservation Commission this 12th day of May 2022.

APPROVED:

Linda Evans
Chair

Tom Kirk
Executive Director

Exhibit A

Legal Description of Real Property to be Acquired

The land referred to herein is situated in the State of California, County of Riverside, in the City of Palm Springs, described as follows:

THAT PORTION OF THE SOUTH HALF OF SECTION 31, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SAN BERNARDINO BASE AND MERIDIAN, ACCORDING TO THE OFFICIAL PLAT THEREOF, LYING EAST OF THE EAST LINE OF THAT PARCEL OF LAND GRANTED TO THAT COUNTY OF RIVERSIDE BY DEED RECORDED MAY 11, 1966, AS INSTRUMENT NO. 49363, OFFICIAL RECORDING. WEST OF THE NORTHEASTERLY LINE OF THE WATER COURSE AREA AS ADOPTED BY THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY ON APRIL 27, 1959, AND SOUTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT THE SOUTHWEST CORNER OF SAID SECTION 31.

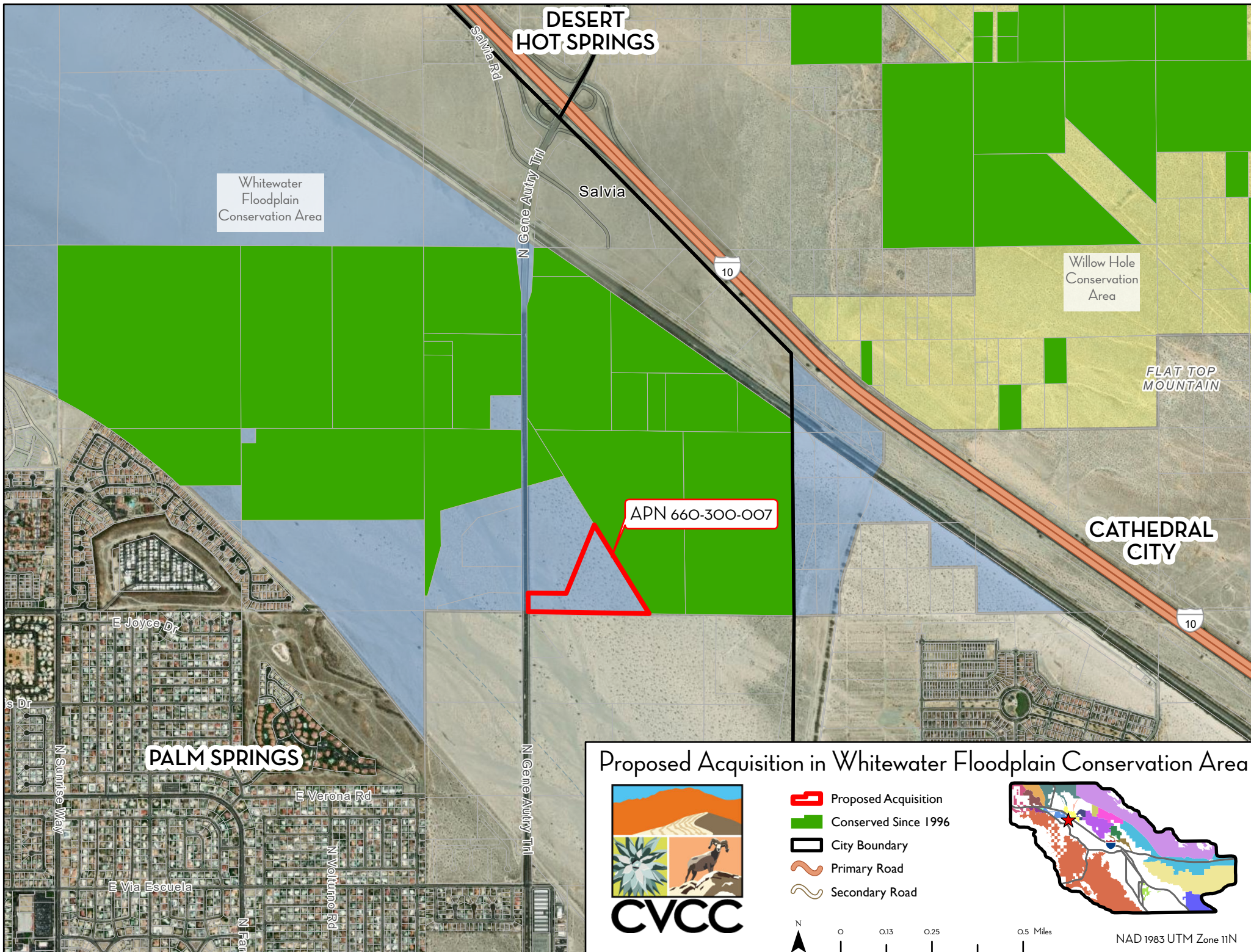
THENCE EAST ON THE SOUTH LINE OF SAID SECTION, 200 FEET; THENCE NORTH 53.29 FEET.

THENCE NORTH 75 EAST, 758.87 FEET.

THENCE EAST, 1116.99 FEET.

THENCE NORTH 22° 15' 49" EAST, 2100 FEET.

APN: 660-300-007



Item 7C

Coachella Valley Conservation Commission May 12, 2022



STAFF REPORT

Subject: Update on the Peninsular Bighorn Sheep in the CVMSHCP Plan Area

Contact: Kathleen Brundige, Director of Conservation (kbrundige@cvaq.org)

Recommendation: Information only

Background: At the May 12 meeting, Erin Schaeffer, Wildlife Biologist for the California Department of Fish and Wildlife (CDFW), will provide details on the status of the Peninsular bighorn sheep, one of the species covered by the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). Ms. Schaeffer will discuss the background of conservation efforts of the bighorn sheep in the region, and the current results of ongoing monitoring including the use of radio and GPS collars to track and monitor population distribution, abundance, survival, cause-specific mortality and the success of lambing.

Peninsular bighorn sheep (*Ovis canadensis nelsoni*) inhabit the desert slopes of the Peninsular Ranges of southern California and extend into the mountains of Baja California in Mexico. Peninsular bighorn sheep have been protected since 1971 under the California Endangered Species Act. In 1974, the number of bighorn sheep in the range-wide population was estimated at 1,171. By 1996, the population had declined to less than 300 adult sheep by 1996. In 1998, the U.S. Fish and Wildlife Service (USFWS) listed Peninsular bighorn sheep as a federally endangered population segment. Reasons for this listing were: 1) habitat fragmentation, degradation, and habitat loss by urban and commercial development, 2) disease, 3) predation coinciding with low population numbers, 4) human disturbance, 5) insufficient lamb recruitment, 6) nonnative toxic plants, and 7) prolonged drought.




Bighorn sheep are associated with nine recovery regions within the Peninsular Ranges; four of these recovery regions occur within the CVMSHCP area: 1) San Jacinto Mountains, 2) Northern Santa Rosa Mountains, 3) Central Santa Rosa Mountains, and 4) Southern Santa Rosa Mountains. The 2000 *Recovery Plan for Bighorn Sheep in the Peninsular Ranges, California* listed several criteria that must be met before delisting occurs: (1) a minimum of 25 ewes must be present in each of nine recovery regions during 12 consecutive years without continued population augmentation; (2) an average of 750 individuals in the range-wide estimate with a stable to increasing population trend over 12 consecutive years; (3) established regulatory mechanisms and land management commitments that provide for long-term protection of sheep and all essential habitat. Connectivity among all portions of habitat must be established to allow bighorn sheep to move freely throughout the Peninsular Ranges.

Fiscal Analysis: There is no additional cost to the CVCC for this update.

Item 8A

**COACHELLA VALLEY CONSERVATION COMMISSION
FY2021-2022 ATTENDANCE RECORD**

| JURISDICTION / AGENCY | JUL | AUG | SEP | OCT | NOV | DEC | JAN | FEB | MAR | APR | MAY | JUN |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| City of Cathedral City | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of Coachella | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Coachella Valley Water District | - | - | - | | | - | - | ✓ | - | ✓ | | |
| City of Desert Hot Springs | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Imperial Irrigation District | - | - | - | ✓ | | - | - | ✓ | - | ✓ | | |
| City of Indian Wells | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of Indio | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of La Quinta | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of Palm Desert | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Mission Springs Water District | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of Palm Springs | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| City of Rancho Mirage | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Riverside County - District 1 | - | - | - | ✓ | ✓ | - | - | | - | ✓ | | |
| Riverside County - District 2 | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Riverside County - District 3 | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |
| Riverside County - District 4 | - | - | - | ✓ | | - | - | ✓ | - | ✓ | | |
| Riverside County - District 5 | - | - | - | ✓ | ✓ | - | - | ✓ | - | ✓ | | |

Absent 
 Present 
 No Meeting 

ITEM 8B

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: Contracts Under \$25,000

Contact: Allen McMillen, Management Analyst, (amcmillen@cvag.org)

Recommendation: Information

Background: The following contracts were signed by the CVCC Executive Director under his signature authority:

1. A contract amendment was executed with Realty Resources, Inc. to extend the term of the appraisal services contract to January 21, 2023 for parcels located in the Upper Mission Creek Conservation Area. Additionally, the amendment establishes a contingency in an amount not-to-exceed \$2,500 to provide additional appraisals within the contracted conservation area. The total contract, including the contingency, is for a not-to-exceed amount of \$9,500.
2. A contract amendment was executed with Realty Resources, Inc. to extend the term of the appraisal services contract to August 27, 2022 for parcels located in the Desert Tortoise and Linkage Conservation areas. Additionally, the amendment establishes a contingency in an amount not-to-exceed \$2,500 to provide additional appraisals within the contracted conservation areas. The total contract, including the contingency, is for a not-to-exceed amount of \$10,000.
3. A services contract with Realty Resources, Inc. was executed to appraise three vacant land parcels comprising approximately 480 acres located in the Dos Palmas Conservation area. The contract is for a not-to-exceed amount of \$6,500.
4. A third contract amendment was executed with eBizUniverse, Inc. to extend the CVCC website redesign services contract to May 31, 2022 and extend the free website hosting period to October 23, 2022. There is no change to the total not-to-exceed amount stated in the original agreement, which was authorized for \$4,825.

Fiscal Analysis: The appraisal expenses are covered in CVCC's Fiscal Year 2021-22 Land Acquisition Fund. The website redesign is covered through the General Administration Fund.

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS SCHEDULE OF MEETINGS

FISCAL YEAR 2022/2023



| CVAG STANDING COMMITTEES | DAY | TIME | JULY (Dark) | AUG (Dark) | SEPT | OCT (Dark) | NO V | DEC (Dark) | JAN | FEB | MAR (Dark) | APR | MA Y | JUN |
|---|------------------------------|------------|----------------|---------------|-------------|---------------|------------|---------------|------------------------|------------|---------------|-----|-------------|-----|
| EXECUTIVE COMMITTEE | Last Monday | 4:30 p.m. | - | - | 26 | - | H Dec 5 | - | 30 | 27 | - | 24 | H June 5 | 26 |
| TRANSPORTATION COMMITTEE | 1 st Monday | 10:00 a.m. | | - | H Aug 29 | - | 7 | - | H Jan 9 11:00 am | 6 | - | 3 | 1 | 5 |
| COACHELLA VALLEY CONSERVATION COMMISSION | 2 nd Thursday | 10:30 a.m. | - | - | 8 | - | 10 | - | 12 | 9 | - | 13 | 11 | 8 |
| DESERT COMMUNITY ENERGY | 3 rd Monday | 3:00 p.m. | 18 | 22 | 19 | 17 | 21 | - | H Jan 9 | H Feb13 | 20 | 17 | 15 | 19 |
| ENERGY AND ENVIRONMENTAL RESOURCES COMMITTEE | 2 nd Thursday | 12:00 p.m. | - | - | 8 | - | 10 | - | 12 | 9 | - | 13 | 11 | 8 |
| PUBLIC SAFETY COMMITTEE | 2 nd Monday | 9:00 a.m. | - | - | 12 | - | 14 | - | 9 | 13 | - | - | 8 | 12 |
| HOMELESSNESS COMMITTEE | 3 rd Wednesday | 10:00 a.m. | - | - | 21 | - | 16 | - | 18 | 15 | - | 19 | 17 | 21 |
| GENERAL ASSEMBLY | Last Monday in June | 6:00 p.m. | - | - | - | - | - | - | - | - | - | - | - | 26 |

H = Holiday * = Special Meeting

AGENDAS CAN BE FOUND AT: www.cvag.org.

UPDATED: May 6, 2022

PLEASE NOTE: When it becomes necessary to have a special meeting or to change the date of a meeting, committee members will be alerted and the change will be noted on the CVAG website calendar.

**Coachella Valley Conservation Commission
May 12, 2022**



STAFF REPORT

Subject: Progress on the La Quinta Peninsular Bighorn Sheep Fence

Contact: Kathleen Brundige, Director of Conservation (kbrundige@cvag.org)

Recommendation: Information

Background: The installation of a fence to limit access by bighorn sheep to urban areas in La Quinta is a requirement of the Coachella Valley Multiple Species Habitat Conservation Plan (CVMSHCP). The primary objective of the La Quinta Peninsular Bighorn Sheep Fence Project is to protect bighorn sheep by preventing them from accessing and coming to harm from using urban lands, including golf courses and landscaping, artificial water bodies and roadways. CVCC certified the Environmental Impact Report in April 2019 and, after a formal bid process, awarded a construction contract to American Fence in February 2020. CVCC then proceeded to purchase and store the materials for the fence at that time. CVCC and PGA West had to come to an agreement on the location of the fence line and were able to do so by having it go over the ridge to Lake Cahuilla. CVCC authorized an agreement between CVCC and PGA West in May 2021, which granted CVCC permission to install a portion of fencing on PGA West's property. The agreement was finalized in August 2021.

CVCC is now in the middle of what's become a months-long process to get the construction plans approved by the Coachella Valley Water District (CVWD), which needs to provide an encroachment permit for construction. MSA Consultants (MSA) were contracted to prepare construction plans in October 2021. The construction plans were completed in November 2021 and submitted to CVWD for their review. The review is ongoing, which will ultimately ensure the plans meet their requirements and the Bureau of Reclamation's requirements. Also in November 2021, CVCC contracted Wood Environment and Infrastructure Solutions, Inc to address several biological monitoring issues. These tasks include pre-construction clearance surveys, flagging sensitive resources and/or environmentally sensitive areas, biological monitoring, and reporting for various species, and ensuring fencing, barriers, and signage are protecting those environmentally sensitive areas.

Prior to construction and per the Project's EIR Mitigation Monitoring and Reporting Program, a pre-construction meeting will need to occur between CVCC, the wildlife agencies, landowners, the biological monitoring team, and the fencing contractor before commencing construction. CVCC has also completed an encroachment permit with the City of La Quinta to secure a site on the south end of the SilverRock Golf Course to store material while CVWD finishes its review of the plans. Based on the timeline, construction is anticipated to begin in late May 2022 or early June. Due to the delay, the fencing contractor will complete areas of fencing in less rugged areas near Lake Cahuilla and the canal over the summer and then continue over the rugged areas in the autumn, when temperatures are not as extreme.

Fiscal Analysis: There is no cost associated with this informational update. Funding for the fence construction was incorporated into the CVCC Fiscal Year 2021/2022 budget.

Coachella Valley Conservation Commission
May 12, 2022



STAFF REPORT

Subject: Update on Agreement with Desert Hot Springs Police Department for Enforcement on CVCC Lands

Contact: Kathleen Brundige, Director of Conservation (kbrundige@cvag.org)

Recommendation: Information

Background: In January 2021, the CVCC authorized a memorandum of understanding (MOU) with the City of Desert Hot Springs for cooperative land management and law enforcement services on conservation land through December 31, 2023. CVCC owns and manages lands that are subject to a variety of impacts including dumping and unauthorized off-highway vehicle use. CVCC installs signage and fencing or other barriers to limit unauthorized access. Regular visits are made to the properties to attempt to control these unauthorized impacts. However, effective management of these impacts requires visits or patrols by trained and certified law enforcement officers who can issue citations to offenders. In some cases, visiting CVCC properties may present safety considerations for staff and the presence of a law enforcement officer is needed.

The agreement has proven an efficient and effective way to address concerns on approximately 4,100 acres of land, including the particularly problematic areas that are in the Morongo Wash, Willow Hole and Long Canyon. The agreement provided funding for a Polaris “Ranger Crew 570-4 Premium” off-road vehicle and related equipment so officers could access dirt roads and sandy areas in the problem areas. Patrols are now regularly visiting the areas and two full task force operations were deployed over the spring and summer of 2021 in partnership with the Bureau of Land Management and Riverside County’s Off-road Vehicle Enforcement team, which resulted in several contacts, warnings, and violations, including recovery of a couple of stolen vehicles. Desert Hot Springs Police have also documented several cases of vandalism that were not currently in CVCC’s land management tracking system. A six-month progress report was presented verbally at the CVCC’s October 14, 2021, meeting. An update on law enforcement activities on conservation lands covering the period from October 2021 to March 2022 is attached.

Fiscal Analysis: There is no cost to this informational report. Activities are covered under the three-year agreement that was authorized for a total not-to-exceed amount of \$115,000, including funding for the Polaris.

Attachments: Desert Hot Springs Police’s update on enforcement activities.

May 2, 2022

Coachella Valley Conservation Commission
73710 Fred Waring Drive
Suite 200
Palm Desert, CA 92260

CVCC/DHSPD Off-Road Detail October 1, 2021 – March 31, 2022

Officers conducted three (3) conservation land off-road details for the period of October 1, 2021 – March 31, 2022. These details took place on November 10, February 3, and March 4. Officers worked a combined total of 28.5 hours during this period.

Areas patrolled during these details include Little Morongo Road and the wash, Long Canyon, Nude Bowl, Worsley Road, Two Bunch and West, Mission Lakes and Little Morongo, 15th and West, Two Bunch and Cholla, Palm and 20th, and Mountain View and 20th.

During the details three stolen vehicles and two abandoned vehicles were found and removed off designated CVCC land. A drone was also used to assist with searching for abandoned vehicles on the properties. One person was contacted who was exercising in the area. He was advised to stay out of the fenced areas. One person was contacted outside of the property due to his vehicle stuck in the sand. Water and assistance to free his vehicle was provided. There are still multiple fence lines damaged (damaged poles, cut fencing) but there did not appear to be any new damage. No OHV activity or illegal shooting were observed during any of the details.

**COACHELLA VALLEY CONSERVATION COMMISSION
INVESTMENT REPORT
For March 31, 2022**

CASH AND INVESTMENTS UNDER THE DIRECTION OF CVCC

| Description | Carrying Amount | % of Total | Fair Market Value | | % of Total | Interest Rate Yield | Maturity Date |
|-------------------------------------|----------------------|----------------|----------------------|-----|----------------|---------------------|---------------|
| County of Riverside Treasury | \$ 30,918,874 | 93.20% | \$ 30,551,867 | [a] | 93.12% | 0.56% | N/A |
| Union Bank (Checking) | \$ - | 0.00% | \$ - | [b] | 0.00% | N/A | N/A |
| Wells Fargo Bank (Checking) | \$ 49,869 | 0.15% | \$ 49,869 | | 0.15% | N/A | N/A |
| Wells Fargo Bank (In-Lieu Fee) | \$ 2,207,382 | 6.65% | \$ 2,207,382 | | 6.73% | 0.16% | N/A |
| Total Cash & Investments | \$ 33,176,125 | 100.00% | \$ 32,809,118 | | 100.00% | | |

Note:

[a] Fair market value does not include accrued interest. Source of Market Values - The March 2022 County of Riverside Treasurer's Pooled Investment Fund Monthly Report Paper Gain/(Loss) was (1.187)%.

[b] Account closed January 2022.

I hereby certify that the investment portfolio of the Coachella Valley Conservation Commission (CVCC) complies with the California Government Sections pertaining to the investment of agency funds and CVCC's written Investment Policy, which was adopted on June 10, 2021.

The investment portfolio provides CVCC the ability to meet its expenditure requirements for the next six months.

Submitted by:



Claude T. Kilgore, CPA
CVCC Auditor

Coachella Valley Conservation Commission

Unaudited Balance Sheet of Total Governmental Funds

| | <u>Mar 31, 2022</u> |
|---|------------------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 1110 · Cash - County Treasurer | 30,918,874.31 |
| 1115 · Cash - Union Bank (Main) | (138.53) |
| 1117 · Cash - WF Imprest | 49,868.91 |
| 1118 · CASH - Wells Fargo (ILF) | 2,207,381.60 |
| 1145 · Fair Value Adjustment | (367,007.04) |
| Total Checking/Savings | <u>32,808,979.25</u> |
| Accounts Receivable | 98,043.58 |
| Other Current Assets | <u>54,391.29</u> |
| Total Current Assets | <u>32,961,414.12</u> |
| Fixed Assets | |
| 1733 - Construction In Progress | 420,317.01 |
| 1731 · Land | 74,742,723.02 |
| Total Fixed Assets | <u>75,163,040.03</u> |
| TOTAL ASSETS | <u><u>108,124,454.15</u></u> |
| LIABILITIES & FUND BALANCE | |
| Liabilities | |
| Current Liabilities | <u>75,380.93</u> |
| Total Liabilities | <u>75,380.93</u> |
| Fund Balance | <u>108,049,073.22</u> |
| TOTAL LIABILITIES & FUND BALANCE | <u><u>108,124,454.15</u></u> |

Coachella Valley Conservation Commission
UNAUDITED REVENUES, EXPENDITURES, AND CHANGE IN TOTAL
GOVERNMENTAL FUND BALANCE

| | <u>Jul 2021 - Mar 2022</u> |
|--|-----------------------------------|
| Ordinary Revenue/Expenditure | |
| Revenue | |
| 6001 · Development Mitigation Fees | 1,731,496.25 |
| 6005 · Agencies Mitigation Fees | 2,374,956.51 |
| 6030 · Grants | 124,206.79 |
| 7001 · Other Revenue | 36,286.75 |
| 8001 · Investment Income | 39,186.93 |
| 8005 · Gain(Loss) in Investments | (372,697.76) |
| Total Revenue | <u>3,933,435.47</u> |
| Expenditure | |
| 4100 · Administrative Fees | 17,721.25 |
| 4200 · Accounting/Bank Services | 3,544.89 |
| 4250 · Payroll Taxes | 457.70 |
| 4353 · Insurance | 16,408.00 |
| 4418 · Members Per Diem | 4,600.00 |
| 4422 · Computer Software | 3,100.00 |
| 4423 · Office Supplies | 138.56 |
| 4425 · Legal Services | 14,176.48 |
| 4431 · Professional Services | 27,807.88 |
| 4432 · Consultants | 67,008.80 |
| 4510 · Land Improvements | 46,958.61 |
| 4550 · Utilities | 13,675.11 |
| Total Expenditure | <u>215,597.28</u> |
| Net Ordinary Revenue | <u>3,717,838.19</u> |
| Other Revenue/Expenditure | |
| Other Revenue | |
| 7002 · Advertising Revenue | 154.73 |
| Total Other Revenue | <u>154.73</u> |
| Capital Outlay | |
| 4820 · Land Acquisitions | 1,682,976.25 |
| 4821 · Equipment | 0.00 |
| Total Capital Outlay | <u>1,682,976.25</u> |
| Excess Revenue over Expenditures/Change in Fund Balance | <u><u>2,035,016.67</u></u> |