

AGENDA

AGENDA

Temecula-Elsinore-Anza-Murrieta

Resource Conservation District

Regular Board Meeting

Thursday, May 9, 2019 – 4:00 p.m.

Truax Building

41923 Second Street, Fourth Floor

Temecula, CA 92590

ADDING URGENCY ITEMS TO THE AGENDA:

Items may be added to the Agenda in accordance with section 54954.2(b)(2) of the Government Code (Brown Act), upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Temecula-Elsinore-Anza-Murrieta Resource Conservation District after the agenda was posted.

I. PRELIMINARY FUNCTIONS

Call to Order – Pledge of Allegiance

Roll Call/Establish a Quorum

Approval of Agenda

Public Comment

Any person may address the Board at this time upon any subject not identified on this Agenda but within the jurisdiction of the Temecula-Elsinore-Anza-Murrieta Resource Conservation District. Please note that for items not listed on the agenda, the Brown Act imposes limitations on what the Board may do at this time. The Board may not take action on the item at this meeting. As to matters on the Agenda, persons will be given an opportunity to address the Board when the matter is considered. If you wish to speak during public comment, please fill out a "Speaker Request Form" and give it to the Board Secretary. When the Board President calls your name, please immediately begin by giving your name and address for the record. Each speaker will be given three (3) minutes to address the Board.

II. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. All items appearing on the Consent Calendar may be disposed of by a single motion. Items shall be removed from the Consent Calendar if any member of the Board of Directors, staff member, or interested person requests removal prior to a vote on a motion to approve the items. Such items shall be considered separately for action by the Board.

1. Consider approval of Minutes of the Board of Directors Scheduled Meeting of March 2019.
2. Consider approval for current and past Months Financials: Financials and Management Reports for period ended January 31, 2019, February 28, 2019, and March 31, 2019.

Audit Report for Fiscal Year Ended June 30, 2018.

3. Consider approval for current bills and reimbursements:
 - a) Bills Paid:
 1. MRCD – Inv. # 2674, \$670.00, Inv. # 2663, \$655.00, Inv. # 2662, \$415.00
 2. SDRMA – Inv.# 65702, \$50.00
 3. Barb Dalton – Inv.# 10049, \$240.00, Inv.# 10051, \$336.00, Inv. # 10054, \$320.00, Inv.# 10056, \$640.00
 4. Landmark Business Enterprises – Inv.# 2501-227, \$180.00
 5. American Express - \$63.68
 6. Best Best & Krieger – Inv. # 846133, \$54.00
 7. Nigro & Nigro – Inv. # 10028, \$3,800.00
 8. SAWA – Inv. # 2018-111, 2018-117, \$31,416.84
 - b) Bills to be paid or reimbursements:
 - 1.
 - c) Accounts Receivable:
 1. SAWA Board Stipend – check # 8660, \$2,022.92
 2. RCWD CropSwap – check # 150255
Pre Crop Swap – Triqueneaux, \$850.00
Pre Crop Swap – Patil, \$950.00
Pre Crop Swap – Wildgoose, \$950.00
 3. RCWD CropSwap – check # 150817
Pre Water Audit – Berns, \$1,800.00
Pre CropSwap Prgm- Olazabal, \$850.00
Post CropSwap – Prgm – Landgraf, \$850.00
 - 4.

Approve all Correspondence and General information listed below as received on Consent Calendar

III. CORRESPONDENCE

1. Nigro & Nigro – Letter to Board of Directors – 03/29/2019
2. State of California – Natural Resources Agency – 04/08/2019

IV. GENERAL INFORMATION –CORRESPONDENCE GENERAL

1. News Clipping – RCD to provide maintenance, re-vegetation for flood control district.
2. NACD eResource – 03/19/2019,
3. NACD Forestry Notes- 03/25/2019,

4. NACD Conservation Clips – 02/15/2019, 02/22/2019, 03/22/2019,
5. NACD News – 02/06/2019, 02/19/2019
6. NCF Next Gen –
7. CARCD- UPDATES – 03/22/2019, 04/04/2019, 04/08/2019, 04/09/2019, 04/12/2019,
8. CARCD Weekly Digest – 02/15/2019, 02/22/2019, 03/15/2019, 03/29/2019, 04/05/2019, 04/12/2019,
9. CSDA- 02/19/2019, 03/11/2019, 04/05/2019, 04/08/2019, 04/09/2019, 04/11/2019, 04/12/2019, 04/15/2019,
10. Riverside County Watershed Protection- 04/06/2019,
11. Riverside LAFCO – 02/22/2019
12. RCFC –
13. River Network – 02/19/2019, 02/21/2019, 04/01/2019, 04/09/2019, 04/15/2019,
14. California Wonderware – 02/20/2019
15. De Luz Community Services District – 04/13/2019,
16. Society for Range Management -
17. Northwest Mosquito & Vector Control District –
18. SDRMA – 02/22/2019
19. Hesperia Recreation and Park District – 02/26/2019
20. Sierra Club – 02/18/2019
21. Government Technology – 02/21/2019

V. ACTION ITEMS/ DISCUSSION CALENDAR

1. Discussion and potential approval to renew membership of \$100.00 with National Association of Conservation Districts.

VI. OLD BUSINESS

1. Riverside County Flood Control - SAWA
2. Report on Website information – Randy Feeney

VII. NEW BUSINESS

1. Discussion and update on Local Government Compensation Report 2018. – Rose Corona
2. Discussion and potential approval to nominate Associate Director Parkes to work with the Benton Channel Project Design in coordination with Fish and Wildlife for Pulte Homes endowment. –Rose Corona
3. Discussion and potential approval to tour TEAM RCD conservation easements. Associate Director Neugebauer to possibly transport Director Fleming and President Corona to transport Director Kuhns and Associate Director Parkes. – Rose Corona
4. Discussion and potential approval of CropSwap Program Customer Feedback Questionnaire. Form will be provided at meeting as a handout. – Jack Fleming, Barb Dalton
5. Discussion and potential approval for Fairway Estates Restoration and Vegetation. Rose Corona

VIII. ORAL/WRITTEN REPORTS

- | | |
|----------------------------------|--|
| 1. NRCS | Robert Hewitt |
| 2. Audit Report Fiscal Year 2018 | Nigro & Nigro, Written Report 06-30-2018 |
| 3. TEAMRCD Director Reports | Open |
| Rose Corona | |
| Dave Kuhlman | |
| Stacy Kuhns | |
| Randy Feeney | |

Jack Fleming

- | | |
|-------------------------------|---------------------------------|
| 4. Associate Director Reports | Open |
| Rick Neugebauer | |
| Newt Parkes | |
| 5. SAWA/Fire Safe Reports | Rick Neugebauer, Representative |
| 6. Best, Best & Krieger | Ward Simmons, District Counsel |

IX. FUTURE AGENDA ITEMS

X. ADJOURNMENT

ADA COMPLIANCE STATEMENT:

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by §202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the District at least 48 hours before the meeting, if possible.

Next Meeting: June 13, 2019 at 4:00 PM Regular Meeting

MINUTES

CONSENT CALENDAR

MINUTES SIGNED FROM
LAST MEETING

CONSENT CALENDAR

FINANCIALS

Management Report

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

For the period ended January 31, 2019

Prepared by

Landmark Business Enterprises LLC

Prepared on

March 5, 2019

Table of Contents

Profit and Loss3

Balance Sheet.....4

Statement of Cash Flows.....6

A/R Aging Detail.....7

A/P Aging Detail.....8

Profit and Loss

January 2019

	Total
INCOME	
Interest Income	5.61
RCFC Pilot Projects	
Helash Mitigation Site	-1.00
Planning & Compliance	14,445.05
Transient Monitoring	7,310.16
Total RCFC Pilot Projects	21,754.21
Stipend Allowance	2,022.92
Total Income	23,782.74
GROSS PROFIT	23,782.74
EXPENSES	
Contract Services	
Legal Fees	634.50
RFC Facilities - HELASH	14,004.87
RFC Facilities - MURRIETA CREEK LINE F	1,431.98
RFC Facilities - PALOMAR-CORYDON CHANNEL	4,118.74
RFC Facilities - TUCALOTA CREEK 3	6,072.55
RFC Facilities - TUCALOTA CREEK I & II	3,369.89
RFC-Project Development & Administration	2,418.81
Total Contract Services	32,051.34
General and Administration	
Administrative Consulting	1,004.25
Membership Dues	-0.25
Total General and Administration	1,004.00
Office Supplies	573.99
Total Expenses	33,629.33
NET OPERATING INCOME	-9,846.59
NET INCOME	\$ -9,846.59

Balance Sheet

As of January 31, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking/Savings	
General Fund xx2226	167,727.69
Mitigation Account xx0102	98,187.74
Union Banc Investment xx8488	289,199.10
Union Bank xx72042	14,987.94
Total Checking/Savings	570,102.47
Total Bank Accounts	570,102.47
Accounts Receivable	
Accounts Receivable (A/R)	23,627.09
Total Accounts Receivable	23,627.09
Total Current Assets	593,729.56
Fixed Assets	
Clinton Keith Land	475,000.00
Total Fixed Assets	475,000.00
Other Assets	
adjust gain loss brokerage statement	5,616.00
Total Other Assets	5,616.00
TOTAL ASSETS	\$1,074,345.56
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	31,972.84
Total Accounts Payable	31,972.84
Credit Cards	
AMEX 41005	-1.24
Total Credit Cards	-1.24
Other Current Liabilities	
Funds in Brokerage (CD) Account	-1,183.64
Lennar Homes - Greer Ranch	125,000.00
Pulte Homes Benton Channel Endowment	90,000.00
Shea Homes - Adelaine Farms	75,000.00
Total Funds in Brokerage (CD) Account	288,816.36
Total Other Current Liabilities	288,816.36
Total Current Liabilities	320,787.96
Total Liabilities	320,787.96
Equity	
Opening Balance Equity	381,305.25

	Total
Retained Earnings	324,806.92
Net Income	47,445.43
Total Equity	753,557.60
TOTAL LIABILITIES AND EQUITY	\$1,074,345.56

Statement of Cash Flows

January 2019

	Total
OPERATING ACTIVITIES	
Net Income	-9,846.59
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	43,690.84
Accounts Payable	31,972.84
AMEX 41005	-0.25
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	75,663.43
Net cash provided by operating activities	65,816.84
NET CASH INCREASE FOR PERIOD	65,816.84
Cash at beginning of period	504,285.63
CASH AT END OF PERIOD	\$570,102.47

A/R Aging Detail

As of January 31, 2019

Date	Transaction Type	Num	Customer	Due Date	Amount	Open Balance
91 or more days past due						
05/01/2016	Invoice	16-1004	Bear Creek Association	05/31/2016	10,276.00	10,276.00
Total for 91 or more days past due					\$10,276.00	\$10,276.00
Current						
01/25/2019	Invoice	121718-2120-2203	Riverside County Flood Control and Water Conservation District	02/24/2019	2,418.81	2,418.81
01/25/2019	Invoice	121718-2120-2202	Riverside County Flood Control and Water Conservation District	02/24/2019	7,310.16	7,310.16
01/25/2019	Invoice	121718-2120-2204	Riverside County Flood Control and Water Conservation District	02/24/2019	12,026.24	3,622.12
Total for Current					\$21,755.21	\$13,351.09
TOTAL					\$32,031.21	\$23,627.09

A/P Aging Detail

As of January 31, 2019

Date	Transaction Type	Num	Vendor	Due Date	Past Due	Amount	Open Balance
1 - 30 days past due							
01/15/2019	Bill	2018-117	Santa Ana Watershed Association	01/25/2019	39	2,418.81	2,418.81
Total for 1 - 30 days past due						\$2,418.81	\$2,418.81
Current							
01/22/2019	Bill	2018-111	Santa Ana Watershed Association	02/01/2019	32	28,998.03	28,998.03
01/22/2019	Bill	2018-11	Santa Ana Watershed Association	02/01/2019	32	1.00	1.00
01/31/2019	Bill	2501-202	Landmark Business Enterprises LLC	02/01/2019	32	180.00	180.00
01/31/2019	Bill	10042	Barbara Dalton	02/19/2019	14	375.00	375.00
Total for Current						\$29,554.03	\$29,554.03
TOTAL						\$31,972.84	\$31,972.84

Management Report

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

For the period ended February 28, 2019

Prepared by

Landmark Business Enterprises LLC

Prepared on

March 5, 2019

Table of Contents

Profit and Loss	3
Balance Sheet.....	5
Statement of Cash Flows.....	7
A/R Aging Detail.....	8
A/P Aging Detail.....	9

Profit and Loss

July 2018 - February 2019

	Total
INCOME	
Audit Management Services	13,429.93
CropSwap Income	13,900.00
Grant Revenue	2,478.13
Interest Income	39.42
Investments	
Interest-Savings, Short-term CD	1,618.35
Total Investments	1,618.35
RCFC Pilot Projects	
Helash Mitigation Site	17,086.41
Murrieta Creek - Line F	2,045.07
Palomar Corydon Channel	5,257.64
Planning & Compliance	14,445.05
Transient Monitoring	7,310.16
Tucalota Creek Phase I & II	4,365.79
Tucalota Creek Phase III	7,606.09
Total RCFC Pilot Projects	58,116.21
Refund from So Cal RCD Fund-Closed Acct	840.50
Stipend Allowance	17,767.17
Water Audits Income	3,800.00
Total Income	111,989.71
GROSS PROFIT	111,989.71
EXPENSES	
Contract Services	
Accounting Fees	
Bookkeeping	360.00
Total Accounting Fees	360.00
CropSwap Management	
Post Audit	1,915.00
Pre Audit	3,615.00
Total CropSwap Management	5,530.00
Legal Fees	2,326.50
SAWA Agreement	3,810.00
Total Legal Fees	6,136.50
RFC Facilities - HELASH	14,004.87
RFC Facilities - MURRIETA CREEK LINE F	1,431.98
RFC Facilities - PALOMAR-CORYDON CHANNEL	4,118.74
RFC Facilities - TUCALOTA CREEK 3	6,072.55
RFC Facilities - TUCALOTA CREEK I & II	3,369.89
RFC-Project Development & Administration	13,505.57
Water Audit Management	
Post Audit	335.00

	Total
Pre Audit	1,030.00
Total Water Audit Management	1,365.00
Total Contract Services	55,895.10
General and Administration	
Administrative Consulting	2,046.15
Membership Dues	308.86
Total General and Administration	2,355.01
Office Supplies	614.22
Operations	
Computer, Data and Software	369.00
Postage, Mailing Service	92.00
Transcription	89.58
Total Operations	550.58
Website Expenses	900.00
Total Expenses	60,314.91
NET OPERATING INCOME	51,674.80
NET INCOME	\$51,674.80

Balance Sheet

As of February 28, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking/Savings	
General Fund xx2226	169,503.61
Mitigation Account xx0102	98,190.00
Union Banc Investment xx8488	289,199.10
Union Bank xx72042	15,084.13
Total Checking/Savings	571,976.84
Total Bank Accounts	571,976.84
Accounts Receivable	
Accounts Receivable (A/R)	25,427.09
Total Accounts Receivable	25,427.09
Total Current Assets	597,403.93
Fixed Assets	
Clinton Keith Land	475,000.00
Total Fixed Assets	475,000.00
Other Assets	
adjust gain loss brokerage statement	5,616.00
Total Other Assets	5,616.00
TOTAL ASSETS	\$1,078,019.93
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	31,417.84
Total Accounts Payable	31,417.84
Credit Cards	
AMEX 41005	-1.24
Total Credit Cards	-1.24
Other Current Liabilities	
Funds in Brokerage (CD) Account	-1,183.64
Lennar Homes - Greer Ranch	125,000.00
Pulte Homes Benton Channel Endowment	90,000.00
Shea Homes - Adelaine Farms	75,000.00
Total Funds in Brokerage (CD) Account	288,816.36
Total Other Current Liabilities	288,816.36
Total Current Liabilities	320,232.96
Total Liabilities	320,232.96
Equity	
Opening Balance Equity	381,305.25

	Total
Retained Earnings	324,806.92
Net Income	51,674.80
Total Equity	757,786.97
TOTAL LIABILITIES AND EQUITY	\$1,078,019.93

Statement of Cash Flows

July 2018 - February 2019

	Total
OPERATING ACTIVITIES	
Net Income	51,674.80
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	-12,251.09
adjust gain loss brokerage statement	756.76
Accounts Payable	30,252.84
AMEX 41005	-6.50
Funds in Brokerage (CD) Account:Pulte Homes Benton Channel Endowment	90,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	108,752.01
Net cash provided by operating activities	160,426.81
NET CASH INCREASE FOR PERIOD	160,426.81
Cash at beginning of period	411,550.03
CASH AT END OF PERIOD	\$571,976.84

A/R Aging Detail

As of February 28, 2019

Date	Transaction Type	Num	Customer	Due Date	Amount	Open Balance
91 or more days past due						
05/01/2016	Invoice	16-1004	Bear Creek Association	05/31/2016	10,276.00	10,276.00
Total for 91 or more days past due					\$10,276.00	\$10,276.00
1 - 30 days past due						
01/25/2019	Invoice	121718-2120-2203	Riverside County Flood Control and Water Conservation District	02/24/2019	2,418.81	2,418.81
01/25/2019	Invoice	121718-2120-2202	Riverside County Flood Control and Water Conservation District	02/24/2019	7,310.16	7,310.16
01/25/2019	Invoice	121718-2120-2204	Riverside County Flood Control and Water Conservation District	02/24/2019	12,026.24	3,622.12
Total for 1 - 30 days past due					\$21,755.21	\$13,351.09
Current						
02/05/2019	Invoice	020519-2120-2205	RCWD - Water Audit/CropSwap	03/07/2019	850.00	850.00
02/05/2019	Invoice	020519-2120-2206	RCWD - Water Audit/CropSwap	03/07/2019	950.00	950.00
Total for Current					\$1,800.00	\$1,800.00
TOTAL					\$33,831.21	\$25,427.09

A/P Aging Detail

As of February 28, 2019

Date	Transaction Type	Num	Vendor	Due Date	Past Due	Amount	Open Balance
31 - 60 days past due							
01/15/2019	Bill	2018-117	Santa Ana Watershed Association	01/25/2019	39	2,418.81	2,418.81
Total for 31 - 60 days past due						\$2,418.81	\$2,418.81
1 - 30 days past due							
01/22/2019	Bill	2018-111	Santa Ana Watershed Association	02/01/2019	32	28,998.03	28,998.03
01/22/2019	Bill	2018-11	Santa Ana Watershed Association	02/01/2019	32	1.00	1.00
Total for 1 - 30 days past due						\$28,999.03	\$28,999.03
TOTAL						\$31,417.84	\$31,417.84

Management Report

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

For the period ended February 28, 2019

Prepared by

Landmark Business Enterprises LLC

Prepared on

March 5, 2019

Table of Contents

Profit and Loss	3
Balance Sheet.....	4
Statement of Cash Flows.....	6
A/R Aging Detail.....	7
A/P Aging Detail.....	8

Profit and Loss

February 2019

		Total
INCOME		
CropSwap Income		1,800.00
Grant Revenue		1,219.16
Interest Income		6.10
Investments		
Interest-Savings, Short-term CD		96.19
Total Investments		96.19
Stipend Allowance		2,022.92
Total Income		5,144.37
GROSS PROFIT		5,144.37
EXPENSES		
Contract Services		
CropSwap Management		
Pre Audit		750.00
Total CropSwap Management		750.00
Total Contract Services		750.00
General and Administration		
Administrative Consulting		165.00
Total General and Administration		165.00
Total Expenses		915.00
NET OPERATING INCOME		4,229.37
NET INCOME		\$4,229.37

Balance Sheet

As of February 28, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking/Savings	
General Fund xx2226	169,503.61
Mitigation Account xx0102	98,190.00
Union Banc Investment xx8488	289,199.10
Union Bank xx72042	15,084.13
Total Checking/Savings	571,976.84
Total Bank Accounts	571,976.84
Accounts Receivable	
Accounts Receivable (A/R)	25,427.09
Total Accounts Receivable	25,427.09
Total Current Assets	597,403.93
Fixed Assets	
Clinton Keith Land	475,000.00
Total Fixed Assets	475,000.00
Other Assets	
adjust gain loss brokerage statement	5,616.00
Total Other Assets	5,616.00
TOTAL ASSETS	\$1,078,019.93
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	31,417.84
Total Accounts Payable	31,417.84
Credit Cards	
AMEX 41005	-1.24
Total Credit Cards	-1.24
Other Current Liabilities	
Funds in Brokerage (CD) Account	-1,183.64
Lennar Homes - Greer Ranch	125,000.00
Pulte Homes Benton Channel Endowment	90,000.00
Shea Homes - Adelaine Farms	75,000.00
Total Funds in Brokerage (CD) Account	288,816.36
Total Other Current Liabilities	288,816.36
Total Current Liabilities	320,232.96
Total Liabilities	320,232.96
Equity	
Opening Balance Equity	381,305.25

	Total
Retained Earnings	324,806.92
Net Income	51,674.80
Total Equity	757,786.97
TOTAL LIABILITIES AND EQUITY	\$1,078,019.93

Statement of Cash Flows

February 2019

	Total
OPERATING ACTIVITIES	
Net Income	4,229.37
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	-1,800.00
Accounts Payable	-555.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-2,355.00
Net cash provided by operating activities	1,874.37
NET CASH INCREASE FOR PERIOD	1,874.37
Cash at beginning of period	570,102.47
CASH AT END OF PERIOD	\$571,976.84

A/R Aging Detail

As of February 28, 2019

Date	Transaction Type	Num	Customer	Due Date	Amount	Open Balance
91 or more days past due						
05/01/2016	Invoice	16-1004	Bear Creek Association	05/31/2016	10,276.00	10,276.00
Total for 91 or more days past due					\$10,276.00	\$10,276.00
1 - 30 days past due						
01/25/2019	Invoice	121718-2120-2203	Riverside County Flood Control and Water Conservation District	02/24/2019	2,418.81	2,418.81
01/25/2019	Invoice	121718-2120-2202	Riverside County Flood Control and Water Conservation District	02/24/2019	7,310.16	7,310.16
01/25/2019	Invoice	121718-2120-2204	Riverside County Flood Control and Water Conservation District	02/24/2019	12,026.24	3,622.12
Total for 1 - 30 days past due					\$21,755.21	\$13,351.09
Current						
02/05/2019	Invoice	020519-2120-2205	RCWD - Water Audit/CropSwap	03/07/2019	850.00	850.00
02/05/2019	Invoice	020519-2120-2206	RCWD - Water Audit/CropSwap	03/07/2019	950.00	950.00
Total for Current					\$1,800.00	\$1,800.00
TOTAL					\$33,831.21	\$25,427.09

A/P Aging Detail

As of February 28, 2019

Date	Transaction Type	Num	Vendor	Due Date	Past Due	Amount	Open Balance
31 - 60 days past due							
01/15/2019	Bill	2018-117	Santa Ana Watershed Association	01/25/2019	39	2,418.81	2,418.81
Total for 31 - 60 days past due						\$2,418.81	\$2,418.81
1 - 30 days past due							
01/22/2019	Bill	2018-111	Santa Ana Watershed Association	02/01/2019	32	28,998.03	28,998.03
01/22/2019	Bill	2018-11	Santa Ana Watershed Association	02/01/2019	32	1.00	1.00
Total for 1 - 30 days past due						\$28,999.03	\$28,999.03
TOTAL						\$31,417.84	\$31,417.84

Management Report

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

For the period ended March 31, 2019

Prepared by

Landmark Business Enterprises LLC

Prepared on

April 9, 2019

Table of Contents

Profit and Loss3

Balance Sheet.....4

Statement of Cash Flows.....6

A/R Aging Detail.....7

A/P Aging Detail.....8

Profit and Loss

March 2019

	Total
INCOME	
CropSwap Income	950.00
Interest Income	6.82
Investments	
Interest-Savings, Short-term CD	299.30
Total Investments	299.30
Stipend Allowance	2,022.92
Water Audits Income	1,800.00
Total Income	5,079.04
GROSS PROFIT	5,079.04
EXPENSES	
Contract Services	
CropSwap Management	
Pre Audit	415.00
Total CropSwap Management	415.00
FC - Animal Fee	1,446.25
Water Audit Management	
Pre Audit	655.00
Total Water Audit Management	655.00
Total Contract Services	2,516.25
General and Administration	
Administrative Consulting	315.00
Total General and Administration	315.00
Operations	
Transcription	64.92
Total Operations	64.92
Total Expenses	2,896.17
NET OPERATING INCOME	2,182.87
NET INCOME	\$2,182.87

Accounts Receivable	26,377.09
Accounts Receivable (A/R)	
Total Accounts Receivable	26,377.09
Total Current Assets	600,658.04
Fixed Assets	
Clinton Keith Land	475,000.00
Total Fixed Assets	475,000.00
Other Assets	
adjust gain loss brokerage statement	5,616.00
Total Other Assets	5,616.00
TOTAL ASSETS	\$1,081,274.04
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	36,467.84
Total Accounts Payable	36,467.84
Other Current Liabilities	
Funds in Brokerage (CD) Account	-1,183.64
Lennar Homes - Greer Ranch	125,000.00
Pulte Homes Benton Channel Endowment	90,000.00
Shea Homes - Adelaine Farms	75,000.00
Total Funds in Brokerage (CD) Account	288,816.36
Total Other Current Liabilities	288,816.36
Total Current Liabilities	325,284.20
Total Liabilities	325,284.20
Equity	
Opening Balance Equity	381,305.25
Retained Earnings	324,626.92
Net Income	50,057.67
Total Equity	755,989.84

Management Report

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

For the period ended March 31, 2019

Prepared by

Landmark Business Enterprises LLC

Prepared on

April 9, 2019

Table of Contents

Profit and Loss	3
Balance Sheet.....	5
Statement of Cash Flows.....	7
A/R Aging Detail.....	8
A/P Aging Detail.....	9

Profit and Loss

July 2018 - March 2019

	Total
INCOME	
Audit Management Services	13,429.93
CropSwap Income	14,850.00
Grant Revenue	2,478.13
Interest Income	46.24
Investments	
Interest-Savings, Short-term CD	1,917.65
Total Investments	1,917.65
RCFC Pilot Projects	
Helash Mitigation Site	17,086.41
Murrieta Creek - Line F	2,045.07
Palomar Corydon Channel	5,257.64
Planning & Compliance	14,445.05
Transient Monitoring	7,310.16
Tucalota Creek Phase I & II	4,365.79
Tucalota Creek Phase III	7,606.09
Total RCFC Pilot Projects	58,116.21
Refund from So Cal RCD Fund-Closed Acct	840.50
Stipend Allowance	19,790.09
Water Audits Income	5,600.00
Total Income	117,068.75
GROSS PROFIT	117,068.75
EXPENSES	
Contract Services	
Accounting Fees	
Audit and Audit Documentation	3,800.00
Bookkeeping	360.00
Total Accounting Fees	4,160.00
CropSwap Management	
Post Audit	1,915.00
Pre Audit	4,030.00
Total CropSwap Management	5,945.00
FC - Animal Fee	1,446.25
Legal Fees	2,326.50
SAWA Agreement	3,810.00
Total Legal Fees	6,136.50
RFC Facilities - HELASH	14,004.87
RFC Facilities - MURRIETA CREEK LINE F	1,431.98
RFC Facilities - PALOMAR-CORYDON CHANNEL	4,118.74
RFC Facilities - TUCALOTA CREEK 3	6,072.55
RFC Facilities - TUCALOTA CREEK I & II	3,369.89
RFC-Project Development & Administration	13,505.57

	Total
Water Audit Management	
Post Audit	335.00
Pre Audit	1,685.00
Total Water Audit Management	2,020.00
Total Contract Services	62,211.35
General and Administration	
Administrative Consulting	2,361.15
Membership Dues	308.86
Total General and Administration	2,670.01
Office Supplies	614.22
Operations	
Computer, Data and Software	369.00
Postage, Mailing Service	92.00
Transcription	154.50
Total Operations	615.50
Website Expenses	900.00
Total Expenses	67,011.08
NET OPERATING INCOME	50,057.67
NET INCOME	\$50,057.67

Balance Sheet

As of March 31, 2019

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking/Savings	
General Fund xx2226	171,505.91
Mitigation Account xx0102	98,192.51
Union Banc Investment xx8488	289,199.10
Union Bank xx72042	15,383.43
Total Checking/Savings	574,280.95
Total Bank Accounts	574,280.95
Accounts Receivable	
Accounts Receivable (A/R)	26,377.09
Total Accounts Receivable	26,377.09
Total Current Assets	600,658.04
Fixed Assets	
Clinton Keith Land	475,000.00
Total Fixed Assets	475,000.00
Other Assets	
adjust gain loss brokerage statement	5,616.00
Total Other Assets	5,616.00
TOTAL ASSETS	\$1,081,274.04
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	36,467.84
Total Accounts Payable	36,467.84
Other Current Liabilities	
Funds in Brokerage (CD) Account	-1,183.64
Lennar Homes - Greer Ranch	125,000.00
Pulte Homes Benton Channel Endowment	90,000.00
Shea Homes - Adelaine Farms	75,000.00
Total Funds in Brokerage (CD) Account	288,816.36
Total Other Current Liabilities	288,816.36
Total Current Liabilities	325,284.20
Total Liabilities	325,284.20
Equity	
Opening Balance Equity	381,305.25
Retained Earnings	324,626.92
Net Income	50,057.67
Total Equity	755,989.84

	Total
TOTAL LIABILITIES AND EQUITY	\$1,081,274.04

Statement of Cash Flows

July 2018 - March 2019

	Total
OPERATING ACTIVITIES	
Net Income	50,057.67
Adjustments to reconcile Net Income to Net Cash provided by operations:	
Accounts Receivable (A/R)	-13,201.09
adjust gain loss brokerage statement	756.76
Accounts Payable	35,122.84
AMEX 41005	-5.26
Funds in Brokerage (CD) Account:Pulte Homes Benton Channel Endowment	90,000.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	112,673.25
Net cash provided by operating activities	162,730.92
NET CASH INCREASE FOR PERIOD	162,730.92
Cash at beginning of period	411,550.03
CASH AT END OF PERIOD	\$574,280.95

A/R Aging Detail

As of March 31, 2019

Date	Transaction Type	Num	Customer	Due Date	Amount	Open Balance
91 or more days past due						
05/01/2016	Invoice	16-1004	Bear Creek Association	05/31/2016	10,276.00	10,276.00
Total for 91 or more days past due					\$10,276.00	\$10,276.00
31 - 60 days past due						
01/25/2019	Invoice	121718-2120-2203	Riverside County Flood Control and Water Conservation District	02/24/2019	2,418.81	2,418.81
01/25/2019	Invoice	121718-2120-2202	Riverside County Flood Control and Water Conservation District	02/24/2019	7,310.16	7,310.16
01/25/2019	Invoice	121718-2120-2204	Riverside County Flood Control and Water Conservation District	02/24/2019	12,026.24	3,622.12
Total for 31 - 60 days past due					\$21,755.21	\$13,351.09
Current						
03/18/2019	Invoice	031819-2120-2210	RCWD - Water Audit/CropSwap	04/17/2019	950.00	950.00
03/18/2019	Invoice	031819-2120-2211	RCWD - Water Audit/CropSwap	04/17/2019	1,800.00	1,800.00
Total for Current					\$2,750.00	\$2,750.00
TOTAL					\$34,781.21	\$26,377.09

A/P Aging Detail

As of March 31, 2019

Date	Transaction Type	Num	Vendor	Due Date	Past Due	Amount	Open Balance
91 or more days past due							
02/27/2018	Bill		Landmark Business Enterprises LLC	03/09/2018	396	180.00	180.00
Total for 91 or more days past due						\$180.00	\$180.00
61 - 90 days past due							
01/15/2019	Bill	2018-117	Santa Ana Watershed Association	01/25/2019	74	2,418.81	2,418.81
Total for 61 - 90 days past due						\$2,418.81	\$2,418.81
31 - 60 days past due							
01/22/2019	Bill	2018-111	Santa Ana Watershed Association	02/01/2019	67	28,998.03	28,998.03
01/22/2019	Bill	2018-11	Santa Ana Watershed Association	02/01/2019	67	1.00	1.00
02/15/2019	Bill	10028	Nigro and Nigro	02/25/2019	43	3,800.00	3,800.00
Total for 31 - 60 days past due						\$32,799.03	\$32,799.03
1 - 30 days past due							
03/12/2019	Bill	2663	Mission Resource Conservation District	03/22/2019	18	655.00	655.00
03/12/2019	Bill	2662	Mission Resource Conservation District	03/22/2019	18	415.00	415.00
Total for 1 - 30 days past due						\$1,070.00	\$1,070.00
TOTAL						\$36,467.84	\$36,467.84

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

Union Bank xx72042, Period Ending 03/29/2019

RECONCILIATION REPORT

Reconciled on: 04/09/2019

Reconciled by: Landmark Business Ent. Catherine Lazzara, C.S.A

Any changes made to transactions after this date aren't included in this report.

Summary	USD
Statement beginning balance	15,084.13
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (1)	299.30
Statement ending balance	15,383.43
Register balance as of 03/29/2019	15,383.43
Cleared transactions after 03/29/2019	0.00
Uncleared transactions after 03/29/2019	331.36
Register balance as of 04/09/2019	15,714.79

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/04/2019	Deposit		Union Bank Inv Brokerage	299.30
Total				299.30

Additional Information

Uncleared deposits and other credits after 03/29/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
04/01/2019	Deposit		Union Bank Inv Brokerage	331.36
Total				331.36

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

Mitigation Account xx0102, Period Ending 03/31/2019

RECONCILIATION REPORT

Reconciled on: 04/09/2019

Reconciled by: Landmark Business Ent. Catherine Lazzara, C.S.A

Any changes made to transactions after this date aren't included in this report.

Summary	USD
Statement beginning balance	98,190.00
Checks and payments cleared (0)	0.00
Deposits and other credits cleared (1)	2.51
Statement ending balance	<u>98,192.51</u>
Register balance as of 03/31/2019	98,192.51

Details

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/31/2019	Deposit		Wells Fargo Bank-Interest Inc...	2.51
Total				<u>2.51</u>

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

AMEX 41005, Period Ending 03/15/2019

RECONCILIATION REPORT

Reconciled on: 04/08/2019

Reconciled by: Landmark Business Ent. Catherine Lazzara, C.S.A

Any changes made to transactions after this date aren't included in this report.

Summary	USD
Statement beginning balance	-1.24
Charges and cash advances cleared (1)	64.92
Payments and credits cleared (0)	0.00
Statement ending balance	63.68

Register balance as of 03/15/2019	63.68
Cleared transactions after 03/15/2019	0.00
Uncleared transactions after 03/15/2019	-63.68
Register balance as of 04/08/2019	0.00

Details

Charges and cash advances cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/15/2019	Expense		Got Transcript	64.92

Total	64.92
-------	-------

Additional Information

Uncleared payments and credits after 03/15/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/30/2019	Transfer			-63.68

Total	-63.68
-------	--------

TEAM-RCD Temecula-Elsinore-Anza-Murrieta Resource Conservation District

General Fund xx2226, Period Ending 03/31/2019

RECONCILIATION REPORT

Reconciled on: 04/09/2019

Reconciled by: Landmark Business Ent. Catherine Lazzara, C.S.A

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance	166,441.53
Checks and payments cleared (3)	-1,941.25
Deposits and other credits cleared (4)	5,046.39
Statement ending balance	169,546.67
Uncleared transactions as of 03/31/2019	1,959.24
Register balance as of 03/31/2019	171,505.91
Cleared transactions after 03/31/2019	0.00
Uncleared transactions after 03/31/2019	-1,426.00
Register balance as of 04/09/2019	170,079.91

Details

Checks and payments cleared (3)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/20/2019	Bill Payment	1281	Landmark Business Enterpris...	-180.00
03/13/2019	Check	1285	Barbara Dalton	-315.00
03/28/2019	Check	1279	CDFW-California Dept Fish & ...	-1,446.25
Total				-1,941.25

Deposits and other credits cleared (4)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/25/2019	Sales Receipt	60-828594	Department of Conservation	1,219.16
02/27/2019	Sales Receipt	022719-2120-2209	SAWA - Stipend	2,022.92
03/20/2019	Receive Payment		RCWD - Water Audit/CropSwap	1,800.00
03/31/2019	Deposit		Wells Fargo Bank-Interest Inc...	4.31
Total				5,046.39

Additional Information

Uncleared checks and payments as of 03/31/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/30/2019	Transfer			-63.68
Total				-63.68

Uncleared deposits and other credits as of 03/31/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
03/28/2019	Sales Receipt	032719-2120-2213	SAWA - Stipend	2,022.92
Total				2,022.92

Uncleared checks and payments after 03/31/2019

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
04/02/2019	Check	1286	Barbara Dalton	-240.00
04/02/2019	Bill Payment	1288	Mission Resource Conservati...	-670.00
04/05/2019	Check	1287	Landmark Business Enterpris...	-180.00
04/08/2019	Check		Barbara Dalton	-336.00

4/9/2019

Total

-1,426.00

**TEMECULA ELSINORE ANZA MURRIETA
RESOURCE CONSERVATION DISTRICT**

AUDIT REPORT

**For the Fiscal Year Ended
June 30, 2018**

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
For the Fiscal Year Ended June 30, 2018
Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Governmental Funds Financial Statements:	
Balance Sheet	11
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balance	13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position	14
Notes to Financial Statements	15

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund.....	24
Notes to the Required Supplementary Information	25

OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26
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FINDINGS AND RESPONSES

Schedule of Audit Findings and Responses:	
Current Year Audit Findings and Responses.....	28
Summary Schedule of Prior Audit Findings.....	29

Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Directors
Temecula Elsinore Anza Murrieta Resource Conservation District
Wildomar, California

We have audited the accompanying financial statements of the governmental activities and each major fund of Temecula Elsinore Anza Murrieta Resource Conservation District, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express 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.

Unmodified Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Temecula Elsinore Anza Murrieta Resource Conservation District as of June 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 to 8, and budgetary comparison information on page 24, 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 historic 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a separate report dated _____, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not 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 District's internal control over financial reporting and compliance.

Murrieta, California
_____, 2019

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

This discussion and analysis of Temecula Elsinore Anza Murrieta Resource Conservation District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The net position of the District increased by \$41,894, or 3.7% during the fiscal year.
- Governmental expenses were \$43,912. Program revenues were \$85,693.
- There were no additions to capital assets during the year, and there were no depreciation expenses.

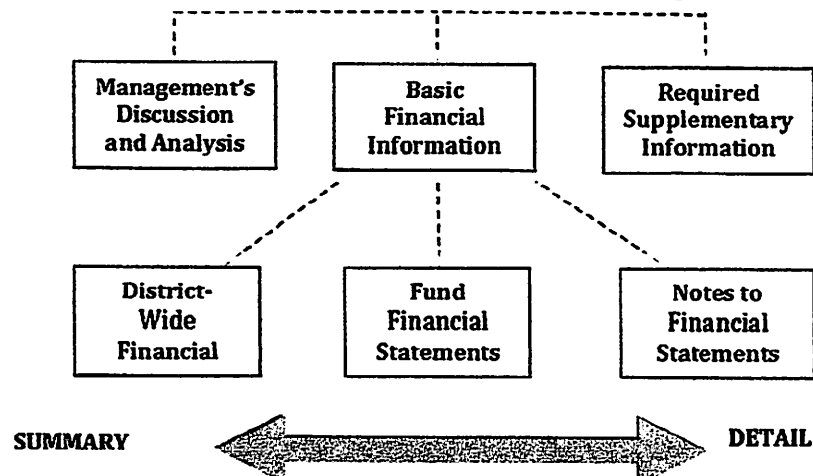
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management 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 District:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

Figure A-1. Organization of Temecula Elsinore Anza Murrieta Resource Conservation District's Annual Financial Report

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds
<i>Scope</i>	Entire district, except fiduciary activities	The activities of the district that are not proprietary or fiduciary
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Assets • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the District's financial health or position.

- Over time increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the overall health of the District, you need to consider additional nonfinancial factors, such as the amount of building construction in the area, and the political climate affecting conservation.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as mitigation, public outreach and partnering with similar groups and agencies seeking to protect local watersheds.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants.

The District has two funds, the General Fund and Permanent Fund.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

ORGANIZATION STRUCTURE

The District was formed in 1949 under Public Resource Code Section 9074-9801 of the State of California. The District's mission is to promote conservation practices of natural resources, opportunities for public education and participation, and a sustainable quality of life for communities within the District. The District's territory includes 505,000 acres, or approximately 789 square miles, extending south from Scott Road in Menifee to the San Diego County line, and from the east of Anza west to the Orange County line. It also includes the loop around the north of Lake Elsinore. The District accepts many forms of mitigation to allow projects to run smoothly through the permitting process and promote a healthy environment for the respective communities.

Board of Directors

Rose Corona	President
David Kuhlman	Vice President
Stacy Kuhns	Secretary/Treasurer
Michael W. Newcomb	Director
Judy Guglielmana	Director
Randy Feeney	Associate Director
Rick Neugebauer	Associate Director

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2018, than it was the year before – increasing to \$1.17 million. (See Table A-1).

Table A-1

	Governmental Activities		Variance Increase (Decrease)
	2017	2018	
Current and other assets	\$ 390,478	\$ 426,686	\$ 36,208
Capital assets	747,750	747,750	-
Total assets	1,138,228	1,174,436	36,208
Total liabilities	6,856	1,170	(5,686)
Net position			
Net investment in capital assets	747,750	747,750	-
Restricted	296,375	296,459	84
Unrestricted	87,247	129,057	41,810
Total net position	\$ 1,131,372	\$ 1,173,266	\$ 41,894

Changes in net position, governmental activities. The District's total revenues increased 37.5% to \$89,998 (See Table A-2). The increase is primarily due to an increase in cropswap and Western Pond Turtle activity.

The total cost of all programs and services increased 22.4% to \$48,104. The increase is due to program costs due to increased activity in cropswap and Western Pond Turtle activity.

Table A-2

	Governmental Activities		Variance Increase (Decrease)
	2017	2018	
Revenues			
Program Revenues:			
SAWA stipends	\$ 21,532	\$ 23,168	\$ 1,636
Water audits	15,500	14,500	(1,000)
Cropswap	8,840	27,850	19,010
Western pond turtle survey income	5,407	15,779	10,372
Other program revenues	687	4,396	3,709
General Revenues:			
Interest income	4,305	4,305	-
Total Revenues	56,271	89,998	33,727
Expenses			
Administrative expenses	6,681	6,770	89
Program expenses	26,736	37,142	10,406
Unrealized loss on investments	3,903	4,192	289
Total Expenses	37,320	48,104	10,784
Net Increase (Decrease)	\$ 18,951	\$ 41,894	\$ 22,943
Total net position	\$ 1,131,372	\$ 1,173,266	

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2018

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (continued)

General Fund Budgetary Highlights

While the District's adopted and final budget for the General Fund anticipated revenues would exceed expenditures by \$42,782, the actual results for the year show that revenues exceeded expenditures by \$41,809. Actual revenues were \$17,340 more than budgeted, but expenditures were \$18,313 more than planned.

CAPITAL ASSETS

By the end of 2017-18 the District had invested \$747,750 in capital assets, net of accumulated depreciation. (More detailed information about capital assets can be found in Note 5 to the financial statements). Capital assets are fully depreciated and there was no depreciation expense for the year.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District will continue to work with the communities of Lake Elsinore, Wildomar, Murrieta, Temecula, and Anza by providing education and mitigation services, protection of resources and the watershed through building stronger partnerships within the District's boundaries.

The District anticipates future revenue streams in partnership with the Santa Ana Watershed Association (SAWA), state grants and by accepting and monitoring new easements.

This and other factors were considered in preparing the Temecula Elsinore Anza Murrieta Resource Conservation District budget for the 2018-19 fiscal year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Rose Corona at Rose.Corona@teamrcd.org.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 213,486
Investments	198,064
Accounts receivable	15,136
Capital assets:	
Non-depreciable assets	<u>747,750</u>
Total assets	<u>1,174,436</u>
 LIABILITIES	
Accounts payable	<u>1,170</u>
Total liabilities	<u>1,170</u>
 NET POSITION	
Net investment in capital assets	747,750
Restricted for:	
Mitigation projects:	
Expendable	96,459
Non-expendable	200,000
Unrestricted	<u>129,057</u>
Total net position	<u>\$ 1,173,266</u>

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2018

	Governmental Activities
Expenses:	
Administrative	\$ 6,770
Program expense	37,142
	<hr/>
Total program expenses	43,912
	<hr/>
Program revenues:	
SAWA stipend income	23,168
Western turtle pond income	15,779
CropSwap income	27,850
Water audit income	14,500
Other program revenues	4,396
	<hr/>
Total program revenues	85,693
	<hr/>
Net program income (expenses)	41,781
	<hr/>
General revenues and expenses:	
Interest income	4,305
Unrealized loss on investments	(4,192)
	<hr/>
Total general revenues and expenses	113
	<hr/>
Change in Net Position	41,894
	<hr/>
Net Position, Beginning of Year	1,131,372
	<hr/>
Net Position, End of Year	\$ 1,173,266
	<hr/>

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Balance Sheet
June 30, 2018

	General Fund	Permanent Fund	Total Governmental Funds
ASSETS			
Cash	\$ 213,486	\$ -	\$ 213,486
Investments	-	198,064	198,064
Accounts receivable	15,136	-	15,136
Total assets	\$ 228,622	\$ 198,064	\$ 426,686
LIABILITIES			
Accounts payable	\$ 1,170	\$ -	\$ 1,170
Total liabilities	1,170	-	1,170
FUND BALANCE			
Nonspendable	-	200,000	200,000
Restricted for:			
Mitigation projects:			
Expendable	96,459	(1,936)	94,523
Unrestricted	130,993	-	130,993
Total fund balance	227,452	198,064	425,516
Total Liabilities and Fund Balance	\$ 228,622	\$ 198,064	\$ 426,686

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balance to the Government-Wide Statement of Activities and Changes in Net Position
For the Fiscal Year Ended June 30, 2018*

*There were no differences between the total net change in fund balances-governmental funds and the
change in net position of governmental activities.*

MECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
June 30, 2018

transactions in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The following is a summary of the more significant policies:

A. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District. For Temecula Elsinore Anza Murrieta Resource Conservation District, this includes the General and Permanent Funds.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through developer fees.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Fund Financial Statements (continued)

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. The District does not operate any proprietary funds.

Governmental Funds

The District maintains the following major governmental funds:

General Fund: This fund is used to account for and report all financial resources not accounted for and reported in another fund.

Permanent Fund: This fund is used to account for principal and interest related to endowments paid to the District as part of easement agreements.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgetary Data

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a tentative budget no later than July 1 and adopt a final budget no later than October 1. A public hearing must be conducted to receive comments prior to adoption.

The District annually adopts a budget based on estimated revenues, estimated operation expenses, and capital expenditure requirements. The District's policy is to prepare its budgets on the modified accrual basis of accounting, which recognizes revenues when they are accrued, and expenses and capital assets are recorded as expenditures, and depreciation is not recorded.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash

The District's cash consists of cash on hand, demand deposits and short-term investments with original maturities of less than 90 days from the date of acquisition.

2. Investments

Investments consist of certificates of deposits with average maturity date of 90 days or more from the date of acquisition.

3. Accounts Receivable

Accounts receivables represent amounts due to the District as of fiscal year end from conservation services rendered and interest.

4. Prepaids

Prepaid expenses arise when the District has paid for an expense, but the corresponding goods or services have not been received at the end of the fiscal year.

5. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the government-wide statement of net assets, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their estimated fair market values as of the date received. The District does not currently define a threshold for capital assets. However, these assets are estimated to have an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Capital assets are depreciated during the expected life of the asset on the straight-line method. The District does not own any infrastructure as defined in GASB No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

5. Capital Assets (continued)

All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method.

As of June 30, 2018, the Organization has no depreciable assets.

6. Unavailable Revenue

Unavailable revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unavailable revenue is removed from the combined balance sheet and revenue is recognized.

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net 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 and will not be recognized as an inflow of resources (revenue) until that time. The District has no items that are reported as deferred inflows of resources.

8. Fund Balance Reserves and Designations

Fund balance reporting for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie these fund balance classifications and therefore would not report amounts in all possible fund balance classifications.

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, revolving cash, inventories, and prepaid amounts.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Fund Balance Reserves and Designations (continued)

Restricted: Fund balances should be reported as restricted when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority should be reported as committed fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned: Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance.

Unassigned: Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

9. Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Use of Estimates

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

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2018, are reported at fair value and consisted of the following:

Cash - Deposits with financial institutions	\$	213,486
Investments - Certificates of deposit		198,064
	\$	<u>411,550</u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depositary Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. Cash balances in banks as of June 30, 2018, are fully insured by the Federal Depositary Insurance Corporation.

Cash and Investments

Cash and investments are reported at fair market value. The District considers certificates of deposit with a maturity date of 90 days or longer to be investments.

Authorized Investments

The investment policy adopted by the District is summarized as follows: "The District shall invest public funds in a manner which will safeguard principal, meet liquidity and achieve return on investments as referenced in government code section 53600.5."

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 2 - CASH AND INVESTMENTS (continued)

Authorized Investments (continued)

All investments of the District shall conform to the requirements of applicable law and policy, whichever is more restrictive. The District is authorized to invest in the following:

<u>Permitted Investment/Deposits</u>	<u>Limit</u>	<u>Maximum Maturity/Duration</u>
U.S. Government Securities & Agencies	Unlimited	5 years
Federal Agency Sponsored Obligations	Unlimited	5 years
Register State Treasury Notes/Bonds	Unlimited	5 years
Certificates of Deposit	Unlimited	5 years
Negotiable Certificates of Deposit	30%	5 years
Bankers Acceptances	30%	180 days
Prime Commercial Paper	25%	270 days
Local Agency Investment Fund	50 mm	5 years
Repurchase Agreements	20%	1 year
Reverse Repurchase Agreements	20%	92 days
Designated Mutual Funds	20%	N/A
Medium Term Notes	30%	5 years
California Asset Management Program	Unlimited	N/A
Mortgage-Backed Securities	20%	5 years
County Pooled Funds	Unlimited	N/A

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 District 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 as necessary to provide the cash flows and liquidity needed for operations.

Maturities of investments as of June 30, 2018, are as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity in Years</u>	
		<u>Less than 1</u>	<u>1-5</u>
Certificates of Deposit	\$ 198,064	\$ -	\$ 198,064

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2018, consisted of \$10,276 due from the Bear Creek Association, \$2,900 due from Rancho California Water District, and \$1,960 due from Santa Ana Watershed Association.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Notes to Financial Statements
June 30, 2018

NOTE 4 – INTERFUND TRANSFERS

The District transferred interest of \$4,276 from the Permanent Fund to the General Fund during the fiscal year.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital assets activity for the year ended June 30, 2018, is shown below:

	Balance, July 1, 2016	Additions	Retirements	Balance, June 30, 2017
Capital assets not being depreciated:				
Land	\$ 475,000	\$ -	\$ -	\$ 475,000
Greer Ranch easement	110,000	-	-	110,000
Adeline Farms/Benson Channel easement	162,750	-	-	162,750
Total capital assets not being depreciated	747,750	-	-	747,750
Governmental activity capital assets	\$ 747,750	\$ -	\$ -	\$ 747,750

Easements

Greer Ranch Community

In March of 2009, the District executed an agreement with Lennar Greer Ranch Venture, LLC, granting a conservation easement, in perpetuity, over property known as "Greer Ranch Community". The purpose of the Conservation Easement is to ensure the property will be preserved in a natural condition, in perpetuity, for gnatcatcher, vireo and other wildlife conservation, and to prevent, subject to the duties and rights retained by Grantor, any other use of the property that will impair or interfere with the conservation values of the property. The District is responsible for monitoring for compliance with this conservation easement and in-perpetuity, ongoing, long-term maintenance and management of the property.

Adeline Farms/Benson Channel

In 2007, the District executed an agreement with Shea Homes Limited Partnership granting a conservation easement over property known as "Adeline Farms". The purpose is to ensure the property will be retained in a natural condition and to prevent any use of the property that will impair or interfere with the conservation values of the property. In 2018, the easement name was changed to "Benson Channel".

NOTE 6 – CASH RESTRICTED FOR SPECIFIC PROGRAMS

The District accepted funds from a series of private development projects in the Murrieta and Temecula areas, which need offsite mitigation credit for permanent impacts to U.S. wildlife, open spaces, and watershed lands that is deemed appropriate and acceptable by the resource and regulatory agencies of \$96,459 as of June 30, 2018.

The District accepted endowment funds from Lennar Greer Ranch, LLC, a land developer, which will be used to maintain the Greer Ranch Conservation Easement associated with approximately 250 acres at Lennar's Greer Ranch residential community in the City of Murrieta, California in the amount of \$125,000.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT

Notes to Financial Statements

June 30, 2018

NOTE 6 - CASH RESTRICTED FOR SPECIFIC PROGRAMS (continued)

The District accepted endowment funds from Shea Homes, a land developer, of which the income will be used, to maintain a conservation easement on the property marketed as "Adeline's Farm/Benson Channel", in the vicinity of Washington Street and Benton Road, just west of Lake Skinner, in the French Valley area, in the amount of \$75,000.

NOTE 7 - RISK MANAGEMENT

The District is insured under a plan managed by the Special District Risk Management Authority for commercial general liability in the amount of \$2,500,000.

NOTE 8 - SUBSEQUENT EVENTS

The District has evaluated subsequent events through _____, 2019, the date which the financial statements were available to be issued.

Required Supplementary Information

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2018

	Original and Final Budget	Actual	Variance
REVENUES			
SAWA stipend income	\$ 21,000	23,168	\$ 2,168
Water audit income	15,500	14,500	(1,000)
Investment income	2,225	29	(2,196)
CropSwap income	9,250	27,850	18,600
Western pond turtle survey income	5,407	15,779	10,372
Grant revenue	15,000	-	(15,000)
Other program revenues	-	4,396	4,396
Total Revenues	68,382	85,722	17,340
EXPENDITURES			
Current:			
Administrative			
Accounting	150	264	(114)
Audit	1,800	1,500	300
Membership dues	500	789	(289)
Other	-	61	(61)
Postage	-	93	(93)
Printing	-	48	(48)
Insurance	1,300	1,248	52
Website	1,000	900	100
Transcription	600	483	117
Office Supplies	-	1,385	(1,385)
Operational			
Contract services:			
Water audit expenses	7,500	5,825	1,675
Consulting	750	5,544	(4,794)
CropSwap management	8,000	10,930	(2,930)
Western pond turtle management	-	11,361	(11,361)
Biological Monitoring	4,000	3,482	518
Total Expenditures	25,600	43,913	(18,313)
Excess (Deficiency) of Revenues Over (Under) Expenditures	42,782	41,809	(973)
OTHER FINANCING SOURCES (USES)			
Interfund transfers	-	4,276	4,276
Total Other Financing Sources and Uses	-	4,276	4,276
Net Change in Fund Balances	42,782	46,085	3,303
Fund Balances, beginning of year	168,663	181,367	12,704
Fund Balances, end of year	\$ 211,445	\$ 227,452	\$ 16,007

See accompanying note to supplementary information.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2018

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2018, the District incurred excess expenditures over appropriations in the individual major fund presented in the Budgetary Comparison Schedule, as follows:

Administrative		
Office supplies	\$	1,385
Membership dues		289
Accounting		114
Postage		93
Other		61
Printing		48
Operational		
Contract services:		
Western pond turtle management		11,361
Consulting		4,794
CropSwap management		2,930

Other Independent Auditors' Reports

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

Board of Directors
Temecula Elsinore Anza Murrieta Resource Conservation District
Wildomar, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Temecula Elsinore Anza Murrieta Resource Conservation District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Temecula Elsinore Anza Murrieta Resource Conservation District's basic financial statements, and have issued our report thereon dated _____, 2019.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Temecula Elsinore Anza Murrieta Resource Conservation District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Murrieta, California

_____, 2019

Findings and Responses

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Schedule of Audit Findings and Responses
For the Fiscal Year Ended June 30, 2018

SECTION I - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

There were no financial statement findings in 2017-18.

TEMECULA ELSINORE ANZA MURRIETA RESOURCE CONSERVATION DISTRICT
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2018

There were no findings in 2016-17.