

## **BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

### **Governing Board Meeting September 1, 2022**

**NOTICE IS HEREBY GIVEN** pursuant to Government Code § 54956 and 54953 that the Governing Board of the Baldwin Hills Regional Conservation Authority will hold a special telephonic meeting on Thursday September 1, at 2:00 p.m.

To join the Zoom webinar for the meeting, click this link:

<https://us06web.zoom.us/j/5025343082>

Pursuant to California Assembly Bill 631, Authority members need not participate from publicly accessible locations. Members of the public are able to join via zoom or call into the conference by dialing one the following phone numbers and using Meeting ID: 502 534 3082

+16694449171,,5025343082# US

+17193594580,,5025343082# US

### **AGENDA**

- I. Call to order.
- II. Roll call.
- III. Adopt findings to hold meetings by teleconference pursuant to Government Code § 54953 (b).
- IV. Approval of minutes for the August 6, 2021 meeting.
- V. Public testimony on all agenda items and public comment on matters not on the agenda.
- VI. Consideration of resolution #22-001 delegating authority to the Chairperson and/or Executive Officer to negotiate and execute a Memorandum of Understanding and easement with both the County of Los Angeles Department of Parks and Recreation related to responsibility for operations and maintenance of the Park-to-Playa Phase II Trail Segment, and County of Los Angeles Department of Public Works related to responsibility for maintenance of the Park-to-Playa Pedestrian Bridge over La Cienega Blvd.
- VII. Consideration of resolution #22-002 delegating authority to the Chairperson and/or Executive Officer to enter into a new Staffing Agreement and augment the funding for the existing Staffing Agreement with the Santa Monica Mountains Conservancy by way of an amendment to the existing agreement.

- VIII. Consideration of resolution #22-003 adopting the Fiscal Year 2022/2023 Budget for the Baldwin Hills Regional Conservation Authority.
- IX. Receive and file Baldwin Hills Regional Conservation Authority Management and Financial Reports for Fiscal Year 2020-21
- X. Discussion regarding Baldwin Hills Regional Conservation Authority's current portfolio of property assets, leases and or easements, and fiscal, administrative, operational status and responsibilities, as well as current obligations to be considered under a membership representation transition from the Santa Monica Mountains Conservancy to the Baldwin Hills Conservancy.
- XI. Statements, questions, and directions to staff pursuant to Section 54954.2 of the Government Code.
- XII. Announcement of future meetings and adjournment.

Public comment is welcome on any agenda item and matters not on the agenda. Unless otherwise ordered, individuals will be allowed three minutes to speak and representatives and organizations/agencies will be given five minutes.

Note: In accordance with the Americans with Disabilities Act of 1990, if you require a disability related modification or accommodation to participate in this meeting, including auxiliary aids or services, please contact the Board Secretary at 310-589-3230, extension 118 or via email at [yeramian@smmc.ca.gov](mailto:yeramian@smmc.ca.gov) as soon as possible. Every effort will be made to make reasonable accommodations to facilitate participation in this meeting and to resolve any doubt whatsoever in favor of accessibility.

Note: The entire agenda package and any meeting related writings or documents provided to a majority of the Board members after distribution of an agenda package, unless exempt from disclosure pursuant to California Law, will be available on the world wide web.

# BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY

*A public entity of the State of California exercising joint powers of the County of Los Angeles and the Santa Monica Mountains Conservancy*

**Hon. Holly J. Mitchell**  
*Chairperson*  
**Norma E. Garcia**  
*Vice-Chairperson*  
**William Vanderberg**

## **Minutes of the Meeting of the Governing Board of the Baldwin Hills Regional Conservation Authority**

**August 6, 2021**

### **I. Call to order**

The special meeting of the Governing Board of the Baldwin Hills Regional Conservation Authority was called to order by Hon. Holly J. Mitchell at 2:11 p.m. on August 6, 2021 at various locations via internet and telephone pursuant to Executive Order N-29-20.

### **II. Administration of Oath of Office for new members.**

The Deputy County Counsel administered the Oath of Office to Hon. Holly J. Mitchell and Laura Muraida, as the Supervisor's alternate.

### **III. Roll Call**

The roll was called and the following members were present; William Vanderberg; Norma E. Garcia, Vice Chairperson, and Hon. Holly J. Mitchell, Chairperson.

Staff present: Joseph T. Edmiston, FAICP, Hon. ASLA, Executive Officer; Joseph Abdelkerim, Deputy County Counsel, Laura Muraida, Senior Deputy, and James Yeramian, Board Secretary.

### **IV. Public Testimony on all agenda items and public comment on matters not on the agenda.**

The Authority received no public comment, but noted that David McNeil was present, representing the Baldwin Hills Conservancy.

### **V. Discussion Items:**

#### **(a) Approval of Minutes for November 17, 2020.**

A roll-call vote was administered.

On motion of Ms. Garcia, the minutes of November 17, 2020 were unanimously adopted.

- (b) Consideration of resolution delegating authority to the Chairperson and/or Executive Officer to negotiate and execute a License Agreement with HoneyLove, a nonprofit public benefit corporation, for access to APNs 4204-014- 905 and 4204-014-907, related to the establishment of a honeybee sanctuary and apiary near the Stoneview Nature Center along the Park-to-Playa Trail.**

Comments were made by Mr. Vanderberg.

A roll-call vote was administered.

On motion of Mr. Vanderberg, duly seconded, Resolution No. 21-01 was unanimously adopted.

- (c) Discussion regarding proposed amendments to the Joint Exercise of Powers Agreement regarding the addition of the Baldwin Hills Conservancy as a member agency, the removal of the Santa Monica Mountains Conservancy as a member agency, the composition of the Governing Board members and officers of BHRCA, and the frequency of required meetings.**

Comments were made by Mr. Vanderberg; the Executive Officer; Ms. Garcia, and County Counsel.

#### **XI. Statements, questions, and directions to staff pursuant to Section 54954.2 of the Government Code.**

No comments were made.

#### **XII. Announcement of future meetings and adjournment.**

The Chairperson announced that the next meeting would be held on a date to be determined at a later time.

There being no further business, the meeting was adjourned at 2:38 p.m.

Respectfully submitted:

Joseph T. Edmiston, FAICP, Hon, ASLA  
Executive Officer

Approved:

Hon. Holly Mitchell  
Acting Chairperson

## Item VI

Resolution 22-001

## **BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

September 1, 2022 - Agenda Item VI  
Resolution No. 22 – 001

### **RESOLUTION OF THE GOVERNING BOARD OF THE BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY DELEGATING AUTHORITY TO THE CHAIRPERSON AND/OR EXECUTIVE OFFICER TO NEGOTIATE AND EXECUTE AN ACCESS EASEMENT AND MEMORANDUM OF UNDERSTANDING WITH THE COUNTY OF LOS ANGELES FOR THE OPERATION AND MAINTENANCE OF THE PARK-TO-PLAYA PHASE II TRAIL SEGMENT AND PARK-TO-PLAYA PEDESTRIAN BRIDGE**

WHEREAS, the Baldwin Hills Regional Conservation Authority (BHRCA) was established by the County of Los Angeles (County) and the Santa Monica Mountains Conservancy for the purpose of providing a comprehensive program to acquire, expand, and improve open space, natural habitat and recreational opportunities within the Baldwin Hills and other natural and recreational areas within the Second Supervisorial District; and

WHEREAS, the County constructed the Park-to-Playa Phase II Trail Segment and Park-to-Playa Trail Bridge ("PTP Trail and Bridge") across BHRCA property providing a vital connection for the Park-to-Playa Trail in the Baldwin Hills; and

WHEREAS, BHRCA and the County desire to work together to ensure the appropriate operation and maintenance of the PTP Trail and Bridge; and

WHEREAS, BHRCA has the power to authorize and fund maintenance of recreational and park facilities within the Baldwin Hills area; and

WHEREAS, the County and its various departments have the resources and expertise for operating and maintaining recreational and park facilities; and

WHEREAS, BHRCA desires to negotiate and execute an access easement for APN 4204-014-907 with the County of Los Angeles for the Park-to-Playa Trail Pedestrian Bridge, which provides a vital connection for the Park-to-Playa Trail in the Baldwin Hills; and

WHEREAS, BHRCA has the power to hold and dispose of any interest in real property necessary to carry out the purposes of the Joint Powers Agreement under which it was formed, and to manage and maintain its facilities; and

WHEREAS, an easement would be granted by BHRCA at no cost to the County in light of the benefit to both parties for accessing and maintaining the Park-to-Playa improvement, including BHRCA; and

WHEREAS, staff recommends that the Chairperson or the Executive Officer proceeding with the negotiation and execution of an easement for APN 4204-014-907 to the County at no cost for the purposes described above, and to execute on behalf of

BHRCA, a memorandum of understanding with the County of Los Angeles, in a form approved by BHRCA Counsel;

NOW, THEREFORE, BE IT RESOLVED

- 1) The Governing Board of BHRCA hereby authorizes its Chairperson and/or Executive Officer to negotiate and execute, upon approval as to form by BHRCA's Counsel, a memorandum of understanding with the County for the operation and maintenance of the PTP Trail and Bridge.
- 2) The Governing Board of BHRCA hereby authorizes its Chairperson and/or Executive Officer to negotiate and execute, upon approval as to form by BHRCA Counsel, an easement for APN 4204-014-907 to the County of Los Angeles, at no cost to the County; execute any and all other documents necessary to implement the easement terms upon review and approval of BHRCA Counsel; and take any other actions necessary to implement such easement terms.

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Chair

AYES:

NOES:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that the foregoing resolution was adopted at a special meeting of the Governing Board of the Baldwin Hills Regional Conservation Authority, duly noticed and held according to law, on 1<sup>st</sup> day of September 2022.

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County Counsel

## Item VII

Resolution 22-002



## **BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

September 1, 2022 - Agenda Item VII  
Resolution No. 22-002

RESOLUTION OF THE GOVERNING BOARD OF THE BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY DELEGATING AUTHORITY TO THE CHAIRPERSON AND/OR EXECUTIVE OFFICER TO ENTER INTO A NEW STAFFING AGREEMENT AND AUGMENT THE FUNDING FOR THE EXISTING STAFFING AGREEMENT WITH THE SANTA MONICA MOUNTAINS CONSERVANCY BY WAY OF AN AMENDMENT TO THE EXISTING AGREEMENT

WHEREAS, the Baldwin Hills Regional Conservation Authority (BHRCA) was established by the County of Los Angeles (County) and the Santa Monica Mountains Conservancy (SMMC) for the purpose of providing a comprehensive program to acquire, expand, and improve open space, natural habitat and recreational opportunities within the Baldwin Hills and other natural and recreational areas within the Second Supervisorial District; and

WHEREAS, BHRCA has the power to contract for services deemed necessary to meet the purpose of BHRCA;

WHEREAS, pursuant to the joint exercise of powers agreement between the County and SMMC provides that the County and SMMC may loan employees to BHRCA to implement its purposes;

WHEREAS, BHRCA and SMMC previously entered into that certain Staffing Agreement dated June 22, 2010 (Staffing Agreement), pursuant to which SMMC agreed to provide staffing services in connection with real estate negotiations; and

WHEREAS, BHRCA and SMMC previously entered into an amendment to the Staffing Agreement dated June 2, 2016, pursuant to which SMMC provided for a broader scope of staffing services to BHRCA; and

WHEREAS, BHRCA and SMMC now desire to further amend the Staffing Agreement to increase the amount of expenditure authorized for staffing services in an amount not to exceed \$60,000 to allow for current staffing services to BHRCA; and

WHEREAS, BHRCA has adopted a 2022-23 budget that includes additional funding for entering into a new agreement for future staffing services with a member agency.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of BHRCA hereby authorizes its Chairperson and/or Executive Officer to negotiate and execute, upon approval as to form by BHRCA's Counsel, a new Staffing Agreement for support services and an amendment to the current Staffing Agreement to augment the amount authorized for current staffing services to BHRCA.

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Chairperson

AYES:

NOES:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that the foregoing resolution was adopted at a special meeting of the Governing Board of the Baldwin Hills Regional Conservation Authority, duly noticed and held according to law, on the 1<sup>st</sup> day of September 2022.

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County Counsel

Item VIII

BHRCA 2022-23 Budget

Resolution 22-003

**Operations*****Budgeted Amount 22-23***

Audit Fees	\$	10,000
Parcel Maintenance	\$	-
Legal Fees	\$	20,000
Administration	\$	130,000
<b>Educational/Technological Activities</b>		-
BH Parklands Conservation Program, LAAS		-
<b>Total Proposed Operations Expenses</b>	<b>\$</b>	<b>160,000</b>

**Capital Projects**

KHSRA (Fairfax) Remediation & Community Engagment		\$401,407.34
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**Opportunity Sites**

Strategic Regional Planning for transportation, rehabilitation and outreach (reserves S8C)	\$	750,000.00
Improving Safe Access and Signage at Hahn Park (reserves S8 C and billboard S8 D in equal split expense)	\$	500,000.00
<b>Total Proposed Capital Expenditures</b>		<b>\$1,151,407.34</b>

<b>TOTAL FY 22/23 Projected Expenditures</b>		<b><i>\$1,311,407.34</i></b>
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Ending Reserves (S8 C) Balance 21/22 Carry Over to FY 22/23	\$	1,855,919.24
Revenue FY22/23 - Interest Projection	\$	16,242.00
22-23 Q1	\$	3,424.00
22-23 Q2	\$	4,747.00
22-23 Q3	\$	2,996.00
22-23 Q4	\$	5,075.00
BillBoard (S8 D) Cash Balance/Carry Over to FY 22/23	\$	1,415,045.79
BillBoard FY22/23 - Projected Revenue	\$	38,759.04
22-23 Q1	\$	9,689.76
22-23 Q2	\$	9,689.76
22-23 Q3	\$	9,689.76
22-23 Q4	\$	9,689.76
<b>TOTAL FY 22/23 Total Projected Available Funding</b>	<b>\$</b>	<b>3,325,966.07</b>

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

September 1, 2022 - Agenda Item VII  
Resolution No. 22-003

**RESOLUTION OF THE GOVERNING BOARD OF THE BALDWIN HILLS REGIONAL  
CONSERVATION AUTHORITY ADOPTING BUDGET  
FOR FISCAL YEAR 2022-2023**

RESOLVED that the Governing Board of the Baldwin Hills Regional Conservation Authority (BHRCA) adopts the budget attached to this item; and

BE IT FURTHER RESOLVED that the Governing Board of BHRCA hereby instructs the Chairperson or Executive Officer to take all steps required to implement the budget as adopted.

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Chairperson

AYES:

NOES:

ABSENT:

ABSTAIN:

I HEREBY CERTIFY that the foregoing resolution was adopted at a meeting of the Governing Board of the Baldwin Hills Regional Conservation Authority, duly noticed and held according to law, on the 1<sup>st</sup> day of September 2022.

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County Counsel

Item IX

Receive and File

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

**MANAGEMENT REPORT  
AND  
AUDITOR'S COMMUNICATION LETTER**

**June 30, 2020**

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
June 30, 2020

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# MOSS, LEVY & HARTZHEIM LLP

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To the Honorable Board of Directors of  
Baldwin Hills Regional Conservation Authority  
Los Angeles, California

We have audited the financial statements of the governmental activities and the major fund of the Baldwin Hills Regional Conservation Authority (Authority) as of and for the fiscal year ended June 30, 2020. Professional standards require that we provide you with the information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit which we have previously communicated to you. 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 the Authority are described in Note 1 of the notes to the basic financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the fiscal year ended June 30, 2020. We noted no transactions entered into by the Authority during the fiscal 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 the financial statements were:

Management's estimates of the estimated historical cost and useful lives of capital assets. These estimates are based on historical data and industry guidelines for capital assets. We evaluated the key factors and assumptions used to develop the estimates above 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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's 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 March 15, 2021.

### 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 the Authority'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 the Authority'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 the Management's Discussion and Analysis, and the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual which are required supplementary information (RSI) that supplement 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 use of the Board of Directors of the Authority and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Moss, Levy & Hartzheim*

MOSS, LEVY & HARTZHEIM, LLP  
Culver City, CA  
March 15, 2021



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S 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 Board of Directors and management of  
The Baldwin Hills Regional Conservation Authority  
Los Angeles, 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 Baldwin Hills Regional Conservation Authority (Authority) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 15, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 the Authority'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 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 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.

Very truly yours,



MOSS, LEVY & HARTZHEIM, LLP  
Culver City, CA  
March 15, 2021

**CURRENT YEAR RECOMMENDATIONS**

NONE

## **STATUS OF PRIOR YEAR RECOMMENDATIONS**

NONE

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**

**ANNUAL FINANCIAL REPORT**

**June 30, 2020**



BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
JUNE 30, 2020

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MOSS, LEVY & HARTZHEIM LLP

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**Independent Auditor's Report**

To the Honorable Board of Directors  
Baldwin Hills Regional Conservation Authority  
Los Angeles, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Baldwin Hills Regional Conservation Authority (Authority), as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2020, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 7 to the financial statements, in March 2020, the World Health Organization declared COVID-19 to constitute a "Public Health Emergency of International Concern." Given the uncertainty of the situation, the duration of any business interruption and related financial impact cannot be reasonably estimated at this time. Our opinion is not modified with respect to this matter.

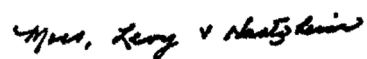
## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the required supplementary information on page 20, 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 Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2021, on our consideration of the Authority'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 Authority's internal control over financial reporting and compliance.



Moss, Levy & Hartzheim, LLP  
Culver City, California  
March 15, 2021

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2020**

The Management's Discussion and Analysis (MD&A) of the financial activities of the Baldwin Hills Regional Conservation Authority (Authority) provides a narrative overview of the Authority's financial activities for the year ended June 30, 2020. Please read it in conjunction with the accompanying basic financial statements, notes to the basic financial statements, and supplementary information.

**FINANCIAL HIGHLIGHTS**

- The Authority's assets other than capital assets have decreased \$1.2 million from \$5.09 million as of June 30, 2019 to \$3.89 million as of June 30, 2020.
- There was no change in the Authority's capital assets balance. The balance was \$18.36 million at June 30, 2019 and June 30, 2020, respectively.
- The total net position of the Authority has decreased \$1.07 million from \$23.26 million as of June 30, 2019, to \$22.19 million as of June 30, 2020.
- The Authority's total revenues amounted to \$0.25 million for the year ended June 30, 2020. Total revenues have decreased \$0.01 million compared to \$0.26 million for the year ended June 30, 2019.
- The Authority's total expenditures amounted to \$1.32 million for the year ended June 30, 2020. Total expenditures have decreased \$0.89 million compared to \$2.21 million for the year ended June 30, 2019.
- The Authority has no short-term or long-term debt.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Authority's basic financial statements, which are comprised of the following three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2020**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all Authority assets and deferred outflows of resources, reduced by liabilities and deferred inflows of resources, which represent net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial position of the Authority is improving or deteriorating.

The statement of activities presents information that indicates how the Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that may affect cash flows in future periods.

**Fund Financial Statements**

The fund financial statements contain information regarding major individual funds. A fund is a fiscal and accounting entity with a balanced set of accounts. The Authority uses separate funds to ensure compliance with fiscal and legal requirements.

The Authority's funds are classified as governmental funds. These funds are used to account for essentially the same services that were previously described as governmental activities above. However, the fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Authority's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2020**

**REQUIRED SUPPLEMENTARY INFORMATION**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the Authority's budgetary comparison schedule for the year ended June 30, 2020.

**FINANCIAL ANALYSIS**

As of June 30, 2020, the Authority's net position was \$22.19 million compared to \$23.26 million as of June 30, 2019. The Authority's net position decreased \$1.07 million or 4.58%. Net investment in capital assets accounted for \$18.36 million or 82.73% of the Authority's net position.

Revenues for the year ended June 30, 2020 consist of lease revenue from properties owned by the Authority totaling \$0.17 million and interest income totaling \$0.08 million. Total expenditures in the amount of \$1.32 million for the year ended June 30, 2020 consisted of capital outlays, conservation and educational programs, and administration in the amount of \$1.28 million, \$0.01 million, and \$0.03 million, respectively. Capital outlays consisted of design and construction costs of various capital projects on land owned by other governments and/or capital projects that are not on Authority owned property and that will be maintained by other governments. Revenues for the year ended June 30, 2019 consisted of lease revenue from properties owned by the Authority totaling \$0.13 million and interest income totaling \$0.13 million. Total expenditures in the amount of \$2.21 million for the year ended June 30, 2019 consisted of capital outlays, transfers, conservation and educational programs, and administration in the amount of \$0.16 million, \$2.00 million, \$0.03 million, and \$0.02 million, respectively.

**CAPITAL ASSETS**

As of June 30, 2020, the Authority's capital assets balance consisted of land in the amount of \$18.36 million.

**ECONOMIC FACTORS**

Since inception, the main funding source for the Authority has been LACRPOSD, along with interest income and revenue generated from a billboard lease. The original two propositions that provided funding have expired. However, on November 8, 2016, Los Angeles County voters approved The Los Angeles County Safe, Clean Neighborhood Parks and Beaches Measure of 2016 (Measure A). Measure A will continue to provide funding for LACRPOSD to support local parks, beaches, open space, and water resources through an annual parcel tax of 1.5 cents per square foot of development. The Authority is expected to receive future grants from the LACRPOSD as a result of this annual parcel tax.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2020**

**CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County of Los Angeles, Department of Auditor-Controller, 500 West Temple Street, Room 525, Los Angeles, CA 90012.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2020**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments (Note 3)	\$ 3,855,847
Accounts receivable	15,645
Interest receivable	13,729
Capital Assets - Land (Note 4)	<u>18,358,477</u>
Total Assets	<u>\$ 22,243,698</u>
 <b>LIABILITIES</b>	
Accounts payable	<u>\$ 53,928</u>
Total Liabilities	<u>53,928</u>
 <b>NET POSITION</b>	
Net investment in capital assets	18,358,477
Unrestricted	<u>3,831,293</u>
Total Net Position	<u>22,189,770</u>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	 <u><u>\$ 22,243,698</u></u>

See accompanying notes to the basic financial statements.



**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Change in Net Position Governmental Activities</u>
Governmental Activities:			
Conservation programs	<u>\$ 1,319,870</u>	<u>\$ -</u>	<u>\$ (1,319,870)</u>
Total Governmental Activities	<u>\$ 1,319,870</u>	<u>\$ -</u>	<u>(1,319,870)</u>
General Revenues:			
Interest earnings			82,943
Lease revenue			<u>170,896</u>
			<u>253,839</u>
Change in net position			(1,066,031)
Net Position, beginning of fiscal year			<u>23,255,801</u>
Net Position, end of fiscal year			<u>\$ 22,189,770</u>

See accompanying notes to the basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
GOVERNMENTAL FUND  
BALANCE SHEET  
JUNE 30, 2020**

**ASSETS**

Cash and investments (Note 3)	\$ 3,855,847
Accounts receivable	15,645
Interest receivable	<u>13,729</u>
Total Assets	<u><u>\$ 3,885,221</u></u>

**LIABILITIES AND FUND BALANCE**

**LIABILITIES**

Accounts payable	<u>\$ 53,928</u>
Total Liabilities	<u>53,928</u>

**FUND BALANCE**

Unassigned	<u>3,831,293</u>
Total Liabilities and Fund Balance	<u><u>\$ 3,885,221</u></u>

See accompanying notes to the basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2020**

Fund Balance of Governmental Fund	\$ 3,831,293
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity	<u>18,358,477</u>
Net Position of Governmental Activities	<u><u>\$ 22,189,770</u></u>

See accompanying notes to the basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
GOVERNMENTAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**REVENUES**

Interest earnings	\$ 82,943
Lease revenue	170,896
Total Revenues	<u>253,839</u>

**EXPENDITURES**

Conservation and educational programs	14,187
Capital outlay	1,276,054
Administration	29,629
Total Expenditures	<u>1,319,870</u>

Net Change in Fund Balance	(1,066,031)
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Fund Balance, Beginning of Fiscal Year	<u>4,897,324</u>
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Fund Balance, End of Fiscal Year	<u><u>\$ 3,831,293</u></u>
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See accompanying notes to the basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Net change in Fund Balance	\$ (1,066,031)
Change in Net Position of Governmental Activities	<u><u>\$ (1,066,031)</u></u>

See accompanying notes to the basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 1    REPORTING ENTITY**

The Baldwin Hills Regional Conservation Authority (Authority), a separate public entity, was established on April 27, 1999 between the County of Los Angeles and the Santa Monica Mountains Conservancy, an agency of the State of California, to provide for a comprehensive program to acquire, expand, and improve the open space, natural habitat, and recreational opportunities within the Baldwin Hills area; to improve connections between the Baldwin Hills and other natural and recreational areas, including Ballona Creek; and for the conservation and protection of natural habitat restoration, environmental enhancement of the Baldwin Hills area, and protection of the Ballona Creek watershed and water quality.

The Authority is governed by a Board of Directors composed of five (5) members:

- The member of the County Board of Supervisors representing the majority of the area encompassed by Baldwin Hills, or his or her designee, who shall serve as Chairperson.
- The Director of the Los Angeles County Department of Parks and Recreation or his designee, who shall serve as Vice Chairperson.
- Two public members appointed by Santa Monica Mountains Conservancy neither of whom shall be employees thereof.
- One public member who shall be nominated by the Chairperson and Vice Chairperson and confirmed by the County Board of Supervisors and by Santa Monica Mountains Conservancy.

The accompanying financial statements reflect the financial activities of the Authority. The Authority has no component units.

**NOTE 2    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting and Measurement Focus**

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

The Authority's government-wide financial statements include a statement of net position and statement of activities. The government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets and liabilities, including capital assets, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reporting them as expenditures.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus (Continued)**

**Government Fund Financial Statements**

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balance. An accompanying schedule is presented to reconcile and explain the differences in fund balance as presented in these statements to the net position presented in the government-wide financial statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after fiscal year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the Authority are earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Amounts expended to acquire capital assets and to design and construct capital projects are recorded as capital outlays in the fiscal year that resources were expended rather than recording them as fund assets.

The reconciliations of the fund financial statements to the government-wide financial statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

**Cash, Pooled Cash, and Investments**

Cash includes amounts to conduct daily operations of the Authority in demand deposits with the Los Angeles County Treasurer and Tax Collector (TTC). The Authority deposits all of its cash with TTC. The Authority’s deposits, along with funds from other local agencies such as the county government, other school districts, and special districts, make up a pool, which TTC manages for investment purposes. Earnings from the pooled investments are allocated to participating funds based on average investments in the pool during the allocation period. See Note 3 for additional information.

**Capital Assets**

Under GASB Statement No. 34, all capital assets are recorded and depreciated in the government-wide financial statements. No long-term capital assets or depreciation are shown in the governmental fund financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (Continued)**

Capital assets are reported at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The reported value excludes cost in relation to capital projects on land owned by other governments and/or capital projects that are not on Authority owned property that will be maintained by other governments.

Land consists of open space acquired in accordance with the joint powers agreement that created the Authority. When land is sold or otherwise disposed of, related costs are removed from the accounts and any gain or loss is reported in the statement of revenues, expenses, and changes in fund balances. See Note 4 for additional information.

**Net Position and Fund Balance Classification**

Net position represents the difference between assets and liabilities on the government-wide financial statements. Net position is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and is 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 is 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. As of June 30, 2020, the Authority had no debt obligations.

Restricted Net Position

This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions enabling legislation. The Authority had no restricted net position for fiscal year ending June 30, 2020.

Unrestricted Net Position

This category represents the residual net position of the Authority in excess of what cannot properly be classified as "net investment in capital assets" as defined above.

Fund Balance Classifications

The governmental fund financial statements present fund balances based on classifications that comprise hierarchy that is based primarily on the extent to which the Authority is bound to honor constraints on the specific purposes for which amounts can be spent.



**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position and Fund Balance Classification (Continued)**

The fund balance classifications used in the governmental fund financial statements are as follows:

*Nonspendable* – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact. The Authority had no nonspendable fund balance for fiscal year ending June 30, 2020.

*Restricted* – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The Authority had no restricted fund balance for fiscal year ending June 30, 2020.

*Committed* – amounts that can be spent only for specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Directors, as the highest level of decision-making authority, has the ability to commit fund balances through the adoption of a resolution. These committed amounts cannot be used for any other purpose unless the Board of Directors removes or modifies the use through the adoption of a subsequent resolution. As of June 30, 2020, the Authority had no committed fund balance.

*Assigned* – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Authority's adopted policy requires the Board of Directors to assign amounts to specific purposes. As of June 30, 2020, the Authority had no assigned fund balance.

*Unassigned* – this classification includes the residual fund balance. The Authority has only unassigned fund balance as of June 30, 2020.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which amounts in any of the unrestricted classifications of fund balance could be used, the Authority considers committed amounts to be reduced first, followed by assigned amounts, and then unassigned amounts.

**Estimates**

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

**New Accounting Pronouncements**

The following GASB Statements have been implemented in the current basic financial statements.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental Accounting Standards Board Statement No. 89

GASB #89, "*Accounting for Interest Cost Incurred before the End of Construction Period*," establishes accounting requirements for interest cost incurred before the end of a construction period. This GASB had no material impact upon the financial statements.

Governmental Accounting Standards Statement No. 95

GASB #95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*," provides temporary relief to governments in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statement and Implementation Guides that are scheduled to become effective for periods beginning after June 15, 2018.

**NOTE 3 CASH AND INVESTMENTS**

In accordance with the California Government Code, cash balances of the Authority are deposited with and pooled and invested by the Los Angeles County Treasurer and Tax Collector (TTC) for the purpose of increasing interest earnings through investment activities. Interest earned on pooled investments is deposited to participating funds based upon each fund's average daily balance during the allocation period. The Authority's cash and investments balance as of June 30, 2020 was \$3,855,847.

California Government Code Sections 53601 and 53635 authorize the Treasurer to invest the External Investment Pool (Pool) and SPI funds in obligations of the United States Treasury, federal agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, forwards, futures, options, shares of beneficial interest of a Joint Powers Authority (JPA) that invests in authorized securities, shares of beneficial interest issued by diversified management companies known as money market mutual funds (MMF) registered with the Securities and Exchange Commission (SEC), securities lending agreements, the State of California's Local Agency Investment Fund (LAIF), and supranational institutions. California Government Code Section 53534 authorizes the Treasurer to enter into interest rate swap agreements. However, these agreements should only be used in conjunction with the sale of the bonds approved by the Board. As permitted by the California Government Code, the Treasurer developed, and the Board adopted, an Investment Policy that further defines and restricts the limits within which the Treasurer may invest. The investments are managed by the Treasurer, which reports investment activity to the Board on a monthly basis. In addition, the Treasurer's investment activity is subject to an annual investment policy review, compliance oversight, quarterly financial review, and annual financial reporting. The Treasurer also maintains Other Specific Investments, which are invested pursuant to Section 1300.76.1, Title 28, California Code of Regulations. The County has not provided nor obtained any legally binding guarantees during the year ended June 30, 2020, to support the value of shares in the Pool.

Investments are stated at fair value and are valued on a monthly basis. The TTC categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix Pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 inputs are significant.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government investment pool is not subject to reporting within the level hierarchy oversight, quarterly financial review, and annual financial reporting. The Treasurer also maintains Other Specific Investments, which are invested pursuant to the California Government Code.

Investment policies and associated risk factors applicable to the Authority are included in the County of Los Angeles' Comprehensive Annual Financial Report for the year ended June 30, 2020. Detailed deposit and investment risk disclosures are included in notes of the County of Los Angeles' Comprehensive Annual Financial Report.

**NOTE 4 CAPITAL ASSETS**

Capital activities for the fiscal year ended June 30, 2020 is as follows:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets:				
Land	\$ 18,358,477	\$ -	\$ -	\$ 18,358,477
Construction in progress	-	1,276,054	(1,276,054)	-
Total capital assets	<u>\$ 18,358,477</u>	<u>\$ 1,276,054</u>	<u>\$ (1,276,054)</u>	<u>\$ 18,358,477</u>

The additions and deletions of construction in progress in the amount of \$1,276,054 represent construction projects on land owned by other governments and/or are not on Authority owned property that will be maintained by other governments. These deletions were transfers made to capital outlay within the Authority to recognize the full expense of these costs for historical purposes.

**NOTE 5 RELATED PARTY TRANSACTIONS**

The Authority's cash and investments are pooled and invested by TTC. Interest income amounted to \$82,943 for the year ended June 30, 2020 and interest receivable was \$13,729 as of June 30, 2020. The County also provides legal services to the Authority. Total legal fees amounted to \$13,554 for the fiscal year ended June 30, 2020. In addition, the County maintains the books and records of the Authority without charges.

**NOTE 6 COMMITMENTS AND CONTINGENCIES**

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's management, there is no pending litigation that is likely to have a material adverse effect on the financial position of the Authority.

As of the fiscal year ending June 30, 2020 in the opinion of the Authority's management, there were no additional outstanding matters that would have a significant effect on the financial position of the Authority.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

**NOTE 7    SUBSEQUENT EVENTS**

The World Health Organization has declared the outbreak of Novel Coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The COVID-19 outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact. Nevertheless, the outbreak presents uncertainty and risk with respect to the Authority’s performance, and financial results.

**BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (UNAUDITED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Lease revenue	\$ 76,000	\$ 76,000	\$ 170,896	\$ 94,896
Interest Income	30,000	30,000	82,943	52,943
Total Revenues	<u>106,000</u>	<u>106,000</u>	<u>253,839</u>	<u>147,839</u>
<b>EXPENDITURES</b>				
Conservation and educational programs	31,712	31,712	14,187	17,525
Parcel maintenance	50,000	50,000	-	50,000
Capital outlay	3,533,445	3,533,445	1,276,054	2,257,391
Administration	50,000	50,000	29,629	20,371
Total Expenditures	<u>3,665,157</u>	<u>3,665,157</u>	<u>1,319,870</u>	<u>2,345,287</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,559,157)	(3,559,157)	(1,066,031)	2,493,126
Fund balance, beginning of fiscal year	<u>4,897,324</u>	<u>4,897,324</u>	<u>4,897,324</u>	
Fund balance, end of fiscal year	<u>\$ 1,338,167</u>	<u>\$ 1,338,167</u>	<u>\$ 3,831,293</u>	<u>\$ 2,493,126</u>

**Note to Required Supplementary Information:**

The Authority prepares an annual budget which is adopted by the Board of Directors. The Authority monitors and controls expenditures on a budgetary basis. The current fiscal year expenditures are charged against appropriations. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.

# BALDWIN HILLS REGIONAL CONSERVATION AUTHORITY

*A public entity of the State of California exercising joint powers of the County of Los Angeles and the Santa Monica Mountains Conservancy*

Holly Mitchell  
Chairperson  
Norma E. Garcia  
Vice-Chairperson  
William Vanderberg  
Member

March 15, 2021

Moss, Levy & Hartzheim, LLP  
5800 Hannum Avenue, Suite E  
Culver City, California 90230

This representation letter is provided in connection with your audit(s) of the financial statements of the Baldwin Hills Regional Conservation Authority (Authority), which comprise the respective financial position of the governmental activities, and the major fund as of June 30, 2020, and the respective changes in financial position and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 15, 2021, the following representations made to you during your audit.

## **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of Work Order #8-89B, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and

disclosed in accordance with U.S. GAAP.

9) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

#### Information Provided

10) We have provided you with:

- a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters
- b) Additional information that you have requested from us for the purpose of the audit.
- c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- d) Minutes of the meetings of the Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.

11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

13) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:

- o Management,
- o Employees who have significant roles in internal control, or
- o Others where the fraud could have a material effect on the financial statements.

14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.

15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

#### Government—specific

18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows or resources, liabilities, deferred inflows of resources, fund balance or net position.

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

- 22) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) There are no violations or possible violations of budget ordinances, laws, and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 25) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- a) The financial statements were reviewed Rachelle Anema (Chief Accountant Department of Auditor-Controller Los Angeles County).
- 26) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 27) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 28) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 29) The financial statements properly classify all funds and activities in accordance with GASB Statement No.34.
- 30) All funds that meet the quantitative criteria in GASBS Nos.34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 31) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 32) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 33) Provisions for uncollectible receivables have been properly identified and recorded.
- 34) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 35) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 36) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 37) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 38) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.



- 39) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 41) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- a) If the above supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature:

Title: Executive Officer

Signature:

Title:

Elaine Boyd  
Division Chief