

**AGENDA FOR ANNUAL MEETING AND MEETING OF BOARD OF DIRECTORS
OF
SAN BERNARDINO VALLEY CONSERVATION TRUST,
a California Nonprofit Public Benefit Corporation**

Wednesday, October 18, 2023 – 2:00 P.M.

Location—1630 West Redlands Boulevard, Suite A, Redlands, California

Anyone wishing to join the meeting can join via Zoom:

Call in (669) 900-6833, Meeting ID: 892-2390-6343

To join the Zoom Meeting: <https://us06web.zoom.us/j/89223906343>

Note: Copies of staff reports and other documents relating to the items on this agenda are on file at the San Bernardino Valley Water Conservation District office and are available for public review during regular District business hours. New information relating to agenda topics listed, received, or generated by the District after the posting of this agenda, but before the meeting, will be made available upon request. The San Bernardino Valley Conservation Trust intends to follow California Open Meeting laws and the Americans with Disabilities Act (ADA) in all respects. If you need special assistance with respect to the agenda or other written materials forwarded to the members of the Board for consideration at the Board meeting, or if as an attendee or a participant at this meeting you will need special assistance, the District will attempt to accommodate you in every reasonable manner. Please contact Athena Monge at (909) 793-2503 at least 48 hours prior to the meeting to inform her of your particular needs and to determine if accommodation is feasible. Please advise us at that time if you will need accommodations to attend or participate in meetings on a regular basis.

CALL TO ORDER

ROLL CALL

1. PUBLIC PARTICIPATION

Members of the public may address the Board of Directors on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) Section 54954.2 of the Government Code.

2. APPROVAL OF MINUTES FROM JULY 19, 2023.....p. 3

Presenter: Milan Mitrovich

Recommendation: Review and approve minutes from July 19, 2023, as presented.

3. APPOINTMENT OF OFFICERS

Presenter: Milan Mitrovich

Recommendation: Appoint Officers for President, Vice President, and Executive Officer/Secretary/CFO

Current officers: David Raley, President
John Longville, Vice President
Milan Mitrovich, Executive Officer/Secretary/CFO

4. REVIEW DRAFT AUDIT REPORT AND CONSIDER APPROVAL.....p. 7

Presenter: Terry Shea, Laura Arvizu, RAMS

Recommendation: Approve FY 2022/2023 audit report as presented.

5. FINANCIAL STATUS UPDATE.....p. 19

Presenter: Angie Quiroga

Recommendation: Review and approve quarterly financial report.

6. PFM INVESTMENT PERFORMANCE REVIEW UPDATE FOR QUARTER ENDED JUNE 30, 2023

Presenter: Ellen Clark/PFM Asset Management

Recommendation: Receive update on performance of endowment fund investments.

7. COMMUNITY MITIGATION UPDATES

Presenter: Milan Mitrovich

Recommendation: Receive update on Community Mitigation projects

8. GRANT APPLICATION UPDATES

Presenter: Milan Mitrovich

Recommendation: Receive update on Grant Applications

8. ADJOURN MEETING

The next regularly scheduled Board of Directors Meeting will be on Wednesday, January 17, 2024 at 2:00 p.m., at 1630 W. Redlands Blvd., Redlands, CA.

**MINUTES FOR MEETING OF BOARD OF DIRECTORS
OF
SAN BERNARDINO VALLEY CONSERVATION TRUST,
a California Nonprofit Public Benefit Corporation**

Wednesday, July 19, 2023 – 2:00 pm

CALL TO ORDER –2:02 p.m.

ROLL CALL

David E. Raley, SBV Water Conservation District (District)
John Longville, SBV Water Conservation District
Paul Kielhold, SBV Municipal Water District
Brad Buller, IE Resource Conservation District

Milan Mitrovich, SBV Water Conservation District (remote)
Betsy Miller, SBV Water Conservation District
Angie Quiroga, SBV Water Conservation District
David Cosgrove, SBV Water Conservation District
Mandy Parkes, IE Resource Conservation District
Matt Smith, PFM Asset Management(remote)
Bob Stewart, SBV Water Conservation District (remote)
Joanna Gibson, SBV Municipal Water District (remote)

1. PUBLIC PARTICIPATION -None
2. APPROVAL OF MINUTES FROM MAY 03, 2023

Action: Motion was made by Director Kielhold and seconded by President Raley to approve the meeting minutes from May 03, 2023. The motion carried 3-0-1 with all members present voting in the affirmative and Director Buller abstaining from the vote.

President Raley: Yes
Vice President Longville: Yes
Director Kielhold: Yes
Director Buller: Absent

3. PFM INVESTMENT PERFORMANCE REVIEW UPDATE FOR QUARTER ENDED JUNE 30, 2023

Matt Smith from PFM Asset Management reviewed the economic activity and investment performance of the Trust’s portfolio starting on package page 8. Mr. Smith noted the Trust ended the quarter at \$3,214,016 which represents a quarter return of about 3.6%. Year-to-date, the portfolio is up 9.18%, which is a nice bounce back in performance this year particularly in the equity markets and since inception, we are sitting on the benchmark return at 6.39%. We are under the benchmark so far this year particularly due to underperforming in domestic

equities. In early March, our investment committee saw a decline in inflation. Historically, when inflation starts to come down, there is an upswing in the market and smaller US stocks generally outperform their larger counterparts. Our team put heavy weight into domestic equities and then news of Silicon Valley bank broke a week later. Silicon Valley bank was just one of multiple regional banks that were hit by what we call a bank run which is when people start pulling their money out of the banks in fear that their money isn't safe and in turn causes a contagion of panic. This panic was largely caused by these individual banks' risk mismanagement. This incident caused headwinds for the small to mid-cap space. Unfortunately, PFM did not see this coming. We exited our overweight in domestic equities in May. We reallocated to large cap stocks. We have seen a strong performance in our international equities and fixed income investments. Although we are not happy to report that we underperformed the benchmark for this quarter, PFM's history over the last ten years is that we have outperformed the benchmark 80% of quarters. We are committed to our process that has worked well over time. Mr. Smith provided a graph chart, as requested, of the District's investment performance compared to the benchmark through May 2023. In the first two years, we trailed the benchmark. In 2021, we started outperforming the benchmark quite well and as of the end of May and into June, we are sitting right about at the benchmark. PFM's goal over longer periods of time is to outperform the benchmark and Mr. Smith is certain PFM will get back to that trend. The final slide showed the asset allocations relative to targets. PFM is currently comfortable with the slight overages and underages to target. Mr. Smith advised Spring and Fall reviews will be provided in the future. Typically, a full report is ready about four weeks after the end of the quarter. This item was received and filed.

4. FINANCIAL STATUS UPDATE

Angie Quiroga presented the financial status update starting on package page 16. She reviewed expenses incurred for the quarter. The District billed for work provided to the community mitigation agreements held by the Trust. She drew attention to the District's request for partial reimbursement of Wash Plan expenses in the amount of \$350,700.69. This amount has not yet been finalized but is based on jumpstart funds and interest earned by the Trust to cover implementation costs. This payment will offset the overall liability due to the District. Investment income included an unrealized gain of \$102,871 with an ending balance in US Bank of \$3,214,016. She advised our accounts receivable has not changed but we are still hopeful the land exchange with BLM will be completed and our receivable from Cemex and Robertson's will be paid by the end of the calendar year. Liabilities to the District increased \$133,207 for habitat management and implementation costs for April-June. With payment to the District of the previously stated \$350,700.69, our ending liability to the District is \$2,225,828. The mitigation agreements balances, for a total amount \$173,153.91, were provided on package page 17. Mr. Cosgrove added word was received from BLM that closure of the land exchange was anticipated for the end of July. Communications have recently stopped. We have been reaching out and have lobbyist assistance to pursue moving the exchange forward. We will continue our efforts and expect it will be resolved by yearend. Discussion ensued.

Action: Motion was made by President Raley and seconded by Director Kielhold to approve the quarterly financial report as presented. The motion carried 4-0 with all members present voting in the affirmative.

President Raley: Yes

Vice President Longville: Yes

Director Kielhold: Yes

Director Buller: Yes

5. COMMUNITY MITIGATION UPDATES

Milan Mitrovich stated we are working through the process of the Trust's first conservation easement of 4.2 acres with SBCTA for the 210 FWY Expansion project. Mr. Cosgrove has been principal in terms of developing documentation supporting finalization of the easement. We are equally discussing with the S-P Deerfield team for Blossom Trails the 20.8 acres they need in the community mitigation area to have set aside for conservation. Working with the District's land, the Trust will hold the easement and manage endowment funds for that property. In parallel, we are working with Valley District regarding the 295 acres of land set aside for mitigation needs tied to the River HCP. SBCTA will likely be the first to secure their easement. This item was received and filed.

6. GRANT APPLICATIONS UPDATE

Mr. Mitrovich provided updates on some of the first grant applications that the Trust has moved forward with this past calendar year. The first application was for Federal funds tied to Section 6 Implementation of the Wash Plan HCP. We have not heard anything back from the application which was submitted in and around February. This suggests funding will be going to other projects as administered by CDFW. He advised the USFWS has been a big proponent of the proposal that we put together this winter and submitted in January and they want to see this project move forward. This work is tied to the San Bernardino kangaroo rat and establishment of a monitoring protocol. We have been fully developing and implementing this protocol over the last nearly 3 years across the Wash Plan preserve. It is that activity with USGS that the USFWS has been supportive of and will be providing \$133,897 of their own inner office funds to the USGS for design, study, writing the protocol, training partners and designing the database for acceptance of material and information from a range wide SBKR monitoring program and database that supports recovery efforts and writing efforts of the recovery plan for the species. This is what we wrote up in the Section 6 grant application. USFWS decided to take it on and take on the first two tasks to see this work forward. This is validation of the work the District is doing and our partners are doing in terms of supporting the species. The second application we submitted is for a California Fuels Management Community Fire Systems Program. This is federal grant administered through BLM California. We applied in May and on July 8th, we received a success letter from BLM letting us know that our application was selected for award negotiations. This award allows the Trust to hire restoration contractors, fuel management contractors and biologists as well as to work with the District for implementation measures to address fuels within the Wash. It allows us to address fuel loads, invasive grasses, human activity, encampments, debris fields, illegal access, and the like. This is a 5-year project awarded at \$1,044,500 with \$225,000 to be provided by services of the SBVWCD. \$819,500 will come in as federal dollars for personnel and contract costs. There will be opportunities to bring in sediment from Mill Creek and our operations in Mill Creek into the wash. New opportunities for SBKR consistent with the Wash Plan that recognizes grasses as principal barriers for movement of the species Work is starting October 1st this year and will continue through 2028. Vice President Longville commended Staff for their work. Mr. Mitrovich stated none of this is possible without our relationship with BLM and in particular the Fuels Coordination Manager James Gannon who has been a wonderful asset. Also, collaboration with the District is paramount in making this work and providing the ability to showcase the work we do. This item was received and filed.

7. ADJOURN MEETING –2:33 pm.

Action: A motion was made by President Raley and seconded by Director Kielhold to adjourn the meeting. The next Board of Director’s meeting will be held on Wednesday, October 18, 2023, at 2:00 pm at 1630 W. Redlands Blvd., Redlands, CA or via teleconference and Zoom. The motion carried 4-0 with all Directors present voting in the affirmative.

President Raley: Yes

Vice President Longville: Yes

Director Kielhold: Yes

Director Buller: Yes

Milan Mitrovich
Executive Officer/Secretary

San Bernardino Valley Conservation Trust

**Financial Statements and
Independent Auditor's Report**

Year ended June 30, 2023

San Bernardino Valley Conservation Trust

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Independent Auditor's Report

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Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
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Jeffrey McKennan, CPA

MEMBERS

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Quality Center*

California Society of
Certified Public Accountants

To the Board of Directors
San Bernardino Valley Conservation Trust
Redlands, California

Opinion

We have audited the financial statements of San Bernardino Valley Conservation Trust (a nonprofit organization) (the Trust), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 9, 2023

San Bernardino Valley Conservation Trust
Statement of Financial Position
June 30, 2023

Assets

Current Assets:

Cash and cash equivalents	\$ 866,899
Investments	3,214,016
Accounts receivable	<u>7,930,623</u>
Total current assets	<u>12,011,538</u>
Total assets	<u>\$ 12,011,538</u>

Liabilities

Current Liabilities:

Due to San Bernardino Valley Water Conservation District	\$ 2,543,620
Unearned revenue	<u>8,103,777</u>
Total current liabilities	<u>10,647,397</u>
Total liabilities	<u>10,647,397</u>

Net assets (deficit)

Without donor restrictions	(661,301)
With donor restrictions	<u>2,025,442</u>
Total net assets	<u>1,364,141</u>
Total liabilities and net assets	<u>\$ 12,011,538</u>

The accompanying notes are an integral part of these financial statements.

San Bernardino Valley Conservation Trust
Statement of Activities
For the year ended June 30, 2023

	Without donor restrictions	With donor restrictions	Total
Revenues			
Contributions	\$ 67,409	\$ -	\$ 67,409
Realized gain on investments	468	791	1,259
Unrealized gain on investments	78,414	132,566	210,980
Interest and dividends, net	22,257	37,628	59,885
	<u>168,548</u>	<u>170,985</u>	<u>339,533</u>
Expenses			
Wash Plan	490,843	-	490,843
Insurance	1,368	-	1,368
Bank fees	3,500	-	3,500
Other expenses	4,925	-	4,925
	<u>500,636</u>	<u>-</u>	<u>500,636</u>
Total change in net assets	(332,088)	170,985	(161,103)
Net assets (deficit)			
Beginning of year	<u>(329,213)</u>	<u>1,854,457</u>	<u>1,525,244</u>
End of year	<u>\$ (661,301)</u>	<u>\$ 2,025,442</u>	<u>\$ 1,364,141</u>

The accompanying notes are an integral part of these financial statements.

San Bernardino Valley Conservation Trust
Statement of Cash Flows
For the year ended June 30, 2023

Cash flows from operating activities

Cash received from contributions	\$ 25,612
Cash paid to suppliers for goods and services	(500,636)
Interest and dividends received, net of investment fees	<u>59,885</u>

Net cash used by operating activities (415,139)

Cash flows from investing activities

Proceeds from sale of investments	812,828
Purchase of investments	<u>(869,213)</u>

Net cash used by investing activities (56,385)

Cash flows from financing activities

Loan from San Bernardino Valley Water Conservation District	<u>424,434</u>
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Net cash provided by financing activities 424,434

Net decrease (47,090)

Cash and cash equivalents, beginning of year 913,989

Cash and cash equivalents, end of year \$ 866,899

Reconciliation of change in net assets to net cash used by operating activities

Change in net assets \$ (161,103)

Adjustments to reconcile change in net assets to net cash used by operating activities:

Net realized gain on investments	(1,259)
Net unrealized gain on investments	(210,980)

Increase (decrease) in liabilities:

Unearned revenue	<u>(41,797)</u>
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Net cash used by operating activities \$ (415,139)

The accompanying notes are an integral part of these financial statements.

San Bernardino Valley Conservation Trust
Notes to Financial Statements
For the year ended June 30, 2023

Note 1: Nature of Activities and Significant Accounting Policies

Nature of Activities

San Bernardino Valley Conservation Trust (the Trust) is a nonprofit 501(c)(3) charitable trust. The purpose of the Trust is the direct protection or stewardship of land, water, and natural resources, including, but not limited to agricultural lands, wildlife habitat, wetlands endangered species habitat, open space areas, and outdoor recreational areas. The Trust's revenue is derived from membership contributions, grant funds, and other revenue related to its core mission.

Basis of Accounting

The Trust's policy is to prepare its financial statements on the accrual basis of accounting. Accordingly, contributions and other revenues are recognized when earned, and expenses are recognized when incurred.

Basis of Presentation

Under generally accepted accounting principles, the Trust is required to report information regarding its financial position and activities according to two classes of net assets, net assets without donor restrictions and net assets with donor restrictions.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Trust considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Marketable securities are valued at quoted market prices which represent the net asset values of shares held by the Trust at the end of the year. Unrealized gains and losses are included in the change in net assets. Investment income and gains that have donor-imposed restrictions that are met in the reporting period in which they are recognized, are recorded as an increase to unrestricted net assets.

Financial Instruments

The carrying amount of all financial instruments approximates fair value. The carrying amounts for cash and cash equivalents, investments, accounts receivable, and accounts payable approximate fair value because of the short maturity of these instruments.

San Bernardino Valley Conservation Trust
Notes to Financial Statements
For the year ended June 30, 2023

Note 1: Nature of Activities and Significant Accounting Policies, (continued)

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with entities having outstanding balances and current relationships with them, it has been estimated that the realization losses on outstanding balances at year-end will be immaterial.

Contributions

All contributions are considered to be available for the general programs of the Trust unless specifically restricted by the donor. The Trust reports gifts of cash as restricted support if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends and/or the purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Trust contributions are payments into either an endowment for the Habitat Conservation Plan management or issuance costs for completion of the Habitat Conservation Plan. The funds contributed to the endowment are restricted by agreement with other parties.

Income Tax Status

The Trust is exempt from federal income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. A comparable exemption has been granted by the State of California. From time to time, the Trust has allowed advertising to support the publication of certain documents. When revenue for such advertising exceeds related costs, then the Trust will be subject to income taxes on unrelated business income. During the current reporting period, there was no net taxable unrelated business income.

The Trust's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending June 30, 2020, 2021, and 2022, are subject to examination by the IRS, generally for three years from the date of filing.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

San Bernardino Valley Conservation Trust
Notes to Financial Statements
For the year ended June 30, 2023

Note 1: Nature of Activities and Significant Accounting Policies, (continued)

Restricted and Unrestricted Revenue

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Subsequent Events

Management has evaluated subsequent events through October 9, 2023, the date the financial statements were available to be issued and has determined that there are no transactions that will have a significant impact on the Trust.

Note 2: Concentration of Credit Risk

The Trust maintains cash balances at one local financial institution. The standard insurance amount under the Federal Deposit Insurance Corporation (FDIC) is \$250,000 per depositor, per insured bank, for each account ownership category. These balances may at times exceed the insured limits.

Note 3: Investments

Investments at June 30, 2023 consisted of the following:

Mutual funds	<u>\$ 3,214,016</u>
Total investments	<u><u>\$ 3,214,016</u></u>

Investment gain (loss) for the year ended June 30, 2023 consisted of the following:

Interest and dividends	\$ 68,699
Investment fees	<u>(8,814)</u>
Interest and dividends, net	59,885
Unrealized gain	210,980
Realized gain	<u>1,259</u>
Total investment gain (loss), net	<u><u>\$ 272,124</u></u>

San Bernardino Valley Conservation Trust
Notes to Financial Statements
For the year ended June 30, 2023

Note 4: Fair Value Measurements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Trust has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. The unobservable inputs should be developed based on the best information available in the circumstances and may include the Trust’s own data.

The following tables present the Trust’s fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of June 30, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$ 3,214,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,214,016</u>
Total investments	<u>\$ 3,214,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,214,016</u>

Note 5: Related Parties

The Trust shares common Executive Director/CEO and other office personnel with following entity:

San Bernardino Valley Water Conservation District (the District)

The entity shares common expenses which are reimbursed as needed from the related party. In addition, the District is currently making other payments on behalf of the Trust for the Wash Plan expenses. These payables were classified as amounts due to San Bernardino Valley Water Conservation District as shown in the statement of financial position. Net assets with donor restrictions were not used to cover Wash Plan expenses. As of June 30, 2023, the payable to (due to) the District is \$2,543,620.

San Bernardino Valley Conservation Trust
Notes to Financial Statements
For the year ended June 30, 2023

Note 6: Unearned Revenue

Unearned revenue at June 30, 2023 consisted of the following:

Land and habitat	\$ 7,843,563
Deposit - Mitigation projects	<u>260,214</u>
Total	<u><u>\$ 8,103,777</u></u>

Note 7: Liquidity and Availability of Resources

The Trust has \$2,061,431 of financial assets available within one year of the statement of financial position date (resources without restrictions) for general expenditure consisting of the following:

Cash and cash equivalents	\$ 866,899
Investments	<u>1,194,532</u>
Total	<u><u>\$ 2,061,431</u></u>

The Trust has financial assets that are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Trust has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Trust invests cash in excess of daily requirements in various investments, which it could draw upon in the event of an unanticipated liquidity need.

San Bernardino Valley Conservation Trust

Unaudited Financial Status as of September 30, 2023

Cash Status-California Credit Union		As of 07/1/23	As of 09/30/23
	7/1/2022 Beginning Balance	866,898.73	
Revenue:	9/7/2023 S-P Deerfield, LLC-Mitigation deposit		5,000.00
	9/18/2023 TREH Partners XV, LLC Mitigation Deposit		10,000.00
Total Revenue:			15,000.00
Expenses:	9/26/2023 SBVWCD-Reimbursement for WP Implementation Expenses*		(351,153.64)
	9/26/2023 Rogers, Anderson, Malody & Scott-Audit Services Progress Pymt		(2,000.00)
	9/30/2023 SBVWCD-Earned Mitigation Credits thru 09/30/23		(8,387.12)
Total Expenses:			(361,540.76)
	*For FY 22-23	ENDING BALANCE	520,357.97
Investments-US Bank		As of 07/1/23	As of 09/30/23
	7/1/2023 Beginning Balance	3,214,016.05	
Revenue:	9/30/2023 Accrued Income, Interest, Dividends (Jul-Sept)		8,965.65
	9/30/2023 Unrealized Gain/Loss (Jul-Sept)		(131,029.82)
	9/30/2023 Realized Gain/Loss (Jul-Sept)		(731.86)
Total Revenue:			(122,796.03)
Expenses:	7/26/2023 US Bank Administrative Trust Fees		(875.00)
	9/1/2023 PFM Advisory & Management Fees(May-Jul)		(2,188.98)
Total Expenses:			(3,063.98)
		ENDING BALANCE	3,088,156.04
Accounts Receivable			
	Cemex/Robertson's-Wash Plan MOU		7,843,563.00
		BALANCE	7,843,563.00
Liabilities			
	Balance at 06/30/23	2,543,620.08	
	9/26/2023 less reimbursement payment at 06/30/23**	(351,153.64)	
	Jul-Sept 2023 Habitat Mgmt/Implementation Costs	106,085.13	
	Due to SBVWCD-Wash Plan (includes \$9,931.47 State Permitting fees)		2,298,551.57
	Due to SBVWCD-Earned Mitigation Credits		-
	Unearned Mitigation Credit Balance (see back)		179,766.79
		BALANCE	2,478,318.36

San Bernardino Valley Conservation Trust

Mitigation Agreement Balances as of June 30, 2023

Deposit Agreements	Date	Project	Deposits	Staff Time Expenses	Biologist Fees	Legal Fees	Mitigation Credit Balance
1. S-P Deerfield	2/28/2018	Blossom Trails	\$ 46,763.59	\$ 39,025.44	\$ 3,131.20	\$ 1,650.00	\$ 2,956.95
2. Highland-Fifth Orange Partners	10/17/2018	Woodbridge	\$ 10,000.00	\$ 4,882.08	\$ -	\$ 400.00	\$ 4,717.92
3. SB County Transportation Authority	3/17/2020	SR 210 Lane Addition	\$ 435,255.03	\$ 67,650.95	\$ 159,652.29	\$ 45,859.87	\$ 162,091.92
3. TREH XV, LLC	9/19/2023	Greenspot Crossings	\$ 10,000.00	\$ -	\$ -	\$ -	\$ 10,000.00
Total			\$ 492,018.62	\$ 111,558.47	\$ 162,783.49	\$ 47,909.87	\$ 179,766.79
		Reimbursement Due to SBVWCD		\$ -			