

**WATERSHED CONSERVATION AUTHORITY**

**ANNUAL FINANCIAL REPORT**

**June 30, 2016**

WATERSHED CONSERVATION AUTHORITY  
JUNE 30, 2016

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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DR. SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM AVE., SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**Independent Auditor's Report**

To the Honorable Board of Directors  
Watershed Conservation Authority  
Azusa, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Watershed Conservation Authority (Authority), as of and for the fiscal year ended June 30, 2016, 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 an opinion 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2016, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### *Change in Accounting Principles*

As discussed in Note 1 to the financial statements, effective July 1, 2015, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Combining Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2017, 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*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
February 27, 2017

**WATERSHED CONSERVATION AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**

The Management's Discussion and Analysis (MD&A) of the financial activities of the Watershed Conservation Authority (the Authority) provides a narrative overview of the Authority's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the accompanying financial statements, footnotes, and supplementary information. Amounts contained in this discussion have been rounded to facilitate their readability.

**Financial Highlights**

- During the current fiscal year, the Authority's net position increased by \$0.91 million to \$27.59 million. Cash deposited in the County Treasury Pool increased by \$0.21 million to \$3.17 million.
- Operating revenues decreased by \$0.69 million to \$1.35 million while operating expenses decreased by \$0.69 million to \$1.06 million. The decrease in revenue was primarily due to a decrease in grant funding.
- The Authority acquired land valued at \$4,000 during the fiscal year. The Authority also had construction in progress costs of \$208,000 during the fiscal year.
- The Authority continues to have no long-term debt.

**Overview of Financial Statements**

This MD&A serves as an introduction to the Authority's basic financial statements. The basic financial statements include five components: 1) Statement of Net Position; 2) Statement of Revenues, Expenses and Changes in Net Position; 3) Statement of Cash Flows; 4) Notes to the Basic Financial Statements, and; 5) Supplemental information.

- The Statement of Net Position presents all of the Authority's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator to determine whether the financial position of the Authority is improving or deteriorating.
- The Statement of Revenues, Expenses, and Changes in Net Position presents information showing how the Authority's net position changed during the fiscal year. All changes in net position (revenues and expenses) are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Accordingly, revenues and expenses are reported in this statement for items that will result in cash flows in future fiscal periods (e.g., accrued but unpaid contract and professional service fees).

**WATERSHED CONSERVATION AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(Continued)**

- The Statement of Cash Flows presents information regarding the Authority's use of cash during the fiscal year and is an indicator of whether or not sufficient cash flow is being generated during the fiscal year to meet the operating needs of the Authority.
- The notes provide additional informatiozn that is essential for a full understanding of the data provided in the financial statements.
- The supplemental information includes combining fund financial statements showing the activity for each fund.

**Financial Statement Analysis**

Since its formation, Net Position of the Authority has gradually grown from \$1.0 million to over \$27.59 million. Most of the growth in Net Position has been attributable to the Authority's acquisition of land and related capital assets. Operating revenues consist primarily of Federal and State grants and leases of Authority owned buildings. Operating expenses consist primarily of contract and professional service fees, salaries and wages, depreciation, and services and supplies related to the acquisition and maintenance of the various Authority owned properties.

As of June 30, 2016, the Authority's Net Position was \$27.59 million compared to \$26.68 million as of June 30, 2015, an increase of 3.4%. Net Investment in Capital Assets accounted for \$22.18 million of the total Net Position. Liabilities as of June 30, 2016 were \$177,000 compared to \$117,000 as of June 30, 2015.

**Capital Assets**

As of June 30, 2016, the Authority's capital assets consisted of \$19.16 million in land, \$568,000 in construction in progress, \$1.85 million in buildings, \$2.27 million in improvements, and accumulated depreciation of \$1.68 million. During the fiscal year ended June 30, 2016, the Authority acquired land valued at \$4,000 and had construction costs of \$208,000.

**Economic Factors**

In fiscal year 2016-2017, the Authority will continue to utilize its Cost Allocation Billable Rates Plan to capture overhead costs in accordance with the Authority's existing grant requirements.

The Authority is anticipating receiving many grants over the next two years to complete a variety of capital projects. Some of those grants and projects are as follows:

**WATERSHED CONSERVATION AUTHORITY**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2016**  
**(Continued)**

- The Authority anticipates accepting Supplemental Project Agreements under the Master Participating Agreement with the Angeles National Forest in fiscal year 2016-2017 for the implementation of Phase 1 of the San Gabriel Canyon Improvement Project and provide multi-year support for the Field Ranger program, or similar, in the amounts of \$600,000 and \$125,000, respectively, through a contribution by the U.S. Forest Service.
- The Authority anticipates an award of a Rivers and Mountains Conservancy grant in fiscal year 2016-2017 for \$891,200 to plan, design and implement water conservation demonstration landscape and interpretation improvements at the Duck Farm River Park.
- The Authority anticipates an award of a Rivers and Mountains Conservancy grant in fiscal year 2016-2017 for \$1,590,000 to implement arroyo restoration and dry streambed improvements at the River Wilderness Park.
- The Authority anticipates award notification for an Active Transportation Grant in fiscal year 2016-2017 of up to \$1,932,000 to implement extension of a Class 1 Bike Trail and construct a highway roundabout as entry improvements for the River Wilderness Park.
- The Authority anticipates completion of pre-acquisition and conveyance of 40 acres of Azusa (aka Vasquez) Foothill Property, utilizing two grants awarded by the Rivers and Mountains Conservancy in the amounts of \$53,225 (pre-acquisition) and \$720,000 (\$600,000 purchase; \$120,000 future Planning anticipated to begin in fiscal year 2017-2018).
- The Authority anticipates completing the permitting and entitlement process for Parque Dos Rios habitat and bike way stop project in the City of South Gate along the Los Angeles River utilizing a \$1,500,000 grant from Los Angeles County Regional Parks and Open Space District, and anticipates releasing a Request for Bid Construction package before the end of fiscal year 2016-2017 or early fiscal year 2017-2018.
- The Authority will enter year two of a multi-year GREEN project to develop an open data portal for the region and support the identification of Greening projects, utilizing a \$650,000 grant from the Rivers and Mountains Conservancy awarded in fiscal year 2015-2016.

**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.



**WATERSHED CONSERVATION AUTHORITY**  
**Statement of Net Position**  
**June 30, 2016**

**Assets**

Cash deposited with County Treasurer (Note 3)	\$ 3,168,561
Restricted cash in escrow account (Note 4)	2,204,226
Receivables:	
Grant	84,915
Leases	36,053
Accrued interest	9,846
Accrued revenue	45,996
Miscellaneous	19,518
Prepaid expenses	15,331
Capital assets: (Note 6)	
Land - nondepreciable	19,163,844
Construction in progress - nondepreciable	567,575
Buildings - depreciable	1,854,000
Improvements - depreciable	2,272,670
Accumulated depreciation	<u>(1,675,345)</u>
<b>Total Assets</b>	<u><u>27,767,190</u></u>

**Liabilities**

Security deposits	10,335
Unearned revenue	18,055
Accrued expenses	148,498
<b>Total Liabilities</b>	<u><u>176,888</u></u>

**Net Position (Note 5)**

Net investment in capital assets	22,182,744
Restricted for Discovery Center	2,204,407
Unrestricted	3,203,151
<b>Total Net Position</b>	<u><u>\$ 27,590,302</u></u>

See accompanying notes to the basic financial statements

**WATERSHED CONSERVATION AUTHORITY**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2016**

<b>Operating Revenues:</b>	
Contributions from Federal grants	\$ 338,273
Contributions from State and Local grants	588,072
Contributions from County departments	25,500
Leases	311,308
Miscellaneous	82,945
Reimbursement	2,200
<b>Total Operating Revenues</b>	<b>1,348,298</b>
 <b>Operating Expenses:</b>	
Contract and professional service fees	359,260
Insurance	55,752
Maintenance	34,011
Utilities, supplies, and other charges	67,919
Depreciation	206,334
Salaries and wages	337,979
<b>Total Operating Expenses</b>	<b>1,061,255</b>
 <b>Operating Income</b>	 <b>287,043</b>
 <b>Non-Operating Revenues and Expenses:</b>	
Interest on deposited funds	25,764
<b>Total Non-Operating Revenues and Expenses</b>	<b>25,764</b>
 <b>Change in Net Position</b>	 <b>312,807</b>
 <b>Net Position, beginning of the fiscal year</b>	 <b>26,677,806</b>
 <b>Prior Period Adjustments (Note 9)</b>	 <b>599,689</b>
 <b>Net Position, beginning of the fiscal year, restated</b>	 <b>27,277,495</b>
 <b>Net Position, end of the fiscal year</b>	 <b>\$ 27,590,302</b>

See accompanying notes to the basic financial statements

**WATERSHED CONSERVATION AUTHORITY**  
**Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

<b>Cash Flows from Operating Activities:</b>	
Cash received from Federal, State, and Local grants	\$ 817,121
Cash received from County departments	25,500
Cash received from leases	307,298
Cash received from miscellaneous services	63,588
Cash received from reimbursement of services	2,200
Cash paid to employees for services	(337,979)
Cash paid to suppliers for goods and services	(476,701)
<b>Net Cash Provided by Operating Activities</b>	<u>401,027</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisitions of capital assets	<u>(211,883)</u>
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(211,883)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest received	<u>25,297</u>
<b>Net Cash Provided by Investing Activities</b>	<u>25,297</u>
<b>Net Increase in Cash</b>	214,441
<b>Cash, Beginning of Fiscal Year</b>	<u>5,158,346</u>
<b>Cash, End of Fiscal Year</b>	<u>\$ 5,372,787</u>
<b>Reconciliation of Cash to Statement of Net Position:</b>	
Cash Deposited with County Treasurer	\$ 3,168,561
Restricted Cash in Escrow Account	2,204,226
<b>Total Cash</b>	<u>\$ 5,372,787</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>	
Operating Income	\$ 287,043
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	206,334
Decrease (increase) in grant receivable	(58,173)
Decrease (increase) in lease receivable	(27,121)
Decrease (increase) in prepaid expenses	(1,865)
Decrease (increase) in due from other funds	109,989
Decrease (increase) in accrued revenue	(45,996)
Decrease (increase) in miscellaneous receivable	(19,357)
Increase (decrease) in due to other funds	(109,989)
Increase (decrease) in unearned revenue	18,055
Increase (decrease) in accrued expenses	42,264
Increase (decrease) in interest payable	(157)
<b>Net Cash Provided by Operating Activities</b>	<u>\$ 401,027</u>

See accompanying notes to the basic financial statements

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**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Watershed Conservation Authority (Authority) was formed on April 17, 2003, as a joint powers authority by the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District. The Authority was established for the purpose of expanding and improving the open space and recreational opportunities for the conservation, restoration, and environmental enhancement of the San Gabriel and Lower Los Angeles Rivers Watershed area consistent with the goals of flood protection, water supply, groundwater recharge, and water conservation. Another purpose of the Authority is to acquire and protect lands for watershed protection, natural open space, and recreational purposes.

The Authority is governed by a Board of Directors composed of eight members: three voting members appointed by the Governing Board of the RMC, none of which shall be a member appointed by the Los Angeles County Board of Supervisors; four voting members of the Los Angeles County Board of Supervisors, or their designees, who represents the areas within the territory for the RMC; and the Director of the Los Angeles County Public Works, who will serve as a non-voting, ex-officio member. The Authority is legally separate and fiscally independent from each of the member entities. This means it can incur debt, set and modify its own budget and fees, enter into contracts, and sue and be sued in its own name.

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

**B. Significant Accounting Policies**

The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Basis of Accounting and Measurement Focus

The Authority is accounted for as enterprise funds (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The Authority utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the liability is incurred.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenue of the Authority is State and Federal grants and lease revenue from properties owned by the Authority. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

New Accounting Pronouncements

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

GASB 72	Fair Value Measurement and Application	Addresses accounting and financial issues related to fair value measurements. It provides guidance for determining a fair value measurement for financial reporting purposes. This statement had an impact on the financial statements. Refer to note 3.
GASB 73	Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68	Improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This statement did not have an impact on the Authority's financial statements.
GASB 76	The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments	Reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This statement did not have an impact on the Authority's financial statements.
GASB 79	Certain External Investment Pools and Pool Participants	Addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. This statement did not have an impact on the Authority's financial statements.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds:

- The **General Fund (Watershed Conservation Authority)** is used to account for the annual JPA contributions from Rivers and Mountains Conservancy and Los Angeles County Flood Control District and for administrative and funding opportunity expenditures.
- The **Duck Farm Leases Fund** is used to record and monitor lease revenues on the Duck Farm property.
- The **El Encanto Leases Fund** is used to record and monitor lease revenues on the El Encanto property.
- The **Southgate Riparian Habitat Property Fund** is used to monitor funds (rental income) deposited to the WCA-Southgate Riparian Habitat property.
- The **Prop 40 RMC 3596 Azusa River Fund** is used to record Prop 40 RMC3596 funds granted to the Authority for the Azusa River Project.
- The **Prop 50 RMC 3596 Azusa River Fund** is used to record Prop 50 RMC3596 funds granted to the Authority for the Azusa River Project.
- The **Prop 50 RMC 3619 Whittier Narrows Dam Recreation Area Plan Fund** is used to record Prop 50 RMC3619 funds granted to the Authority for the Whittier Narrows Dam Recreation Area project (located in the City of Pico Rivera, City of South El Monte, City of Montebello, and unincorporated Los Angeles County; a recreation and open space area that covers over 772 acres).
- The **Prop 50 RMC 3618 Emerald Necklace San Jose Creek Property Fund** is used to record Prop 50 RMC3618 funds granted to the Authority for the Emerald Necklace San Jose Creek project. The project is a fee simple acquisition of approximately 4 acres within the San Jose Creek area in unincorporated Los Angeles County, Avocado Heights. The project will be developed as a passive open space with equestrian features and water quality elements and the Los Angeles County will be the long-term steward of the property.
- The **Prop 84 RMC 3522 Walnut Creek Habitat & Open Space Acquisition Fund** is used to record Prop 84 RMC3522 funds granted to the Authority for the Walnut Creek Habitat & Open Space project. The project is the acquisition of a portion of the 60.76 acres within the riparian area of Walnut Creek and west of the 57 Freeway, in unincorporated Los Angeles County, 5th District, surrounded by the City of San Dimas.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds (continued):

- The **Prop 50 RMC 3615 Canyon Inn/Theological Seminary Property Fund** is used to record Prop 50 RMC3615 funds granted to the Authority for the Canyon Inn/Theological Seminary project. The project is a fee simple acquisition of approximately 26.06 acre International Theological Seminary (Canyon Inn/Cool Springs) property in Azusa within the Azusa River Wilderness Park project.
- The **Prop 40 RMC 3609 Duck Farm Phase 1A Implementation Fund** is used to record funds granted to the Authority for the Duck Farm Phase 1A implement project. The Phase 1A Duck Farm project involves the development of a 23 acre river adjacent park project that includes a public access trail, 16.8 acres of riparian landscape, a community garden, a native plant nursery, a wildflower meadow, and a river promenade.
- The **Prop 84 RMC 3640 Chapter 8 Defaulted Tax Property Fund** is used to record parcel acquisitions in the cities of Claremont, Glendora, La Puente, Long Beach, Monrovia, and South El Monte, if offered for sale by the Los Angeles County Department of the Treasurer and Tax Collector.
- The **Supplemental Environmental Project - Duck Farm Fund** is used to record Supplemental Environmental Project funds granted to the Authority for the Duck Farm.
- The **Prop A Duck Farm Fund** is used to record Prop A funds granted to the Authority for the Duck Farm. The project is the development of a pocket park and trail access to passive recreation areas at the Duck Farm as well as access to a newly developed river promenade on the east bank of the San Gabriel River.
- The **Prop A SGR Fund** is used to record Prop A funds granted to the Authority for the Parque Dos Rios project for the development of a bike stop with overlook of new native plant habitat along the lower Los Angeles River in the City of South Gate as a passive recreational amenity for cyclists and pedestrians.
- The **Resources Agency Canyon Inn Acquisition Fund** is used to record Resources Agency funds granted to the Authority for the Canyon Inn Acquisition. Funds will be used for the purchase of 26.06 acres in fee title along the San Gabriel River. It will become part of the Azusa Wilderness Park where greenways and bike paths will connect many communities. Upon acquisition, the restoration of the river banks and establishment of approximately 15 miles of trails will start.



**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds (continued):

- The **Prop 84 RMC 09102 WCA Capital Project Implementation Fund** is used to record Prop 84 RMC09102 funds granted to the Authority for the Authority Capital Project Implementation. The fund was activated primarily for the purpose of wiring the Authority payroll funds to ADP.
- The **Prop 84 RMC 09103 San Gabriel and Rio Hondo Watershed Fund** is used to record Prop 84 RMC09103 funds granted to the Authority for the San Gabriel and Rio Hondo Watershed. The State enacted Prop 84 – the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 which provides funds to the RMC grant programs; RMC authorized \$168,563 grant to the Authority.
- The **Prop 84 RMC 10011 Azusa Springs Water System RWP Fund** is used to record Prop 84 RMC10011 funds granted to the Authority for the Azusa Springs Water System, River Wilderness Park. The State enacted Prop 13 – the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Act of 2000 which provides funds for the Rivers and Mountains Conservancy (RMC) grant programs; the Rivers and Mountains Conservancy authorized a \$460,000 grant to the Authority.
- The **Prop 84 RMC 09105 Cattle Canyon Improvement Fund** is used for the San Gabriel River Confluence with Cattle Canyon Improvement Project. The project is the Phase I Planning for portions of the confluence of the East Fork of the San Gabriel River with Cattle Canyon and its creek. This project will include a feasibility study, development of the site, interpretive and directional signage, an interpretive program utilizing the Southern California Consortium project and a study on the effectiveness of the Interpretive Program. This pilot project will be completed with the intent that it is replicable in other areas of the Angeles National Forest and the San Gabriel River Watershed. This project is a collaboration of the United States Forest Service (USFS), RMC, Sierra Club, Southern California Consortium and the Upper San Gabriel Valley Municipal Water District with all of the partners allocating staff time to the project.
- The **Prop 84 RMC 10007 98<sup>th</sup> Street Park Project Fund** is used to record funds granted to the Prop 84 RMC10007 98<sup>th</sup> Street Park Project. The Authority will partner with a local community based group in the South Los Angeles/Watts area to conduct the community visioning and feasibility study for a passive rail enhancement along 98<sup>th</sup> Street, a Department of Water and Power right-of-way. The study will form the basis for findings under the California Environmental Quality Act. The site is currently used as a walkway by the local community as well as a passive recreational amenity.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds (continued):

- The **LACFCD Emerald Necklace Feasibility Study/Implementation Fund** is used to record funding from the California Community Foundation, Los Angeles County Flood Control District (LACFCD), and Southern California Edison. Emerald Necklace is a 17-mile loop of proposed and existing parks, greenways, bikeways, and multi-use trails along the San Gabriel River and the Rio Hondo between Peck Road Water Conservation Park and Whittier Narrows Recreation Area. A Vision Plan for the Emerald Necklace was developed by Amigos de Los Rios, a non-profit organization, in conjunction with various stakeholders, and identifies potential opportunities for development of greening and tributary channel naturalization projects along the San Gabriel River and the Rio Hondo including its proximity; including projects proposed on property of facilities under the LACFCD or County of Los Angeles Department of Parks and Recreation jurisdiction. The Authority has proposed to retain a consultant to prepare the LACFCD/County of Los Angeles Emerald Necklace Feasibility Study and Implementation Plan to analyze the technical feasibility of the projects identified in the Vision Plan.
- The **Environmental Enhancement Mitigation Program EEMP Duck Farm Fund** is used to account for the \$446,946 of grant funds received for the restoration of the Duck Farm in Los Angeles County and to create a river-front parkway adjacent to the Caltrans 1-10 HOV lanes addition project that will revitalize the space by providing a viable habitat for wildlife, storm water capture benefits, parkway, trails, and recreational opportunities for local underserved, park poor communities within the San Gabriel River Corridor.
- The **USFS EcoVoices Fund** is used to record \$137,000 received from a U.S. Forest Service Urban and Community Forestry program to conduct development, implementation, and monitoring activities for the EcoVoices program held at the San Gabriel River Discovery Center site in the Whittier Narrows Natural Area. The EcoVoices program is an environmental and science education program with school and community program participants from traditionally underserved areas surrounding the site.
- The **Oaks Picnic Area Maintenance Project Fund** is used to record National Forest Foundation funds granted to the Authority for the renovation and improvement of the Oaks Picnic Area located along the East Fork of the San Gabriel River and within the San Gabriel Mountains National Monument, as well as, implement the San Gabriel Watershed Ranger Program.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds (continued):

- The **Property Management Project Walnut Creek Fund** is used to account for the funds related to the property and project designated as the Walnut Creek Habitat and Open Space Project.
- The **San Gabriel River Bike Trail Gateway Enhancement Project Fund** is used to account for \$84,000 of grant funds for the development of the San Gabriel River Bike Trail Gateway Enhancement Project.
- The **Mt. Baldy Ranch Property Fund** is used to account for \$25,000 of grant funds related to the Mt. Baldy Ranch property.
- The **Citrus Grove Heights Bike Stop Project Fund** is used to account for \$30,000 of grant funds related to the Citrus Grove Heights Bike Stop Project along the San Gabriel River.
- The **Tree Planting Enhancement SGR Fund** is used to account for \$100,000 of grant funds from the Los Angeles County Regional Park & Open Space District for the purposes of planting approximately 150 trees adjacent to the San Gabriel River.
- The **DF Phase 1A River Overlook-LACFCD Use Agreement Fund** is used to account for \$280,000 of grant funds from the Los Angeles County Flood Control District for the development of the Duck Farm as a conservation, restoration, and environmental enhancement park along the San Gabriel River.
- The **River Wilderness Park Entry Fund** is used to account for \$455,998 of grant funds from the RMC to complete the construction design documents for the entry improvements of the River Wilderness Park, as well as completion of California Environmental Quality Act (CEQA) documents and associated permits to construct.
- The **RPG-DF Riparian and Interpretive Elements Grant Fund** is used to record Prop84 River Parkways funds granted to the Authority for the development of an urban greenway with riparian dry streambed, trails, landscaping, area development and interpretive stations located on the eastern bank of the San Gabriel River.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**B. Significant Accounting Policies (Continued)**

The following are descriptions of the Authority's funds (continued):

- The **River Parkway Grant Citrus Grove Heights Rest Area Fund** is used to record Prop 12 Natural Resources Agency funds granted to the Authority for the development of a trailside amenity and rest stop along the San Gabriel River.
- The **Roberts Canyon Foothill Area Project Fund** is used to account for \$52,500 of grant funds from the RMC to complete the Authority's pre-acquisition activities, including due diligence review, and the potential conveyance of the approximately 110 acres.
- The **Conservation Easement Monitoring Fund** is used to record receipt of funds by the Authority to fund activities related to the acceptance, monitoring and reporting of conservation easements.
- The **Gateway Cities & River Urban Greening Plan Project Fund** is used to account for \$500,000 awarded from a Strategic Growth Council. The Gateway Cities study area is comprised of 26 cities within the South Eastern portion of County of Los Angeles. The Authority is currently developing an urban greening vision plan that will identify green infrastructure project opportunities, inventory greening opportunities and connectivity, and develop a menu of potential design solution concepts and tools to increase river parks, green streets, and multi-modal trails.
- The **Emerald Necklace Master Plan Project Fund** is used to record Prop84 RMC15106 funds granted to the Authority for project planning and project management services for the Emerald Necklace Feasibility Study and Implementation Plan to develop a master plan of trail connections and greenway project opportunities along the Emerald Necklace 17-mile River trail loop along the San Gabriel River and Rio Hondo.
- The **Azusa Foothills Property Pre-Acquisition Project Fund** is used to record Prop 84 RMC15111 funds granted to the Authority for activates related to the acquisition and management of natural open space in the Azusa Foothills.
- The **Discovery Center Escrow Fund** is used to account for \$2,200,000 which was placed into an escrow account by the County Sanitation Districts of Los Angeles County as part of a settlement agreement. These funds will be used for the construction of the San Gabriel River Discovery Center.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**C. Net Position**

The Authority's financial statements are presented in accordance with the provisions of GASB No. 34 and No. 63. GASB Statement No. 63 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and 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 fiscal 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, 2016, the Authority had no debt obligations.

Restricted net position – This component of net position represents restricted assets net of liabilities that relate to those specific restricted assets. A restricted asset is an asset for which constraints have been placed on the asset's use by creditors, contributors, laws, or regulations of other governments, or as a consequence of a restriction established by the reporting government's own governing body at the time a particular fee, charge, levy, or assessment was approved. These restrictions must be narrower than the general purposes for which the reporting government can use its resources. As of June 30, 2016, the Authority had restricted net position of \$2,204,407.

Unrestricted net position – This component of net position consists of net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**D. Revenues**

The Authority's major sources of revenue are Federal, State, and County funding and lease revenue from properties owned by the Authority.

**E. Capital Assets**

Capital assets, which include land, buildings, and improvements, are reported in the statements of net position. Capital assets are recorded 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.

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 net position.

The Authority's capitalization thresholds are \$100,000 for buildings and \$5,000 for improvements. Maintenance and repairs are charged to operations when incurred. Betterments and major improvements that significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and the related accumulated depreciation, as applicable, are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

Buildings and Improvements	20 Years
----------------------------	----------

**F. 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 the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(Continued)**

**G. Cash and Cash Equivalents**

For the purposes of the statement of cash flows, cash represents balances that can be readily withdrawn without substantial notice or penalty. Cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of three months or less.

**NOTE 2 RELATED PARTY TRANSACTIONS**

The County of Los Angeles maintains the books and records of the Authority, including the investment with the County Treasurer and Tax Collector.

**NOTE 3 CASH ON DEPOSIT WITH COUNTY TREASURER**

In accordance with the Government Code, cash balances of the Authority are deposited with and pooled and invested by the Los Angeles County Treasurer and Tax Collector (Treasurer) 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.

Statutes authorize the County of Los Angeles to invest pooled investments in obligations of the United States Treasury, federal agencies, State and local agencies, municipalities, asset-backed securities, bankers' acceptances, commercial paper rated A-1 by Standard & Poor's Global Rating Services (S&P) or P-1 by Moody's Investors Service (Moody's), and F-1 by Fitch, negotiable certificates of deposit, medium-term notes, corporate notes, repurchase agreements, reverse repurchase agreements, time deposits, shares of beneficial interest of a Joint Powers Authority 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), the State of California's Local Agency Investment Fund (LAIF), interest rate swaps, and supranational institutions.

Investments are stated at fair value and are valued on a monthly basis. The Treasurer 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 unobservable inputs. Securities classified in Level 3 are valued using the income approach such as discounted cash flow techniques. Investments in an external government investment pool is not subject to reporting within the level hierarchy.

**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 3 CASH ON DEPOSIT WITH COUNTY TREASURER (Continued)**

See the County of Los Angeles' Comprehensive Annual Financial Report for disclosures related to cash and investments and the related interest rate risk, credit rate risk, custodial risk, and concentration risk.

Funds deposited in the Los Angeles County Treasury Pool amounted to \$3,168,561 as of June 30, 2016. These amounts represent less than 0.01% of the total balance of the Los Angeles County Treasury Pool.

**NOTE 4 RESTRICTED CASH IN ESCROW ACCOUNT**

The Authority received \$2,200,000 from the County Sanitation Districts of Los Angeles County during the fiscal year ended June 30, 2007, as part of a settlement agreement. These funds are restricted for development of the San Gabriel River Discovery Center. As of June 30, 2016, these funds were held by U.S. Bank in an escrow account and are invested in unrated money market accounts, with a balance of \$2,204,226. As of June 30, 2016, the development of the San Gabriel River Discovery Center has not commenced.

**NOTE 5 NET POSITION**

Net position at June 30, 2016, consisted of the following:

Net Investment in Capital Assets	\$ 22,182,744
Restricted for Discovery Center	2,204,407
Unrestricted Net Position	<u>3,203,151</u>
Total Net Position	<u><u>\$ 27,590,302</u></u>

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2016 is as follows:

	Balance at June 30, 2015	Additions	Deletions	Prior Period Adjustments	Balance at June 30, 2016
Capital Assets, Non Depreciable:					
Land	\$ 18,560,001	\$ 4,154	\$	\$ 599,689	\$ 19,163,844
Construction in progress	359,846	207,729			567,575
Total Capital Assets, non depreciable	<u>18,919,847</u>	<u>211,883</u>		<u>599,689</u>	<u>19,731,419</u>
Capital Assets, Depreciable:					
Buildings	1,854,000				1,854,000
Improvements	2,272,670				2,272,670
Less: Accumulated depreciation	<u>(1,469,011)</u>	<u>(206,334)</u>			<u>(1,675,345)</u>
Total Capital Assets, depreciable, net	<u>2,657,659</u>	<u>(206,334)</u>			<u>2,451,325</u>
Total Capital Assets, net	<u><u>\$ 21,577,506</u></u>	<u><u>\$ 5,549</u></u>	<u><u>\$</u></u>	<u><u>\$ 599,689</u></u>	<u><u>\$ 22,182,744</u></u>



**WATERSHED CONSERVATION AUTHORITY**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

**NOTE 7 COMMITMENTS AND CONTINGENCIES**

The Authority has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

Claims and suits have been filed against the Authority in the normal course of business. The outcome of these matters is not presently determinable. However, in the opinion of management, the resolution of these matters is not expected to have a material impact on the financial condition of the Authority.

**NOTE 8 DEFERRED COMPENSATION PLAN**

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees, age 21 and older, once they have completed the introductory period of employment. The Authority utilizes a modified 5-year vesting schedule. An employee earns a year of service for vesting purposes upon completion of 1,000 hours of service during the plan year. After 5 years, the employee can receive 100% of the vested employer contributions. The Omnibus Budget Reconciliation Act of 1990 mandates social security coverage for state and local government employees who are not covered by a retirement plan. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by a third party administrator (Raymond, Reeves, and Stout, LLP) for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457 (g). Accordingly, these assets have been excluded from the accompanying financial statements.

**NOTE 9 PRIOR PERIOD ADJUSTMENT**

A prior period adjustment of \$599,689 was made on the Statement of Revenues, Expenses, and Changes in Net Position due to an understatement of capital assets in the prior fiscal year. Costs related to the acquisition of property at the Duck Farm were expensed in the prior fiscal year and should have been capitalized.

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Net Position**  
**June 30, 2016**

	Watershed Conservation Authority	Duck Farm Leases	El Encanto Leases	Southgate Riparian Habitat Property	Prop 40 RMC 3596 Azusa River
<b>Assets</b>					
Cash deposited with County Treasurer	\$ 92,121	\$ 13,235	\$ 20,599	\$ 116,106	\$
Restricted cash in escrow account					
Receivables:					
Grant			7,500		
Leases		36,053			
Due from other funds		62,976			
Accrued interest	269	275	34	292	
Accrued revenue	20,098	8,500	4,193	1,000	
Miscellaneous			77		
Prepaid expenses	6,363	1,890	7,078		
Capital assets:					
Land - nondepreciable	17,502,519			16,299	
Construction in progress - nondepreciable					
Buildings - depreciable	1,854,000				
Improvements - depreciable		65,688	573,645		
Accumulated depreciation	(966,900)	(28,562)	(241,459)		
<b>Total Assets</b>	<u>18,508,470</u>	<u>160,055</u>	<u>371,667</u>	<u>133,697</u>	
<b>Liabilities</b>					
Security deposits	2,535	4,850	2,950		
Unearned revenue		2,222		15,833	
Accrued expenses	19,178	38,176	34,917	1,186	
Due to other funds		4,078			
<b>Total Liabilities</b>	<u>21,713</u>	<u>49,326</u>	<u>37,867</u>	<u>17,019</u>	
<b>Net Position</b>					
Net investment in capital assets	18,389,619	37,126	332,186	16,299	
Restricted for Discovery Center					
Unrestricted	97,138	73,603	1,614	100,379	
<b>Total Net Position</b>	<u>\$ 18,486,757</u>	<u>\$ 110,729</u>	<u>\$ 333,800</u>	<u>\$ 116,678</u>	<u>\$</u>

Prop 50 RMC 3596 Azusa River	Prop 50 RMC 3619 Whittier Narrows Dam Recreation Area Plan	Prop 50 RMC 3618 Emerald Necklace San Jose Creek Property	Prop 84 RMC 3522 Walnut Creek Habitat & Open Space Acquisition	Prop 50 RMC 3615 Canyon Inn/Theological Seminary Property	Prop 40 RMC 3609 Duck Farm Phase 1A Implementation	Prop 84 RMC 3640 Chapter 8 Defaulted Tax Property
\$	\$	\$	\$	\$	\$ 60,050	\$ 22
					306	1
					601,889	65,997
					159,558	
					1,264,708	
					(342,017)	
					1,744,494	66,020
					20,164	
					20,164	
					1,684,138	65,997
					40,192	23
\$	\$	\$	\$	\$	\$ 1,724,330	\$ 66,020

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Net Position**  
**June 30, 2016**  
**(Continued)**

	Supplemental Environmental Project - Duck Farms	Prop A Duck Farm	Prop A SGR	Resources Agency Canyon Inn Acquisition	Prop 84 RMC 09102 WCA Capital Project Implementation
<b>Assets</b>					
Cash deposited with County Treasurer	\$ 184,274	\$ 108,262	\$ 1,227,414	\$	\$ 94,744
Restricted cash in escrow account					
Receivables:					
Grant					9,249
Leases					
Due from other funds					36,189
Accrued interest	567	333	3,937		201
Accrued revenue					2,321
Miscellaneous					19,441
Prepaid expenses					
Capital assets:					
Land - nondepreciable			262		
Construction in progress - nondepreciable			159,132		
Buildings - depreciable					
Improvements - depreciable	81,428	10,000			
Accumulated depreciation	(22,393)	(2,750)			
<b>Total Assets</b>	<u>243,876</u>	<u>115,845</u>	<u>1,390,745</u>		<u>162,145</u>
<b>Liabilities</b>					
Security deposits					
Unearned revenue					
Accrued expenses			7,049		12,562
Due to other funds					62,109
<b>Total Liabilities</b>			<u>7,049</u>		<u>74,671</u>
<b>Net Position</b>					
Net investment in capital assets	59,035	7,250	159,394		
Restricted for Discovery Center					
Unrestricted	184,841	108,595	1,224,302		87,474
<b>Total Net Position</b>	<u>\$ 243,876</u>	<u>\$ 115,845</u>	<u>\$ 1,383,696</u>	<u>\$</u>	<u>\$ 87,474</u>

Prop 84 RMC 09103 San Gabriel and Rio Hondo Watershed	Prop 84 RMC 10011 Azusa Springs Water System RWP	Prop 84 RMC 09105 Cattle Canyon Improvement	Prop 84 RMC 10007 98th Street Park Project	LACFCD Emerald Necklace Feasibility Study/ Implementation	Environmental Enhancement Mitigation Program EEMP Duck Farm	USFS EcoVoices
\$ 69	\$ 968	\$ 209,477	\$	\$ 26	\$ 264,025	\$ 19
					68,166	
	2	423			801	6
						6,884
	268,785 (70,212)				8,416 (1,052)	
69	199,543	209,900		26	340,356	6,909
						6,349
						535
						6,884
	198,573				7,364	
69	970	209,838		26	332,992	25
\$ 69	\$ 199,543	\$ 209,838	\$	\$ 26	\$ 340,356	\$ 25

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**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Net Position**  
**June 30, 2016**  
**(Continued)**

	Oaks Picnic Area Maintenance Project	Property Management Project Walnut Creek	San Gabriel River Bike Trail Gateway Enhancement Project	Mt. Baldy Ranch Property	Citrus Grove Heights Bike Stop Project
<b>Assets</b>					
Cash deposited with County Treasurer	\$ 119,712	\$ 105	\$ 56,114	\$ 4	\$ 13,562
Restricted cash in escrow account					
Receivables:					
Grant					
Leases					
Due from other funds					3,346
Accrued interest	226	1	183		42
Accrued revenue		3,000			
Miscellaneous					
Prepaid expenses					
Capital assets:					
Land - nondepreciable				968,150	8,334
Construction in progress - nondepreciable			1,427		
Buildings - depreciable					
Improvements - depreciable					
Accumulated depreciation					
<b>Total Assets</b>	<u>119,938</u>	<u>3,106</u>	<u>57,724</u>	<u>968,154</u>	<u>25,284</u>
<b>Liabilities</b>					
Security deposits					
Unearned revenue					
Accrued expenses	1,512	491	243		
Due to other funds		867			
<b>Total Liabilities</b>	<u>1,512</u>	<u>1,358</u>	<u>243</u>		
<b>Net Position</b>					
Net investment in capital assets			1,427	968,150	8,334
Restricted for Discovery Center					
Unrestricted	118,426	1,748	56,054	4	16,950
<b>Total Net Position</b>	<u>\$ 118,426</u>	<u>\$ 1,748</u>	<u>\$ 57,481</u>	<u>\$ 968,154</u>	<u>\$ 25,284</u>

<u>Tree Planting Enhancement SGR</u>	<u>DF Phase 1A River Overlook- LACFCD Use Agreement</u>	<u>River Wilderness Park Entry</u>	<u>RPG-DF Riparian and Interpretive Elements Grant</u>	<u>River Parkway Grant Citrus Grove Heights Rest Area</u>	<u>Roberts Canyon Foothill Area Projec</u>	<u>Conservation Easement Monitoring</u>
\$ 81,889	\$ 282,702	\$ 167,550	\$	\$ 13,650	\$ 2,986	\$ 4
252	865	567		5	9	1
		247,458			394	
<u>82,141</u>	<u>283,567</u>	<u>415,575</u>		<u>13,655</u>	<u>3,389</u>	<u>5</u>
		6,477		3,346		
		<u>6,477</u>		<u>3,346</u>		
		247,458			394	
<u>82,141</u>	<u>283,567</u>	<u>161,640</u>		<u>10,309</u>	<u>2,995</u>	<u>5</u>
<u>\$ 82,141</u>	<u>\$ 283,567</u>	<u>\$ 409,098</u>	<u>\$</u>	<u>\$ 10,309</u>	<u>\$ 3,389</u>	<u>\$ 5</u>

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**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Net Position**  
**June 30, 2016**  
**(Continued)**

	Gateway Cities & River Urban Greening Plan Project	Emerald Necklace Master Plan Project	Azusa Foothills Property Pre-Acquisition Project	Discovery Center Escrow	Total
<b>Assets</b>					
Cash deposited with County Treasurer	\$ 32,367	\$ 6,505	\$	\$	\$ 3,168,561
Restricted cash in escrow account				2,204,226	2,204,226
Receivables:					
Grant					84,915
Leases					36,053
Due from other funds					102,511
Accrued interest	42	25		181	9,846
Accrued revenue					45,996
Miscellaneous					19,518
Prepaid expenses					15,331
Capital assets:					
Land - nondepreciable					19,163,844
Construction in progress - nondepreciable					567,575
Buildings - depreciable					1,854,000
Improvements - depreciable					2,272,670
Accumulated depreciation					(1,675,345)
<b>Total Assets</b>	<u>32,409</u>	<u>6,530</u>		<u>2,204,407</u>	<u>27,869,701</u>
<b>Liabilities</b>					
Security deposits					10,335
Unearned revenue					18,055
Accrued expenses	59	73			148,498
Due to other funds	31,576				102,511
<b>Total Liabilities</b>	<u>31,635</u>	<u>73</u>			<u>279,399</u>
<b>Net Position</b>					
Net investment in capital assets					22,182,744
Restricted for Discovery Center				2,204,407	2,204,407
Unrestricted	774	6,457			3,203,151
<b>Total Net Position</b>	<u>\$ 774</u>	<u>\$ 6,457</u>	<u>\$</u>	<u>\$ 2,204,407</u>	<u>\$ 27,590,302</u>

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2016**

	Watershed Conservation Authority	Duck Farm Leases	El Encanto Leases	Southgate Riparian Habitat Property	Prop 40 RMC 3596 Azusa River
<b>Operating Revenues:</b>					
Contributions from Federal grants	\$	\$	\$	\$	\$
Contributions from State and Local grants	20,098	8,500	7,500	1,000	
Contributions from County departments	25,500				
Leases		129,636	88,005	93,667	
Miscellaneous		325	14,233		
Reimbursement					
<b>Total Operating Revenues</b>	<u>45,598</u>	<u>138,461</u>	<u>109,738</u>	<u>94,667</u>	
<b>Operating Expenses:</b>					
Contract and professional service fees	88,774	54,383	72,581	1,779	
Insurance	3,042	3,302	11,371	44	
Maintenance		8,801	17,167		
Utilities, supplies, and other charges	15,732	8,980	23,915	384	
Depreciation	92,700	3,285	28,683		
Salaries and wages					
<b>Total Operating Expenses</b>	<u>200,248</u>	<u>78,751</u>	<u>153,717</u>	<u>2,207</u>	
<b>Operating Income (Loss)</b>	(154,650)	59,710	(43,979)	92,460	
<b>Non-Operating Revenues and Expenses:</b>					
Interest on deposited funds	699	1,162	118	467	
<b>Change in Net Position before Transfers</b>	(153,951)	60,872	(43,861)	92,927	
Transfers in	125,975	83,027	16,040	384	
Transfers out	(18,456)	(381,396)	(4,870)	(1,000)	(181)
<b>Change in Net Position</b>	<u>(46,432)</u>	<u>(237,497)</u>	<u>(32,691)</u>	<u>92,311</u>	<u>(181)</u>
<b>Net Position (Deficit), beginning of the fiscal year</b>	18,533,189	348,226	366,491	24,367	181
<b>Prior Period Adjustments</b>					
<b>Net Position (Deficit), beginning of the fiscal year, restated</b>	<u>18,533,189</u>	<u>348,226</u>	<u>366,491</u>	<u>24,367</u>	<u>181</u>
<b>Net Position end of the fiscal year</b>	<u>\$ 18,486,757</u>	<u>\$ 110,729</u>	<u>\$ 333,800</u>	<u>\$ 116,678</u>	<u>\$</u>

Prop 50 RMC 3596 Azusa River	Prop 50 RMC 3619 Whittier Narrows Dam Recreation Area Plan	Prop 50 RMC 3618 Emerald Necklace San Jose Creek Property	Prop 84 RMC 3522 Walnut Creek Habitat & Open Space Acquisition	Prop 50 RMC 3615 Canyon Inn/Theological Seminary Property	Prop 40 RMC 3609 Duck Farm Phase 1A Implementation	Prop 84 RMC 3640 Chapter 8 Defaulted Tax Property
\$	\$	\$	\$	\$	\$	\$
					324,000	
					981	
					324,981	
					8,668	
					351	
					494	
					63,235	
					72,748	
					252,233	
					979	9
					253,212	9
	(2,584)	(673)	(806)	(1,698)	(39,723)	(2,867)
	(2,584)	(673)	(806)	(1,698)	213,489	(2,858)
	2,584	673	806	1,698	911,152	68,878
					599,689	
	2,584	673	806	1,698	1,510,841	68,878
\$	\$	\$	\$	\$	\$ 1,724,330	\$ 66,020

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2016**  
(Continued)

	Supplemental Environmental Project - Duck Farms	Prop A Duck Farm	Prop A SGR	Resources Agency Canyon Inn Acquisition	Prop 84 RMC 09102 WCA Capital Project Implementation
<b>Operating Revenues:</b>					
Contributions from Federal grants	\$	\$	\$	\$	\$ 11,569
Contributions from State and Local grants					84,114
Contributions from County departments					
Leases					
Miscellaneous					67,406
Reimbursement					
<b>Total Operating Revenues</b>					<b>163,089</b>
<b>Operating Expenses:</b>					
Contract and professional service fees					50,739
Insurance					37,782
Maintenance					
Utilities, supplies, and other charges			136		6,367
Depreciation	4,071	500			
Salaries and wages					337,979
<b>Total Operating Expenses</b>	<b>4,071</b>	<b>500</b>	<b>136</b>		<b>432,867</b>
<b>Operating Income (Loss)</b>	<b>(4,071)</b>	<b>(500)</b>	<b>(136)</b>		<b>(269,778)</b>
<b>Non-Operating Revenues and Expenses:</b>					
Interest on deposited funds	1,427	839	10,053		404
<b>Change in Net Position before Transfers</b>	<b>(2,644)</b>	<b>339</b>	<b>9,917</b>		<b>(269,374)</b>
Transfers in					437,819
Transfers out		(238)	(19,893)	(635)	(88,850)
<b>Change in Net Position</b>	<b>(2,644)</b>	<b>101</b>	<b>(9,976)</b>	<b>(635)</b>	<b>79,595</b>
<b>Net Position (Deficit), beginning of the fiscal year</b>	<b>246,520</b>	<b>115,744</b>	<b>1,393,672</b>	<b>635</b>	<b>7,879</b>
<b>Prior Period Adjustments</b>					
<b>Net Position (Deficit), beginning of the fiscal year, restated</b>	<b>246,520</b>	<b>115,744</b>	<b>1,393,672</b>	<b>635</b>	<b>7,879</b>
<b>Net Position end of the fiscal year</b>	<b>\$ 243,876</b>	<b>\$ 115,845</b>	<b>\$ 1,383,696</b>	<b>\$</b>	<b>\$ 87,474</b>

Prop 84 RMC 09103 San Gabriel and Rio Hondo Watershed	Prop 84 RMC 10011 Azusa Springs Water System RWP	Prop 84 RMC 09105 Cattle Canyon Improvement	Prop 84 RMC 10007 98th Street Park Project	LACFCD Emerald Necklace Feasibility Study/ Implementation	Environmental Enhancement Mitigation Program EEMP Duck Farm	USFS EcoVoices
\$	\$	\$ 131,227 4,000	\$	\$	\$ 68,166	\$ 43,477
		135,227			68,166	43,477
		21,923		16		40,044 206
	13,439	866		36	421	1,266
	13,439	22,789		52	421	41,516
	(13,439)	112,438		(52)	67,745	1,961
1	7	915		1	1,909	13
1	(13,432)	113,353		(51)	69,654	1,974
		(4,518)	(17,563)	(684)		(1,971)
1	(13,432)	108,835	(17,563)	(735)	69,654	3
68	212,975	101,003	17,563	761	270,702	22
68	212,975	101,003	17,563	761	270,702	22
\$ 69	\$ 199,543	\$ 209,838	\$	\$ 26	\$ 340,356	\$ 25

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2016**  
**(Continued)**

	Oaks Picnic Area Maintenance Project	Property Management Project Walnut Creek	San Gabriel River Bike Trail Gateway Enhancement Project	Mt. Baldy Ranch Property	Citrus Grove Heights Bike Stop Project
<b>Operating Revenues:</b>					
Contributions from Federal grants	\$ 152,000	\$	\$	\$	\$
Contributions from State and Local grants		3,000			
Contributions from County departments					
Leases					
Miscellaneous					
Reimbursement					
<b>Total Operating Revenues</b>	<u>152,000</u>	<u>3,000</u>			
<b>Operating Expenses:</b>					
Contract and professional service fees	12717	1,251	611		
Insurance		5			
Maintenance	3250	4,223		219	
Utilities, supplies, and other charges	7286	92	96	210	
Depreciation					
Salaries and wages					
<b>Total Operating Expenses</b>	<u>23,253</u>	<u>5,571</u>	<u>707</u>	<u>429</u>	
<b>Operating Income (Loss)</b>	128,747	(2,571)	(707)	(429)	
<b>Non-Operating Revenues and Expenses:</b>					
Interest on deposited funds	338	2	469		109
<b>Change in Net Position before Transfers</b>	129,085	(2,569)	(238)	(429)	109
Transfers in		7,025		237	3,346
Transfers out	(10,659)	(2,405)	(6,392)		(1,061)
<b>Change in Net Position</b>	<u>118,426</u>	<u>2,051</u>	<u>(6,630)</u>	<u>(192)</u>	<u>2,394</u>
<b>Net Position (Deficit), beginning of the fiscal year</b>		(303)	64,111	968,346	22,890
<b>Prior Period Adjustments</b>					
<b>Net Position (Deficit), beginning of the fiscal year, restated</b>		<u>(303)</u>	<u>64,111</u>	<u>968,346</u>	<u>22,890</u>
<b>Net Position end of the fiscal year</b>	<u>\$ 118,426</u>	<u>\$ 1,748</u>	<u>\$ 57,481</u>	<u>\$ 968,154</u>	<u>\$ 25,284</u>

Tree Planting Enhancement SGR	DF Phase 1A River Overlook- LACFCD Use Agreement	River Wilderness Park Entry	RPG-DF Riparian and Interpretive Elements Grant	River Parkway Grant Citrus Grove Heights Rest Area	Roberts Canyon Foothill Area Projec	Conservation Easement Monitoring
\$	\$	\$	\$	\$	\$	\$
				13,650		
						2,200
				13,650		2,200
		38				2,200
		274	209			
		312	209			2,200
		(312)	(209)	13,650		
636	2,189	1,592		5	23	5
636	2,189	1,280	(209)	13,655	23	5
			209			
(555)		(17,771)		(3,346)	(1,477)	
81	2,189	(16,491)		10,309	(1,454)	5
82,060	281,378	425,589			4,843	
82,060	281,378	425,589			4,843	
\$ 82,141	\$ 283,567	\$ 409,098	\$	\$ 10,309	\$ 3,389	\$ 5

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**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2016**  
**(Continued)**

	Gateway Cities & River Urban Greening Plan Project	Emerald Necklace Master Plan Project	Azusa Foothills Property Pre-Acquisition Project	Discovery Center Escrow	Total
<b>Operating Revenues:</b>					
Contributions from Federal grants	\$	\$	\$	\$	\$ 338,273
Contributions from State and Local grants	38,044	16,000			588,072
Contributions from County departments					25,500
Leases					311,308
Miscellaneous					82,945
Reimbursement					2,200
<b>Total Operating Revenues</b>	<u>38,044</u>	<u>16,000</u>			<u>1,348,298</u>
<b>Operating Expenses:</b>					
Contract and professional service fees	36		3,500		359,260
Insurance					55,752
Maintenance					34,011
Utilities, supplies, and other charges	1,331	245			67,919
Depreciation					206,334
Salaries and wages					337,979
<b>Total Operating Expenses</b>	<u>1,367</u>	<u>245</u>	<u>3,500</u>		<u>1,061,255</u>
<b>Operating Income (Loss)</b>	36,677	15,755	(3,500)		287,043
<b>Non-Operating Revenues and Expenses:</b>					
Interest on deposited funds	42	47		1,304	25,764
<b>Change in Net Position before Transfers</b>	36,719	15,802	(3,500)	1,304	312,807
Transfers in	1,106		3,500		678,668
Transfers out	(37,051)	(9,345)			(678,668)
<b>Change in Net Position</b>	<u>774</u>	<u>6,457</u>		<u>1,304</u>	<u>312,807</u>
<b>Net Position (Deficit), beginning of the fiscal year</b>				2,203,103	26,677,806
<b>Prior Period Adjustments</b>					599,689
<b>Net Position (Deficit), beginning of the fiscal year, restated</b>				2,203,103	27,277,495
<b>Net Position (Deficit), end of the fiscal year</b>	<u>\$ 774</u>	<u>\$ 6,457</u>	<u>\$</u>	<u>\$ 2,204,407</u>	<u>\$ 27,590,302</u>

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

	Watershed Conservation Authority	Duck Farm Leases	El Encanto Leases	Southgate Riparian Habitat Property	Prop 40 RMC 3596 Azusa River
<b>Cash Flows from Operating Activities:</b>					
Cash received from Federal, State, and Local grants	\$	\$	\$	\$	\$
Cash received from County departments	25,500				
Cash received (refunded) from interfund		(58,898)			
Cash received from leases		109,976	87,822	109,500	
Cash received from miscellaneous services		325	14,317		
Cash received from reimbursement of services					
Cash paid to employees for services					
Cash paid to suppliers for goods and services	(131,243)	(46,332)	(99,440)	(1,386)	
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(105,743)</u>	<u>5,071</u>	<u>2,699</u>	<u>108,114</u>	
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisitions of capital assets					
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>					
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers in	125,975	83,027	16,040	384	
Transfers out	(18,456)	(381,396)	(4,870)	(1,000)	(181)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>107,519</u>	<u>(298,369)</u>	<u>11,170</u>	<u>(616)</u>	<u>(181)</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received	646	1,878	127	202	1
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>646</u>	<u>1,878</u>	<u>127</u>	<u>202</u>	<u>1</u>
<b>Net Increase/(Decrease) in Cash</b>	2,422	(291,420)	13,996	107,700	(180)
<b>Cash, Beginning of Fiscal Year</b>	89,699	304,655	6,603	8,406	180
<b>Cash, End of Fiscal year</b>	<u>\$ 92,121</u>	<u>\$ 13,235</u>	<u>\$ 20,599</u>	<u>\$ 116,106</u>	<u>\$</u>
<b>Reconciliation of Cash to Statement of Net Position:</b>					
Cash Deposited with County Treasurer	\$ 92,121	\$ 13,235	\$ 20,599	\$ 116,106	\$
Restricted Cash in Escrow Account					
<b>Total Cash</b>	<u>\$ 92,121</u>	<u>\$ 13,235</u>	<u>\$ 20,599</u>	<u>\$ 116,106</u>	<u>\$</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (154,650)	\$ 59,710	\$ (43,979)	\$ 92,460	\$
Adjustments to reconcile change in operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	92,700	3,285	28,683		
Decrease (increase) in grant receivable			(7,500)		
Decrease (increase) in lease receivable		(21,882)	4,010		
Decrease (increase) in prepaid expenses	(4,298)	129	(376)		
Decrease (increase) in due from other funds		(62,976)			
Decrease (increase) in accrued revenue	(20,098)	(8,500)	(4,193)	(1,000)	
Decrease (increase) in miscellaneous receivable			84		
Increase (decrease) in due to other funds		4,078			
Increase (decrease) in unearned revenue		2,222		15,833	
Increase (decrease) in accrued expenses	(19,397)	29,005	25,970	821	
Increase (decrease) in interest payable					
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (105,743)</u>	<u>\$ 5,071</u>	<u>\$ 2,699</u>	<u>\$ 108,114</u>	<u>\$</u>

Prop 50 RMC 3596 Azusa River	Prop 50 RMC 3619 Whittier Narrows Dam Recreation Area Plan	Prop 50 RMC 3618 Emerald Necklace San Jose Creek Property	Prop 84 RMC 3522 Walnut Creek Habitat & Open Space Acquisition	Prop 50 RMC 3615 Canyon Inn/Theological Seminary Property	Prop 40 RMC 3609 Duck Farm Phase 1A Implementation	Prop 84 RMC 3640 Chapter 8 Defaulted Tax Property
\$	\$	\$	\$	\$	\$ 324,000	\$
					(212,500)	
					981	
					1,196	(2,090)
					113,677	(2,090)
					(51,822)	(1,560)
					(51,822)	(1,560)
	(2,584)	(673)	(806)	(1,698)	(39,723)	(2,867)
	(2,584)	(673)	(806)	(1,698)	(39,723)	(2,867)
	8	2	2	5	1,009	59
	8	2	2	5	1,009	59
	(2,576)	(671)	(804)	(1,693)	23,141	(6,458)
	2,576	671	804	1,693	36,909	6,480
\$	\$	\$	\$	\$	\$ 60,050	\$ 22
\$	\$	\$	\$	\$	\$ 60,050	\$ 22
\$	\$	\$	\$	\$	\$ 60,050	\$ 22
\$	\$	\$	\$	\$	\$ 252,233	\$
					63,235	
					(212,500)	
					10,709	(2,090)
\$	\$	\$	\$	\$	\$ 113,677	\$ (2,090)

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

(Continued)

	Supplemental Environmental Project - Duck Farms	Prop A Duck Farm	Prop A SGR	Resources Agency Canyon Inn Acquisition	Prop 84 RMC 09102 WCA Capital Project Implementation
<b>Cash Flows from Operating Activities:</b>					
Cash received from Federal, State, and Local grants	\$	\$	\$	\$	\$ 84,114
Cash received from County departments					
Cash received (refunded) from interfund					25,920
Cash received from leases					
Cash received from miscellaneous services					47,965
Cash received from reimbursement of services					
Cash paid to employees for services					(337,979)
Cash paid to suppliers for goods and services			6,913		(92,337)
<b>Net Cash Provided (Used) by Operating Activities</b>			<u>6,913</u>		<u>(272,317)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Acquisitions of capital assets			(98,643)		
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>			<u>(98,643)</u>		
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers in					437,819
Transfers out		(238)	(19,893)	(635)	(88,850)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>		<u>(238)</u>	<u>(19,893)</u>	<u>(635)</u>	<u>348,969</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received	1,390	820	9,956	1	382
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,390</u>	<u>820</u>	<u>9,956</u>	<u>1</u>	<u>382</u>
<b>Net Increase/(Decrease) in Cash</b>	1,390	582	(101,667)	(634)	77,034
<b>Cash, Beginning of Fiscal Year</b>	182,884	107,680	1,329,081	634	17,710
<b>Cash, End of Fiscal Year</b>	<u>\$ 184,274</u>	<u>\$ 108,262</u>	<u>\$ 1,227,414</u>	<u>\$</u>	<u>\$ 94,744</u>
<b>Reconciliation of to Statement of Net Position:</b>					
Cash Deposited with County Treasurer	\$ 184,274	\$ 108,262	\$ 1,227,414	\$	\$ 94,744
Restricted Cash in Escrow Account					
<b>Total Cash</b>	<u>\$ 184,274</u>	<u>\$ 108,262</u>	<u>\$ 1,227,414</u>	<u>\$</u>	<u>\$ 94,744</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (4,071)	\$ (500)	\$ (136)	\$	\$ (269,778)
Adjustments to reconcile change in operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	4,071	500			
Decrease (increase) in grant receivable					
Decrease (increase) in lease receivable					(9,249)
Decrease (increase) in prepaid expenses					2,680
Decrease (increase) in due from other funds					(36,189)
Decrease (increase) in accrued revenue					(2,321)
Decrease (increase) in miscellaneous receivable					(19,441)
Increase (decrease) in due to other funds					62,109
Increase (decrease) in unearned revenue					
Increase (decrease) in accrued expenses			7,049		(128)
Increase (decrease) in interest payable					
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$</u>	<u>\$</u>	<u>\$ 6,913</u>	<u>\$</u>	<u>\$ (272,317)</u>

Prop 84 RMC 09103 San Gabriel and Rio Hondo Watershed	Prop 84 RMC 10011 Azusa Springs Water System RWP	Prop 84 RMC 09105 Cattle Canyon Improvement	Prop 84 RMC 10007 98th Street Park Project	LACFCD Emerald Necklace Feasibility Study/ Implementation	Environmental Enhancement Mitigation Program EEMP Duck Farm	USFS EcoVoices
\$	\$	\$ 135,227	\$	\$	\$	\$ 49,086
					212,500	535
		(28,763)		(72)		(47,661)
		106,464		(72)	212,500	1,960
		(4,518)	(17,563)	(684)		(1,971)
		(4,518)	(17,563)	(684)		(1,971)
1	12	702	51	7	1,805	12
1	12	702	51	7	1,805	12
1	12	102,648	(17,512)	(749)	214,305	1
68	956	106,829	17,512	775	49,720	18
\$ 69	\$ 968	\$ 209,477	\$	\$ 26	\$ 264,025	\$ 19
\$ 69	\$ 968	\$ 209,477	\$	\$ 26	\$ 264,025	\$ 19
\$ 69	\$ 968	\$ 209,477	\$	\$ 26	\$ 264,025	\$ 19
\$	\$ (13,439)	\$ 112,438	\$	\$ (52)	\$ 67,745	\$ 1,961
	13,439				421	12,493
					(68,166)	
					212,500	(6,884)
						535
		(5,974)		(20)		(6,145)
\$	\$	\$ 106,464	\$	\$ (72)	\$ 212,500	\$ 1,960

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

(Continued)

	Oaks Picnic Area Maintenance Project	Property Management Project Walnut Creek	San Gabriel River Bike Trail Gateway Enhancement Project	Mt. Baldy Ranch Property	Citrus Grove Heights Bike Stop Project
<b>Cash Flows from Operating Activities:</b>					
Cash received from Federal, State, and Local grants	\$ 152,000	\$	\$	\$	\$
Cash received from County departments					
Cash received (refunded) from interfund		867			(3,346)
Cash received from leases					
Cash received from miscellaneous services					
Cash received from reimbursement of services					
Cash paid to employees for services					
Cash paid to suppliers for goods and services	(21,741)	(5,810)	(464)	(517)	(59)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>130,259</u>	<u>(4,943)</u>	<u>(464)</u>	<u>(517)</u>	<u>(3,405)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisitions of capital assets					
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>					
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers in		7,025		237	3,346
Transfers out	(10,659)	(2,405)	(6,392)		(1,061)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>(10,659)</u>	<u>4,620</u>	<u>(6,392)</u>	<u>237</u>	<u>2,285</u>
<b>Cash Flows from Investing Activities:</b>					
Interest received	112	3	484	8	97
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>112</u>	<u>3</u>	<u>484</u>	<u>8</u>	<u>97</u>
<b>Net Increase/(Decrease) in Cash</b>	119,712	(320)	(6,372)	(272)	(1,023)
<b>Cash, Beginning of Fiscal Year</b>		425	62,486	276	14,585
<b>Cash, End of Fiscal year</b>	<u>\$ 119,712</u>	<u>\$ 105</u>	<u>\$ 56,114</u>	<u>\$ 4</u>	<u>\$ 13,562</u>
<b>Reconciliation of Cash to Statement of Net Position:</b>					
Cash Deposited with County Treasurer	\$ 119,712	\$ 105	\$ 56,114	\$ 4	\$ 13,562
Restricted Cash in Escrow Account					
<b>Total Cash</b>	<u>\$ 119,712</u>	<u>\$ 105</u>	<u>\$ 56,114</u>	<u>\$ 4</u>	<u>\$ 13,562</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 128,747	\$ (2,571)	\$ (707)	\$ (429)	\$
Adjustments to reconcile change in operating income (loss) to net cash provided (used) by operating activities:					
Depreciation					
Decrease (increase) in grant receivable					
Decrease (increase) in lease receivable					
Decrease (increase) in prepaid expenses					
Decrease (increase) in due from other funds					(3,346)
Decrease (increase) in accrued revenue		(3,000)			
Decrease (increase) in miscellaneous receivable					
Increase (decrease) in due to other funds		867			
Increase (decrease) in unearned revenue					
Increase (decrease) in accrued expenses	1,512	(239)	243	(88)	(59)
Increase (decrease) in interest payable					
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 130,259</u>	<u>\$ (4,943)</u>	<u>\$ (464)</u>	<u>\$ (517)</u>	<u>\$ (3,405)</u>

Tree Planting Enhancement SGR	DF Phase 1A River Overlook- LACFCD Use Agreement	River Wilderness Park Entry	RPG-DF Riparian and Interpretive Elements Grant	River Parkway Grant Citrus Grove Heights Rest Area	Roberts Canyon Foothill Area Projec	Conservation Easement Monitoring
\$	\$	\$	\$	\$ 13,650	\$ 5,000	\$
				3,346		
						2,200
		6,017	(209)		(419)	(2,200)
		6,017	(209)	16,996	4,581	
		(59,726)			(132)	
		(59,726)			(132)	
			209			
(555)		(17,771)		(3,346)	(1,477)	
(555)		(17,771)	209	(3,346)	(1,477)	
627	2,054	1,635			14	4
627	2,054	1,635			14	4
72	2,054	(69,845)		13,650	2,986	4
81,817	280,648	237,395				
\$ 81,889	\$ 282,702	\$ 167,550	\$	\$ 13,650	\$ 2,986	\$ 4
\$ 81,889	\$ 282,702	\$ 167,550	\$	\$ 13,650	\$ 2,986	\$ 4
\$ 81,889	\$ 282,702	\$ 167,550	\$	\$ 13,650	\$ 2,986	\$ 4
\$	\$	\$ (312)	\$ (209)	\$ 13,650	\$	\$
					5,000	
				3,346		
		6,329			(262)	
					(157)	
\$	\$	\$ 6,017	\$ (209)	\$ 16,996	\$ 4,581	\$

(Continued)

**WATERSHED CONSERVATION AUTHORITY**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2016**

(Continued)

	Gateway Cities & River Urban Greening Plan Project	Emerald Necklace Master Plan Project	Azusa Foothills Property Pre-Acquisition Project	Discovery Center Escrow	Total
<b>Cash Flows from Operating Activities:</b>					
Cash received from Federal, State, and Local grants	\$ 38,044	\$ 16,000	\$	\$	\$ 817,121
Cash received from County departments					25,500
Cash received (refunded) from interfund	31,576				
Cash received from leases					307,298
Cash received from miscellaneous services					63,588
Cash received from reimbursement of services					2,200
Cash paid to employees for services					(337,979)
Cash paid to suppliers for goods and services	(6,412)	(172)	(3,500)		(476,701)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>63,208</u>	<u>15,828</u>	<u>(3,500)</u>		<u>401,027</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisitions of capital assets					(211,883)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>					<u>(211,883)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Transfers in	1,106		3,500		678,668
Transfers out	(37,051)	(9,345)			(678,668)
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>(35,945)</u>	<u>(9,345)</u>	<u>3,500</u>		
<b>Cash Flows from Investing Activities:</b>					
Interest received		22		1,159	25,297
<b>Net Cash Provided (Used) by Investing Activities</b>		<u>22</u>		<u>1,159</u>	<u>25,297</u>
<b>Net Increase/(Decrease) in Cash</b>	27,263	6,505		1,159	214,441
<b>Cash, Beginning of Fiscal Year</b>	5,104			2,203,067	5,158,346
<b>Cash, End of Fiscal year</b>	<u>\$ 32,367</u>	<u>\$ 6,505</u>	<u>\$</u>	<u>\$ 2,204,226</u>	<u>\$ 5,372,787</u>
<b>Reconciliation of Cash to Statement of Net Position:</b>					
Cash Deposited with County Treasurer	\$ 32,367	\$ 6,505	\$	\$	\$ 3,168,561
Restricted Cash in Escrow Account				2,204,226	2,204,226
<b>Total Cash</b>	<u>\$ 32,367</u>	<u>\$ 6,505</u>	<u>\$</u>	<u>\$ 2,204,226</u>	<u>\$ 5,372,787</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ 36,677	\$ 15,755	\$ (3,500)	\$	\$ 287,043
Adjustments to reconcile change in operating income (loss) to net cash provided (used) by operating activities:					
Depreciation					206,334
Decrease (increase) in grant receivable					(58,173)
Decrease (increase) in lease receivable					(27,121)
Decrease (increase) in prepaid expenses					(1,865)
Decrease (increase) in due from other funds					109,989
Decrease (increase) in accrued revenue					(45,996)
Decrease (increase) in miscellaneous receivable					(19,357)
Increase (decrease) in due to other funds	31,576				(109,989)
Increase (decrease) in unearned revenue					18,055
Increase (decrease) in accrued expenses	(5,045)	73			42,264
Increase (decrease) in interest payable					(157)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 63,208</u>	<u>\$ 15,828</u>	<u>\$ (3,500)</u>	<u>\$</u>	<u>\$ 401,027</u>