

**Los Cerritos Wetlands Authority**

**Date:** November 28, 2022  
**To:** Governing Board Members  
**From:** Salian Garcia, Fiscal Manager  
**Through:** Mark Stanley, Executive Officer  
**Subject:** Item 8: Receive and File the LCWA Annual Audit and Related Reports for Fiscal Year 2020/2021

---

**RECOMMENDATION:** That the Los Cerritos Wetlands Authority (LCWA) Governing Board receive and file the Fiscal Year 2020/2021 LCWA Annual Audit and Related Reports as submitted and detailed in the attached Exhibit A.

**BACKGROUND:**

Attached are the results of the FY 2020/21 LCWA Annual Financial Report for the Fiscal Year Ended September 30, 2021 (Exhibit A) and its respective Management Report (Exhibit B).

**SUMMARY/FINANCIAL HIGHLIGHTS:**

- Fedak & Brown LLP conducted the audit with the cooperation of the City of Long Beach and LCWA staff.
- During the FY 2020/2021, the Authority's net position increased by 1.63% or \$181,304 to \$11,33,803 as a result of the Authority's operations.
- Total revenues decreased by 9.13% or \$59,836 to \$595,896 primarily due to reduced activity in program and grants as a result of the pandemic. Hence, total expenses decreased by 41.37% or \$292,580 to \$414,592 primarily due to a decrease in consulting and grant management expenditures from the prior year.
- Capital assets amount to \$11,000,000 with no change from the previous fiscal year.
- The Authority continues to have no long-term debt.
- Two material weaknesses in internal control were identified:
  - 2021-001: Grant revenues were not properly recorded under the modified accrual basis of accounting in grants receivable. Remedy: deposits to the City of Long Beach will be clearly identified as receivable to ensure they are recorded properly.
  - 2021-002: The Authority's books are materially misstated prior to the start of the audit. Remedy: The Authority will reconcile its books with the City's records on a regular basis to ensure revenues and expenditures are recorded in the correct fiscal year to reduce or eliminate the number of correcting entries. The Authority

and the City will communicate more comprehensively and provide updates to each other in a more timely manner.

- No findings noted in the current fiscal year.

**FISCAL:**

Receive and file of the Fiscal Year 2020/2021 audit has no financial impact.



# **Los Cerritos Wetlands Authority**

## **Annual Financial Report**

**For the Fiscal Year Ended September 30, 2021**



# Los Cerritos Wetlands Authority

## Our Mission Statement

*“To provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation, and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration, and improved water supply, water quality, groundwater recharge and water conservation.”*

## Our Governing Board

### Members

#### **City of Long Beach**

Chair: Suzie Price

*Alternate: Vacant*

#### **City of Seal Beach**

Vice-Chair: Joe Kalmick

*Alternate: Vacant*

#### **State Coastal Conservancy**

Member: Amy Hutzell

*Alternate: Joan Cardellino*

#### **Rivers and Mountains Conservancy**

Member: Roberto Uranga

*Alternate: Vacant*

**Los Cerritos Wetlands Authority**  
**Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2021**

**Los Cerritos Wetlands Authority**  
**Annual Financial Report**  
**For the Fiscal Year Ended September 30, 2021**

**Table of Contents**

	<b><u>Page No.</u></b>
Table of Contents	i
<b>Financial Section</b>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Reconciliation of the Balance Sheet of Governmental Type Funds to the Statement of Net Position	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Type Funds to the Statement of Activities	10
Notes to the Basic Financial Statements	11-22
<b>Required Supplementary Information Section</b>	
Budgetary Comparison Schedule – General Fund	23
Notes to Required Supplementary Information	23
<b>Report on Internal Controls and Compliance</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25
Schedule of Findings and Responses	26

## **Financial Section**







## **Independent Auditor's Report**

Governing Board  
Los Cerritos Wetlands Authority  
Long Beach, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Los Cerritos Wetlands Authority (Authority) as of and for the year ended September 30, 2021, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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 respective financial position of the Authority, as of September 30, 2021, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Independent Auditor's Report, continued*****Other Matters******Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6 and the Budgetary Comparison Schedule – General Fund on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 11, 2022 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. This report can be found on pages 24 and 25.

**Fedak & Brown LLP**

Cypress, California

August 11, 2022

**Los Cerritos Wetlands Authority**  
***Management's Discussion and Analysis***  
**For the Fiscal Year Ended September 30, 2021**  
***With Comparative Amounts as of September 30, 2020***

As management of the Los Cerritos Wetlands Authority (Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities and performance of the Authority for the fiscal year ended September 30, 2021. Please read it in conjunction with additional information that we have furnished in the accompanying basic financial statements, which follow this section.

### **Financial Highlights**

- The Authority's net position increased 1.63% or \$181,304 from \$11,152,499 to \$11,333,803 as a result of ongoing operations.
- The Authority's total revenues decreased 9.13% or \$59,836 from \$655,732 to \$595,896.
- The Authority's total expenses decreased 41.37% or \$292,580 from \$707,172 to \$414,592.

### **Using This Financial Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities and performance of the Authority using accounting methods similar to those used by private sector companies.

The Statement of Net Position includes all of the Authority's investments in resources (assets), deferred outflows of resources, the obligations to creditors (liabilities), and deferred inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure of the Authority, and assessing the liquidity and financial flexibility of the Authority. All of the current year's revenue and expenses are accounted for in the Statement of Activities. This statement measures the success of the Authority's operations over the past year and can be used to determine the Authority's profitability and credit worthiness.

### **Government-wide Financial Statements**

#### **Statement of Net Position and Statement of Activities**

One of the most important questions asked about the Authority's finances is, "Is the Authority better off or worse off as a result of this year's activities?" The Statement of Net Position and the Statement of Activities report information about the Authority in a way that helps answer this question.

These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, using the *accrual basis of accounting*, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

These two statements report the Authority's *net position* and changes in them. One can think of the Authority's *net position* and changes in it. One can think of the Authority's net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources), as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position are one indicator of whether its *financial health* is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in the Authority's organizational agreements to assess the *overall health* of the Authority in future periods.

**Los Cerritos Wetlands Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended September 30, 2021**  
**With Comparative Amounts as of September 30, 2020**

## **Governmental Funds Financial Statements**

### **Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 11 through 22.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Authority's budgetary information and compliance.

### **Government-wide Financial Analysis**

#### **Condensed Statements of Net Position**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Assets:</b>			
Current assets	\$ 501,688	294,370	207,318
Capital assets, net	<u>11,000,000</u>	<u>11,000,000</u>	<u>-</u>
<b>Total assets</b>	<u>11,501,688</u>	<u>11,294,370</u>	<u>207,318</u>
<b>Liabilities:</b>			
Current liabilities	<u>167,885</u>	<u>141,871</u>	<u>26,014</u>
<b>Total liabilities</b>	<u>167,885</u>	<u>141,871</u>	<u>26,014</u>
<b>Net position:</b>			
Net investment in capital assets	11,000,000	11,000,000	-
Unrestricted	<u>333,803</u>	<u>152,499</u>	<u>181,304</u>
<b>Total net position</b>	<u>\$ 11,333,803</u>	<u>11,152,499</u>	<u>181,304</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets of the Authority exceeded liabilities by \$11,333,803 as of September 30, 2021. At the end of fiscal year 2021, the Authority shows a positive balance in its unrestricted net position of \$333,803.

**Los Cerritos Wetlands Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended September 30, 2021**  
**With Comparative Amounts as of September 30, 2020**

**Government-wide Financial Analysis, continued**

**Condensed Statements of Activities**

<i>Governmental Activities</i>	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b>Expenses:</b>			
Authority operations	\$ 414,592	707,172	(292,580)
<b>Total expenses</b>	<u>414,592</u>	<u>707,172</u>	<u>(292,580)</u>
<b>Revenues:</b>			
Program revenues	525,057	591,559	(66,502)
General revenues	70,839	64,173	6,666
<b>Total revenues</b>	<u>595,896</u>	<u>655,732</u>	<u>(59,836)</u>
<b>Change in net position</b>	181,304	(51,440)	232,744
Net position – beginning of year	<u>11,152,499</u>	<u>11,203,939</u>	<u>(51,440)</u>
Net position – end of year	<u>\$ 11,333,803</u>	<u>11,152,499</u>	<u>181,304</u>

The Statement of Activities shows how the government's net position changed during the fiscal year. In the case of the Authority, net position increased by \$181,304 during the fiscal year ended September 30, 2021.

A closer examination reveals that:

The Authority's total revenues from all sources decreased 9.13% or \$59,836 to \$595,896. Program revenues decreased 11.24% or \$66,502 to \$525,057, due to a decrease of \$177,778 in capital grants sourcing from private agencies, which were offset by increases of \$67,902 in capital grants sourcing from state and county agencies, \$23,874 in land transfer agreement reimbursements, and \$19,500 in contributions for operations. General revenues increased 10.39% or \$6,666 to \$70,839, primarily due to increases of \$5,588 in miscellaneous income and \$1,083 in rental income as compared to the prior year.

The Authority's total expenses decreased 41.37%, or \$292,580 to \$414,592, due to decreases of \$248,755 in consulting fees, \$30,314 in grant management, \$2,417 in grant materials, and \$13,108 in legal fees as compared to the prior year.

**Governmental Funds Financial Analysis**

The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Authority's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of September 30, 2021, the Authority's General Fund reported a fund balance of \$333,803. Of the fund balance reported, an amount of \$7,814 is designated as *non-spendable* as it has already been spent towards prepaid insurance. The remaining balance of \$325,989 constitutes the Authority's *unassigned fund balance* that is available for future Authority expenditures.

**Los Cerritos Wetlands Authority**  
**Management's Discussion and Analysis, continued**  
**For the Fiscal Year Ended September 30, 2021**  
**With Comparative Amounts as of September 30, 2020**

### General Fund Budgetary Highlights

At fiscal year-end, actual expenditures for the General Fund were \$67,087 less than final budgeted expenditures and actual revenues were \$148,781 more than final budgeted revenues. This was principally due to higher than anticipated grant funding of \$102,852 from state and county sources and \$53,821 from private agencies, which were offset by lower than anticipated revenue of \$34,564 from land transfer agreement reimbursements.

### Capital Asset Administration

At the end of fiscal year 2021, the Authority's investment in capital assets amounted to \$11,000,000. This investment in capital assets includes land that is managed by the Authority.

Changes in capital assets for 2021 were as follows:

	<u>Balance</u> <u>2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>2021</u>
Land	\$ 11,000,000	-	-	11,000,000
Total capital assets, net	\$ <u>11,000,000</u>			<u>11,000,000</u>

### Conditions Affecting Current Financial Position

The COVID-19 pandemic in the United States has caused business disruption through labor shortages and business closings. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. However, the related financial impact on the Authority and the duration cannot be estimated at this time.

Management is unaware of any other conditions which could have a significant impact on the Authority's current financial position, net position or operating results based on past, present, and future events.

### Requests for Information

The Authority's basic financial statements are designed to present users with a general overview of the Authority's finances and to demonstrate the Authority's accountability. If you have any questions about the report or need additional information, please contact the Authority at Los Cerritos Wetlands Authority, C/O the City of Long Beach Financial Management Department, 411 W. Ocean Blvd., Long Beach, CA 90802 or directly at 100 Old San Gabriel Canyon Rd., Azusa, CA 91702, (626) 815-1019.

## **Basic Financial Statements**

Exhibit A  
**Los Cerritos Wetlands Authority**  
**Statement of Net Position**  
**September 30, 2021**

Item 8: FY 2021 Audit

	<u><b>2021</b></u>
<b>Current assets:</b>	
Cash and cash equivalents (note 2)	\$ 241,462
Accounts receivable, net of allowance for doubtful accounts (note 3)	252,412
Prepaid insurance	<u>7,814</u>
Total current assets	<u>501,688</u>
<b>Non-current assets:</b>	
Capital assets, net (note 4)	<u>11,000,000</u>
<b>Total assets</b>	<u>11,501,688</u>
<b>Current liabilities:</b>	
Accounts payable	165,985
Security deposit	<u>1,900</u>
Total current liabilities	<u>167,885</u>
<b>Total liabilities</b>	<u>167,885</u>
<b>Net position:</b>	
Net investment in capital assets	11,000,000
Unrestricted	<u>333,803</u>
<b>Total net position</b>	<u><u>\$ 11,333,803</u></u>

See the accompanying notes to the basic financial statements



Exhibit A  
**Los Cerritos Wetlands Authority**  
**Statement of Activities**  
**For the Fiscal Year Ended September 30, 2021**

Item 8: FY 2021 Audit

<b><i>Governmental Activities:</i></b>	<b><u>2021</u></b>
<b>Expenses:</b>	
Authority operations	\$ <u>414,592</u>
<b>Total expenses</b>	<u>414,592</u>
<b>Program revenues:</b>	
Contributions – operating	49,500
Capital grants – state and county	382,702
Capital grants – private agency	68,981
Land transfer agreement reimbursements	<u>23,874</u>
<b>Total program revenues</b>	<u>525,057</u>
<b>Net program expense</b>	<u>(110,465)</u>
<b>General revenues:</b>	
Rental income	63,720
Interest earnings	19
Miscellaneous income	<u>7,100</u>
<b>Total general revenues</b>	<u>70,839</u>
<b>Change in net position</b>	181,304
<b>Net position – beginning of year</b>	<u>11,152,499</u>
<b>Net position – end of year</b>	<u>\$ <u>11,333,803</u></u>

See the accompanying notes to the basic financial statements

**Los Cerritos Wetlands Authority**  
**Reconciliation of the Balance Sheet of Governmental**  
**Type Funds to the Statement of Net Position**  
**September 30, 2021**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Net Position</u>
<b>Current assets:</b>			
Cash and cash equivalents	\$ 241,462	-	241,462
Accounts receivable, net	252,412	-	252,412
Prepaid insurance	7,814	-	7,814
Total current assets	<u>501,688</u>	<u>-</u>	<u>501,688</u>
<b>Non-current assets:</b>			
Capital assets, net	<u>-</u>	11,000,000	11,000,000
<b>Total assets</b>	<u>\$ 501,688</u>	<u>11,000,000</u>	<u>11,501,688</u>
<b>Current liabilities:</b>			
Accounts payable	\$ 165,985	-	165,985
Security deposit	1,900	-	1,900
Total current liabilities	<u>167,885</u>	<u>-</u>	<u>167,885</u>
<b>Total liabilities</b>	<u>167,885</u>	<u>-</u>	<u>167,885</u>
<b>Fund balance: (note 5)</b>			
Nonspendable	7,814	(7,814)	-
Unassigned	325,989	(325,989)	-
<b>Total fund balance</b>	<u>333,803</u>	<u>(333,803)</u>	<u>-</u>
<b>Total liabilities and fund balance</b>	<u>\$ 501,688</u>		
<b>Net position:</b>			
Net investment in capital assets		11,000,000	11,000,000
Unrestricted		<u>333,803</u>	<u>333,803</u>
<b>Total net position</b>		<u>\$ 11,333,803</u>	<u>11,333,803</u>

**Reconciliation:**

Fund balance of governmental funds	\$ 333,803
Amounts reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	<u>11,000,000</u>
Net position of governmental activities	<u>\$ 11,333,803</u>

See the accompanying notes to the basic financial statements

**Los Cerritos Wetlands Authority**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in**  
**Fund Balance of Governmental Type Funds to the Statement of Activities**  
**For the Fiscal Year Ended September 30, 2021**

	<u>General Fund</u>	<u>Reclassifications &amp; Eliminations</u>	<u>Statement of Activities</u>
<b>Expenditures/Expenses:</b>			
Authority operations	\$ 414,592	-	414,592
<b>Total expenditures/expenses</b>	<u>414,592</u>	<u>-</u>	<u>414,592</u>
<b>Program revenues:</b>			
Contributions – operating	49,500	-	49,500
Capital grant – state and county	382,702	-	382,702
Capital grant – private agency	68,981	-	68,981
Land transfer agreement reimbursements	<u>23,874</u>	<u>-</u>	<u>23,874</u>
<b>Total program revenues</b>	<u>525,057</u>	<u>-</u>	<u>525,057</u>
<b>Net program revenue</b>			<u>(110,465)</u>
<b>General revenues:</b>			
Rental income	63,720	-	63,720
Interest earnings	19	-	19
Miscellaneous income	<u>7,100</u>	<u>-</u>	<u>7,100</u>
<b>Total general revenues</b>	<u>70,839</u>	<u>-</u>	<u>70,839</u>
<b>Total revenues</b>	<u>595,896</u>	<u>-</u>	
<b>Excess of revenues over expenditures</b>	181,304	(181,304)	-
<b>Change in net position</b>	-	181,304	181,304
<b>Fund balance/Net position – beginning of year</b>	<u>152,499</u>	<u>-</u>	<u>11,152,499</u>
<b>Fund balance/Net position</b>	<u>\$ 333,803</u>	<u>-</u>	<u>11,333,803</u>

**Reconciliation:**

Net change in fund balance of governmental fund	\$ <u>181,304</u>
Change in net position of governmental activities	\$ <u><u>181,304</u></u>

See the accompanying notes to the basic financial statements

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended September 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies**

**A. Organization and Operations of the Reporting Entity**

In February 2006, a joint powers agreement was adopted among the Rivers and Mountains Conservancy, State Coastal Conservancy, City of Long Beach, and the City of Seal Beach. The agreement established the Los Cerritos Wetlands Authority (Authority). Each party shall, subject to the availability of funds, make equal annual contributions (minimum \$5,000 and maximum \$25,000) to, or on behalf of, the Authority. The purpose of the Authority is to provide for a comprehensive program of acquisition, protection, conservation, restoration, maintenance and operation, and environmental enhancement of the Los Cerritos Wetlands area consistent with the goals of flood protection, habitat protection and restoration and improved water supply, water quality, groundwater recharge and water conservation. The Authority has the ability to acquire and own real property, although it does not have the power of eminent domain. A second major purpose of the Authority is to conduct restoration planning and implement that restoration.

The Authority entered into an agreement of land transfer with the Trust for Public Land for approximately 68 acres of property and surface rights; commonly known as the Bryant property in Long Beach, California. The Bryant property has been an active oil field for several decades and currently contains several active oil wells and associated pipelines, roads and buildings.

The acquisition of the Bryant property involved several legal agreements as follows:

- Land Transfer Agreement - Under this agreement the Trust for Public Lands would cause the conveyance of surface fee interest in the 68 acres to the Authority. The Authority would not acquire the mineral rights or the lessor's interest in the oil and gas lease. The Authority would accept title to the surface fee interest property as-is, subject to the Land Use Agreement and the Indemnification Agreement as discussed below.
- Land Use Agreement - This agreement is between Trust for Public Lands, Signal Hill Petroleum, and the Authority, acknowledging the intended use of the conveyed property and the retained property by Signal Hill Petroleum and the Authority. The purpose of the agreement is to ensure the intended use and access of the property for both the Authority and Signal Hill Petroleum.
- Termination of Oil and Gas Lease and Grant of Easement Agreement – This agreement is to define the specific access over and use of the surface property that the Authority grants Signal Hill Petroleum to allow for the existing and future oil operations. The agreement also defines conditions for the oil operations to ensure that they are consistent with the Authority's intended use for habitat restoration and public access. The Authority grants specific easements to Signal Hill Petroleum for oil operations. The easement shall expire when all oil operations are abandoned, and Signal Hill Petroleum shall pay rent of \$25,000 per year to the Authority for the use of these easements.
- Environmental Indemnity Agreement- Under the terms of this agreement, Signal Hill Petroleum indemnifies parties from liabilities associated with any release of materials generated from the oil or gas operations beyond the levels accepted for industrial use. This indemnification only includes liabilities associated with past and future environmental releases associated with oil and gas operations but not for liability for contamination that is unrelated to those activities.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**B. Basis of Accounting and Measurement Focus**

The *basic financial statements* of the Authority are composed of the following:

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

***Government-wide Financial Statements***

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the Authority's assets (including capital assets), deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the Authority are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Items not properly included among program revenues are reported instead as general revenues.

***Fund Financial Statements***

These statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. Accompanying these statements is a schedule to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-wide Financial Statements.

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60-days after year-end) are recognized when due. The primary sources susceptible to accrual for the Authority are interest earnings, investment revenue and operating and capital grant revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, exceptions to this rule include principal and interest on debt, which are recognized when due.

The Authority reports the following major governmental fund:

**General Fund** – is a government's only operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund when necessary.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**C. Financial Reporting**

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

The Authority has adopted the following GASB pronouncements in the current year:

*Governmental Accounting Standards Board Statement No. 89*

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

**D. Financial Statement Elements**

**1. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported changes in the Authority's net position during the reporting period. Actual results could differ from those estimates.

**2. Uncertainty**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in the Authority's net position during the reporting period. Actual results could differ from those estimates.

**3. Cash and Cash Equivalents**

The Authority has contracted with the City of Long Beach Treasurer's Office to act as its fiscal agent. Substantially all of the Authority's cash is held in a financial institution bank account. The Authority considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Financial Statement Elements, continued**

**4. Accounts Receivable and Allowance for Doubtful Accounts**

The Authority extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the Authority uses the allowance method for the reservation and write-off of those accounts.

**5. Prepaids**

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

**6. Capital Assets**

Capital assets are recorded in the government-wide financial statements. Included in capital assets is land held by the Authority. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent the Authority's capitalization threshold is met.

**7. Net Position/Fund Balances**

The financial statements utilize a net position presentation. Net position categories are follows:

- **Net Investment in Capital Assets** – consists of capital assets, net of accumulated depreciation, reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- **Restricted** – consists of constraints placed on net position use through external constraints imposed by creditors, grantors, contributors, or laws and regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted** – consists of net position that do not meet the definition of *restricted* or *net investment in capital assets*.

**8. Fund Equity**

The financial statements, governmental funds report fund balance as non-spendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable** – consists of amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- **Restricted** – consists of amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- **Committed** – consists of amounts that can only be used for specific purposes determined by formal action of the Authority's highest level of decision-making authority (the Governing Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** – consists of amounts that are constrained by the Authority's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the Authority's special revenue funds.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(1) Reporting Entity and Summary of Significant Accounting Policies, continued**

**D. Financial Statement Elements, continued**

**8. Fund Equity, continued**

- **Unassigned** – consists of the residual classification for the Authority’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Governing Board established, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the Authority’s policy to use restricted resources first, followed by the unrestricted, committed, assigned, and unassigned resources as they are needed.

***Fund Balance Policy***

The Authority believes that sound financial management principles require that sufficient funds be retained by the Authority to provide a stable financial base at all times. To retain this stable financial base, the Authority needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the Authority and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the Authority’s fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

**9. Budgetary Policies**

The Authority follows specific instructions in establishing the budgetary data reflected in the financial statements. Each year the Authority’s Executive Officer prepares and submits an operating and capital budget to the Board of Directors no later than September. The basis used to prepare the budget does not differ substantially in form from the modified accrual basis of accounting. The adopted budget becomes operative on October 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

**(2) Cash and Cash Equivalents**

Cash and cash equivalents as of September 30, 2021 consisted of the following:

	<u>2021</u>
Deposits held with financial institutions	\$ <u><u>241,462</u></u>



**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(2) Cash and Cash Equivalents, continued**

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the Authority's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The Authority had deposits with a bank balance of \$241,462 as of September 30, 2021. Of the bank balance, up to \$250,000 is federally insured and any remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

**(3) Accounts Receivable**

Accounts receivable, net of allowance for doubtful accounts as of September 30, 2021 consists of the following:

	<u><b>2021</b></u>
Accounts receivable	\$ 43,517
Accounts receivable – member agencies	41,979
Accounts receivable – grants	<u>191,916</u>
Subtotal accounts receivable	277,412
Allowance for doubtful accounts	<u>(25,000)</u>
Total accounts receivable, net	<u><u>\$ 252,412</u></u>

**(4) Capital Assets**

Changes in capital assets for the year were as follows:

	<u><b>Balance</b></u>		<u><b>Balance</b></u>
	<u><b>2020</b></u>	<u><b>Additions</b></u>	<u><b>2021</b></u>
Land	\$ 11,000,000	-	11,000,000
Total capital assets, net	<u>\$ 11,000,000</u>		<u>11,000,000</u>

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(5) Fund Balance**

Fund balances are presented in the following categories: Nonspendable, restricted, committed, assigned, and unassigned (See Note (1) D.8 for a description of these categories). A detailed schedule of fund balance and their funding composition at September 30, 2021, is as follows:

<u>Fund Balance Category</u>	
Nonspendable:	
Prepaid insurance	\$ 7,814
Unassigned fund balance:	<u>325,989</u>
Total fund balance	<u>\$ 333,803</u>

**(6) Land Option and Exchange Agreement**

On September 27, 2016, the Authority entered into a land exchange option agreement with Los Cerritos Wetlands, LLC (the LLC). Terms of the agreement call for non-refundable consideration in the amount of \$300,000 to be paid to the Authority for an initial option term of 4 years, with an optional term of 4 years thereafter. The agreement provides a right of termination clause in the event the LLC determines to terminate the agreement. Upon termination, the agreement calls for the Authority to refund the LLC \$200,000 within the first year of the agreement, or \$100,000 if exercised within second year of the agreement.

As of September 30, 2020, the Authority and the LLC had exercised the right to extend the term of the Land Exchange Agreement option to September 2, 2024.

**(7) Risk Management**

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has purchased various commercial insurance policies to manage the potential liabilities that may occur from the previously named sources.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority's insurance coverage during the years ending September 30, 2021, 2020, and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of September 30, 2021, 2020, and 2019.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to September 30, 2021, that have effective dates that may impact future financial presentations.

The following pronouncement implementation dates have been delayed due to the COVID-19 pandemic:

***Governmental Accounting Standards Board Statement No. 87***

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2019; however, in light of the COVID-19 pandemic, the effective date has been postponed by 18 months. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 91***

In May 2019, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement were effective for reporting periods beginning after December 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 92***

In January 2020, the GASB issued Statement No. 92 – *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

The requirements of this Statement were as follows: (1) The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance; (2) The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020; (3) The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020; and (4) The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective date has been postponed by one year. Earlier application is encouraged and is permitted by topic.

***Governmental Accounting Standards Board Statement No. 93***

In March 2020, the GASB issued Statement No. 93 – *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by: (1) Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment; (2) Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; (3) Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable; (4) Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap; (5) Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap; (6) Clarifying the definition of reference rate, as it is used in Statement 53, as amended; and (7) Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The requirements of this Statement were effective as follows: (1) The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021; and (2) All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020; however, in light of the COVID-19 pandemic, the effective dates have been postponed by one year. Earlier application is encouraged.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 94***

In March 2020, the GASB issued Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

***Governmental Accounting Standards Board Statement No. 96***

In May 2020, the GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(8) Governmental Accounting Standards Board Statements Issued, Not Yet Effective, continued**

***Governmental Accounting Standards Board Statement No. 97***

In June 2020, the GASB issued Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 41 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement. The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance.

***Governmental Accounting Standards Board Statement No. 98***

In October 2021, the GASB issued Statement No. 98 – *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

**Los Cerritos Wetlands Authority**  
**Notes to the Basic Financial Statements, continued**  
**For the Fiscal Year Ended September 30, 2021**

**(9) Commitments and Contingencies**

***Grant Awards***

Grant funds received by the Authority are subject to audit by the grantor agencies. Such an audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the Authority believes that such disallowances, if any, would not be significant.

***Litigation***

In the ordinary course of operations, the Authority is subject to claims and litigation from outside parties. After consultation with legal counsel, the Authority believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

**(10) Subsequent Events**

Events occurring after September 30, 2021, have been evaluated for possible adjustment to the financial statements or disclosure as of August 11, 2022, which is the date the financial statements were available to be issued.

**< Page Intentionally Left Blank >**



## **Required Supplementary Information**



**Los Cerritos Wetlands Authority**  
**Budgetary Comparison Schedule – General Fund**  
**For the Fiscal Year Ended September 30, 2021**

	<b>Adopted Original Budget</b>	<b>Board Approved Changes</b>	<b>Revised Budget</b>	<b>Actual Budgetary Basis</b>	<b>Variance Positive (Negative)</b>
<b>Expenditures/Expenses:</b>					
Authority operations:					
Services and supplies	\$ 177,472	22,800	200,272	98,934	101,338
Capital outlay	304,207	(22,800)	281,407	315,658	(34,251)
<b>Total expenditures/expenses</b>	<b>481,679</b>	<b>-</b>	<b>481,679</b>	<b>414,592</b>	<b>67,087</b>
<b>Program revenues:</b>					
Contributions – operating	50,000	-	50,000	49,500	(500)
Capital grant – state and county	262,689	17,161	279,850	382,702	102,852
Capital grant – private agency	25,520	(10,360)	15,160	68,981	53,821
Land transfer agreement reimbursements	65,000	(6,562)	58,438	23,874	(34,564)
<b>Total program revenues</b>	<b>403,209</b>	<b>239</b>	<b>403,448</b>	<b>525,057</b>	<b>156,173</b>
<b>General revenues:</b>					
Rental income	73,470	(239)	73,231	63,720	(9,511)
Interest earnings	-	-	-	19	19
Miscellaneous income	5,000	-	5,000	7,100	2,100
<b>Total general revenues</b>	<b>78,470</b>	<b>(239)</b>	<b>78,231</b>	<b>70,839</b>	<b>(7,392)</b>
<b>Total revenues</b>	<b>481,679</b>	<b>-</b>	<b>481,679</b>	<b>595,896</b>	<b>148,781</b>
<b>Excess(deficiency) of revenues over(under) expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181,304</b>	<b>81,694</b>
<b>Fund balance – beginning of year</b>	<b>152,499</b>		<b>152,499</b>	<b>152,499</b>	
<b>Fund balance – end of year</b>	<b>\$ 152,499</b>		<b>152,499</b>	<b>333,803</b>	

## Notes to Required Supplementary Information

### (1) Budgets and Budgetary Data

The Authority follows specific instructions in establishing the budgetary data reflected in the financial statements. Each year the Authority's Executive Officer prepares and submits an operating and capital budget to the Board of Directors no later than September. The basis used to prepare the budget does not differ substantially in form from the modified accrual basis of accounting. The adopted budget becomes operative on October 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

**< Page Intentionally Left Blank >**

# **Report on Internal Controls and Compliance**





**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

Governing Board  
Los Cerritos Wetlands Authority  
Long Beach, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Los Cerritos Wetlands Authority (Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprises the Authority's basic financial statements, and have issued our report thereon dated August 11, 2022.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*, continued**

**Authority's Responses to Findings**

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. The Authority's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Fedak & Brown LLP*

**Fedak & Brown LLP**  
Cypress, California  
August 11, 2022



Exhibit A  
**Los Cerritos Wetlands Authority**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2021**

Item 8: FY 2021 Audit

<b><u>Finding Number</u></b>	<b><u>Finding and Recommendation</u></b>
<b><i>Material Weakness</i></b>	
<b>2021-001</b>	<b><u>Grants Receivable</u></b>
<b>Criteria</b>	The Authority follows the modified accrual basis of accounting set by the Government Accounting Standards Board. Under this basis of accounting, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that, revenues subject to accrual are recognized when due.
<b>Condition</b>	During our audit, we noted grant revenues were not properly recorded under the modified accrual basis of accounting in grants receivable as of September 30, 2021.
<b>Cause</b>	The Authority's financial reports may not accurately reflect all activity.
<b>Effect</b>	During fiscal year 2021, the Authority's revenue was understated.
<b>Recommendation</b>	Grant receivable be recorded appropriately at fiscal year-end on the modified accrual basis of accounting; whereby, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period.
<b>View of Responsible Officials</b>	The Authority and City management agree with the audit finding. The Authority and City's management are aware of the identified issue and are currently in the process of taking the proper corrective action to recognize grants receivable based on the modified accrual basis of accounting.
<b><i>Material Weakness</i></b>	
<b>2021-002</b>	<b><u>Communication between Authority and City</u></b>
<b>Criteria</b>	Based on the nature and complexity of the Authority's operations. It is imperative that the Authority and City communicate in a frequent and comprehensive manner in order to properly maintain the books and records in relation to the Authority's grant award activity.
<b>Condition</b>	During our audit, we noted the communication and timely coordination are lacking between Authority and City personnel.
<b>Cause</b>	The City is lacking a complete and comprehensive understanding related to the Authority's grant award activity and year-end cut-off. .
<b>Effect</b>	During fiscal year 2021, the Authority's books and records were materially misstated prior to the start of the annual audit.
<b>Recommendation</b>	The Authority and the City develop policies and procedures that enable Authority and City staff to communicate, coordinate procedures, and obtain an understanding of the Authority's grant awards to properly account for grant award activity.
<b>View of Responsible Officials</b>	The Authority and City management agree with the audit finding. The Authority and City's management are aware of the identified issue and are currently in the process of taking the proper corrective action.

**Los Cerritos Wetlands Authority**

**Management Report**

**September 30, 2021**



**Fedak & Brown LLP**  
Certified Public Accountants

**Los Cerritos Wetlands Authority****Management Report****Table of Contents**

<u>Item</u>	<u>Page No.</u>
General Introduction	1-2
Summary of Current Year Comments and Recommendations	2
Summary of Prior Year Comments and Recommendations	2-3
<b>Appendix:</b>	
Audit/Finance Committee Letter	1-3
Schedule of Adjusting Journal Entries	4



Exhibit B  
**Fedak & Brown LLP**  
Certified Public Accountants

Item 8: FY 2021 Audit

Cypress Office:  
6081 Orange Avenue  
Cypress, California 90630  
(657) 214-2307  
FAX (714) 527-9154

Riverside Office:  
1945 Chicago Avenue, Suite C-1  
Riverside, California 92507  
(951) 783-9149

**CONFIDENTIAL**

Board of Directors  
Los Cerritos Wetlands Authority  
Long Beach, California

**Dear Members of the Board:**

In planning and performing our audit of the financial statements of Los Cerritos Wetlands Authority (Authority) as of and for the year ended September 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited period described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness. Given these limitations during our audit we did not identify any deficiencies in internal control to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the following deficiencies in internal control to be material weaknesses.

***Grants Receivable***

We noted that grant income earned in fiscal year 2021 but not received until after fiscal year-end was not properly recorded in grants receivable as of September 30, 2021. As a result, the financial reports may not accurately reflect all activity.

We recommend grant receivable be recorded appropriately at fiscal year-end on the modified accrual basis of accounting; whereby, revenues are recognized in the accounting period in which they become measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that, revenues subject to accrual are recognized when due.

**Management's Response**

Authority and City management agree with the auditors' recommendation. The Authority and City's management are aware of the identified issue and are currently in the process of taking the proper corrective action to recognize grants receivable based on the modified accrual basis of accounting.

**Current Year Comments and Recommendations, continued*****Communication between Authority and City***

We noted that communication and timely coordination were insufficient between Authority personnel and the City accounting personnel; resulting in a deficiency of understanding related to the Authority's grant award activity and year-end cut-off. We consider this issue to be a material weakness within the Authority's control structure for transaction processing.

We recommend that the Authority and the City work together to develop policies and procedures that enable Authority and City staff to communicate, coordinate procedures, and obtain an understanding of the Authority's grant awards to properly account for grant award activity. This will require the Authority and City to dedicate staff time towards sharing support, reviewing, and cataloging grant agreements and amendments. We also recommend that the Authority and City personnel work together in preparing and maintaining a schedule of Grant Awards and Contracts to be reported and reviewed on a periodic and fiscal year-end basis by Authority and City management.

We believe the recommendation noted above will provide the City with a comprehensive and complete understanding of the Authority's grant activity necessary to meet proper reporting requirements.

**Management's Response**

The Authority and City agree with the auditors' recommendation. The Authority and City's management are aware of the identified issue and are currently in the process of taking the proper corrective action.

***Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the Authority are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

**Management's Response**

Authority and City management have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of September 30, 2021.

**Status of Comments and Recommendations Made in the Previous Year*****Disclosure of Audit Adjustments and Reclassifications***

As your external auditor, we assume that the books and records of the Authority are properly adjusted before the audit begins. In many cases, however, audit adjustments and reclassifications are made in the normal course of the audit process to present the Authority's financial statements in conformity with accounting principles generally accepted in the United States of America or for comparison purposes with the prior year. For the Board of Directors to gain a full and complete understanding and appreciation of the scope and extent of the audit process we have presented these audit adjustments and reclassifications as an attachment to this letter. There can be very reasonable explanations for situations of having numerous adjustments as well as having no adjustments at all. However, the issue is simply disclosure of the adjustments and reclassifications that were made and to provide the Board of Directors with a better understanding of the scope of the audit.

Los Cerritos Wetlands Authority

Page 3

**Status of Comments and Recommendations Made in the Previous Year, continued****Management's Response**

Authority and City management have reviewed and approved all of the audit adjustment and reclassification entries provided by the auditor and have entered those entries into the Authority's accounting system to close-out the Authority's year-end trial balance as of September 30, 2020.

\* \* \* \* \*

This communication is intended solely for the information and use of management and the Board of Directors of the Authority. Though restricted in use, letters issued in connection with an audit of a governmental unit may be a matter of public record.

We appreciate the courtesy and cooperation extended to us during our examination. We would be pleased to discuss the contents of this letter with you at your convenience. Please do not hesitate to contact us.

A handwritten signature in dark ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.**Fedak & Brown LLP**

Cypress, California

August 11, 2022

**APPENDIX**

**Los Cerritos Wetlands Authority**

**Audit/Finance Committee Letter**

**September 30, 2021**

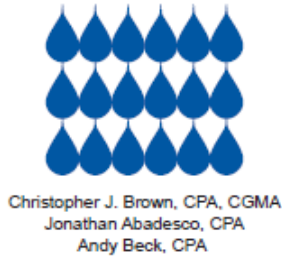


Exhibit B  
**Fedak & Brown LLP**  
Certified Public Accountants

Item 8: FY 2021 Audit

Cypress Office:  
6081 Orange Avenue  
Cypress, California 90630  
(657) 214-2307  
FAX (714) 527-9154

Riverside Office:  
1945 Chicago Avenue, Suite C-1  
Riverside, California 92507  
(951) 783-9149

Board of Directors  
Los Cerritos Wetlands Authority  
Long Beach, California

We have audited the financial statements of the business-type activities of the Los Cerritos Wetlands Authority (Authority) for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

**Management's Judgments, Accounting Estimates and Financial Disclosures**

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

Management's estimate of the fair value of cash and cash equivalents is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of cash and cash equivalents in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements is:

The disclosure of fair value of cash and cash equivalents in Note 2 to the basic financial statements represents amounts susceptible to market fluctuations.

The disclosures in the basic financial statements are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

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



**Corrected and Uncorrected Misstatements**

Generally Accepted Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, except those that are considered trivial, and communicate them to the appropriate level of management.

Management has corrected all such misstatements, which include a material misstatement detected due to our audit procedures as referenced per adjusting journal entry number 1 and 3 (accruals of grant receivable totaling \$86,384).

**Disagreements with Management**

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

**Management Representations**

We have requested certain representations from management that are included in the Management Representational Letter to the Auditor dated August 11, 2022.

**Management Consultations with Other Independent Accountants**

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

**Other Audit Findings or Issues**

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

**Other Matters**

We applied certain limited procedures to the Budgetary Comparison Schedule – General Fund and the Management Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restrictions on Use**

This information is intended solely for the information and use of the Board of Directors and management of the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

Los Cerritos Wetlands Authority

Page 3

**Conclusion**

We appreciate the cooperation extended us by Hannah Gardener, Performance Audit Manager, Michael Carrigg, Senior Accountant, Jennifer Mota, Accounting Technician at the City of Long Beach and Salian Garcia, Staff Services Manager at the Los Cerritos Wetlands Authority, in the performance of our audit testwork.

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Authority.

A handwritten signature in dark ink that reads "Fedak & Brown LLP". The signature is written in a cursive, slightly slanted style.

**Fedak & Brown LLP**

Cypress, California

August 11, 2022

**Los Cerritos Wetlands Authority**  
**Schedule of Adjusting Journal Entries**  
**September 30, 2021**

Account	Description	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>			
AJE - To accrue amounts from February 2, 2022 bank deposit which relate to September 30, 2021. See Search for Unrecorded Revenue 4200.03			
127	Grants Receivable	\$ 24,734.42	
127	Grants Receivable	13,886.25	
401	Grant income - State/County		24,734.42
403	Grant Income - Private Assoc/Agency		13,886.25
<b>Total</b>		<b>38,620.67</b>	<b>38,620.67</b>
<b>Adjusting Journal Entries JE # 2</b>			
RJE - To reclassify recurring amounts which are not miscellaneous revenue at September 30, 2021.			
453	Miscellaneous Income	5,713.90	
453	Miscellaneous Income	5,079.95	
453	Miscellaneous Income	13,370.79	
453	Miscellaneous Income	13,080.00	
403	Grant Income - Private Assoc/Agency		13,370.79
404	Land Transfer Agreement Reimbursement		5,713.90
404	Land Transfer Agreement Reimbursement		5,079.95
404	Land Transfer Agreement Reimbursement		13,080.00
<b>Total</b>		<b>37,244.64</b>	<b>37,244.64</b>
<b>Adjusting Journal Entries JE # 3</b>			
AJE - To accrue a grant reimbursement invoice from Los Angeles County for Measure A Trails Improvement Project (Zedler Marsh) for November 2020 to June 2021.			
127	Grants Receivable	47,763.20	
401	Grant income - State/County		47,763.20
<b>Total</b>		<b>47,763.20</b>	<b>47,763.20</b>
<b>Adjusting Journal Entries JE # 4</b>			
AJE - To accrue LCWA Invoice #2 for OCCF Southern Los Cerritos Wetlands Restoration Planning Project at September 30, 2021.			
125	Accounts Receivable - Current	6,317.50	
403	Grant Income - Private Assoc/Agency		6,317.50
<b>Total</b>		<b>6,317.50</b>	<b>6,317.50</b>
<b>Total Adjusting Journal Entries</b>		<b>129,946.01</b>	<b>129,946.01</b>
<b>Total All Journal Entries</b>		<b>\$ 129,946.01</b>	<b>129,946.01</b>

**Legend:**

AJE	Audit Adjusting Journal Entry
RJE	Audit Reclassifying Journal Entry