

COACHELLA VALLEY DESERT AND MOUNTAINS RECREATION AND CONSERVATION AUTHORITY

Friday, April 17, 2026, 9:00 am

AGENDA

ACTION MAY RESULT ONLY ON ITEMS ON THIS AGENDA.
THIS MEETING IS ACCESSIBLE AND OPEN TO THE PUBLIC.

NOTE: THE MEETING WILL BEGIN AT
51500 HIGHWAY 74

PALM DESERT, CA 92260 AT 9A.M.

FOLLOWING ITEM 5, THE BODY WILL RECESS AND RECONVENE AT
SHUMWAY RANCH, 7000 CARRIZO RD. MOUNTAIN CENTER, CA 92561
FOR AN INFORMATIONAL SITE VISIT.

MEMBERS OF THE PUBLIC MAY ATTEND AT BOTH LOCATIONS.

For Questions Contact:

Abriana Elms at aelms@cvmc.ca.gov or (760) 776-5026.

1. Call to Order – The Chair will determine if there is a quorum. If a quorum is met, the meeting will be called to order.
2. Public Comments on Non-Agenda Items – The public may comment on items not on the agenda.
3. Discussion/Action Items – The items below will be open for discussion and possible action will be taken.
 - A. Approval of March 6, 2026, Meeting Minutes (See Attachment 1) – Previous meeting minutes will be reviewed and voted on by the Conservation Authority.
 - B. Audited Financial Statements for the Year Ended on June 30, 2025 (See Attachment 2) – C.J. Brown & Company, CPAs will share detailed audit results. The Board will vote regarding acceptance of the audited financials. If approved, the auditors will file the report with the California State Controller’s office.
4. Board Member Comments or Announcements – Board Members will provide any additional updates. This is an informational item.
5. Propose next meeting date – Board Members will discuss next meeting date.
6. Recess – The Chair will recess/adjourn the meeting to Shumway Ranch for an informational site visit to begin at approximately 11 a.m.

7. Informational Site Visit to Shumway Ranch, 7000 Carrizo Rd. Mountain Center, CA 92561. The Board will take an information tour of Shumway Ranch. No Board action will be taken.
8. Adjournment: The Chair will adjourn the meeting/site visit.

Contact:

This meeting notice and agenda, and any available meeting materials, will be posted on the Coachella Valley Mountains Conservancy webpage. These records are also available for public inspection upon request. If you need further information prior to the meeting, please contact the Conservancy by phone at (760) 776-5026 or by visiting our office located at 42-600 Cook Street, Ste 219, Palm Desert, CA 92211.

Public Participation:

In accordance with the Brown Act, all meetings of the Conservation Authority are open to the public. Discussion and action may be taken on any item on the Conservation Authority's meeting agenda. The time and order of agenda items are approximate and subject to change at the discretion of the Chair or their designee to facilitate the effective transaction of business.

The public will be provided the opportunity to address each agenda item during discussion or consideration by the Conservation Authority or prior to the Conservation Authority taking any action on said item. The Conservation Authority will provide members of the public with an opportunity to make public comments during the meeting on any issues before the Conservation Authority, but the Chair or their designee, at their discretion, may apportion available time among those who wish to make public comment during the meeting. Individuals may also make public comment to the Conservation Authority regarding items not on the agenda; however, the Conservation Authority cannot discuss or take official action on these items during the same meeting.

Members of the public may but are not obligated to provide their names or personal information as a condition of observing or participating in the meeting.

Accessibility:

Meetings of the Conservation Authority are open to the public. Public meetings are held in barrier free facilities that are accessible to those with physical disabilities in accordance with the Americans with Disabilities Act (ADA). If you are a person with a disability requiring disability-related modifications or accommodations to participate in the meeting, including auxiliary aids or services, or if you require documents be made available in an alternate format or another language or require an interpreter at the meeting, please contact the Conservancy by phone at (760) 776-5026 or by visiting our office located at 42-600 Cook Street, Ste. 219, Palm Desert, CA 92211. Requests should be made as soon as possible, but at least 24 hours prior to the scheduled meeting. You may also dial a voice TTY/TDD/Speech-to-Speech Communications Assistant at 7-1-1.

ATTACHMENT 1 –April 17, 2026

Agenda Item 3A

Approval of March 6, 2026, Meeting Minutes

**COACHELLA VALLEY DESERT AND MOUNTAINS RECREATION AND
CONSERVATION AUTHORITY**

Friday, March 6, 2026, 9:00 am

Desert Recreation District
45-871 Clinton Street
Indio, CA 92201

DRAFT MINUTES

MEMBERS PRESENT: Luis Espinoza, Desert Recreation District (DRD) Board
Elizabeth King, Coachella Valley Mountains Conservancy
(CVMC)
Gabriel Martin, Desert Recreation District (DRD)
Deborah McGarrey, Coachella Valley Mountains
Conservancy (CVMC) Board

MEMBERS ABSENT: Kathleen Brundige, Coachella Valley Conservation
Commission (CVCC)

STAFF PRESENT: Elizabeth King, CVDMRCA Executive Officer
Diana Rosas, CVMC Associate Director
Maximiliano Ochoa, CVMC Project Coordinator
Abriana Elms, CVMC Administrative Coordinator

OTHERS PRESENT: Sonya Galvez, Account Manager, Desert Recreation District

a. Call to Order

A quorum was established with three voting members present. The meeting was called to order at 9:07 am. Subsequently, one additional Board Member (McGarrey) arrived after the roll call bringing the attendance to 4 voting members.

(Kathleen Brundige was absent.)

2.0 Public Comments on Non-Agenda Items

There were no comments or questions.

3.0 Discussion/Action

A. Approval of April 15, 2025, Meeting Minutes:

Vote: A motion was made and a second (Martin/Espinoza) to approve the April 15, 2025, minutes. The motion passed with one abstention (Deborah McGarrey).

B. Election of Officers

The current officers were shared: Kathleen Brundige with the Coachella Valley Conservation Commission (CVCC), Elizabeth King, Coachella Valley Mountains Conservancy (CVMC), Deborah McGarrey, CVMC, Gabriel Martin, Desert Recreation District (DRD) and Luis Espinoza, DRD. Per the by-laws DRD's General Manager acts as the Treasurer. A motion was made and seconded (King/Martin) to nominate Deborah McGarrey as Chair, Luis Espinoza as Vice Chair and Gabriel Martin as Treasurer. The motion passed unanimously.

C. Review of the Audited Financial Statements for the year ended on June 30, 2025.

Jonathan Abadesco, C.J. Brown & Company, CPA presented the Audited Financial Statements as presented in the staff report.

There was Board discussion regarding the item. Board Member McGarrey suggested that this matter be continued to the next meeting agenda, with a detailed financial breakdown to be provided prior to consideration of approval.

Vote: A motion was made and seconded to table the item for the next meeting. (Espinoza/Martin) The motion passed unanimously.

There were no further comments or questions from the Board.

D. Updates on West Deception Trail, Four New Trails Projects and Shumway Ranch.

DRD staff provided a brief update on the West Deception Trail, the Four New Trails Project, and Shumway Ranch. Board Member McGarrey suggested the next CVDMRCA be a brief in person meeting and then a site visit to Shumway.

There were no further comments or questions from the Board.

5.0 Director Comments or Announcements

There were no additional director comments or announcements.

6.0 Meeting was adjourned at 10:13 A.M. The next meeting was scheduled for April 17, 2026, at 9:00 am.

ATTACHMENT 2 –March 6, 2026

Agenda Item 3B Audited Financial Statements for the Year Ended on June 30, 2025. -C.J. Brown & Company, CPAs will share audit results. The Board will vote regarding acceptance of the audited financials. If approved, the auditors will file the report with the California State Controller's office.



**Coachella Valley Desert and Mountains Recreation and
Conservation Authority**

Annual Financial Report

For the Fiscal Years Ended June 30, 2025 and 2024

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Coachella Valley Desert and Mountains Recreation and Conservation Authority
Annual Financial Report
For the Fiscal Years Ended June 30, 2025 and 2024

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Financial Section

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Independent Auditor's Report

Board of Directors
Coachella Valley Desert and Mountains Recreation and Conservation Authority
Indio, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority), which comprises the statements of net position as of June 30, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position for the fiscal years then ended, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Coachella Valley Desert and Mountains Recreation and Conservation Authority as of June 30, 2025 and 2024, and the respective changes in net position and, where applicable, cash flows thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements, continued

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedules of operating expenses on page 16, are presented for purposes of additional analysis and are not a required part of the financial statements.

Independent Auditor's Report, continued

Supplemental Information, continued

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated , 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 17 and 18.

C.J. Brown & Company, CPAs
Cypress, California

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Coachella Valley Desert and Mountains Recreation and Conservation Authority
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025 and 2024

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of the Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority) provides an introduction to the financial statements of the Authority for the fiscal years ended June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The Authority's net position decreased by \$2,156. In fiscal year 2024, the Authority's net position decreased by \$92,662.
- The Authority's operating revenues increased by \$74,753. In fiscal year 2024, the Authority's operating revenues increased by \$11,089.
- The Authority's operating expenses decreased by \$15,753. In fiscal year 2024, the Authority's operating expenses decreased by \$113,841.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows provide information about the activities and performance of the Authority using accounting methods similar to those used by private sector companies.

The Statements of Net Position include all of the Authority's investments in resources (assets), and the obligations to creditors (liabilities). They also provide 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 year's revenues and expenses are accounted for in the Statements of Revenues, Expenses, and Changes in Net Position. These statements measure the success of the Authority's operations over the past year and can be used to determine if the Authority has successfully recovered all of its costs through its rates and other charges. These statements can also be used to evaluate profitability and credit worthiness. The final required financial statements are the Statements of Cash Flows, which provide information about the Authority's cash receipts and cash payments during the reporting period. The Statements of Cash Flows report cash receipts, cash payments, and net change in cash resulting from operations, investing, non-capital financing, and capital and related financing activities, as well as providing answers to questions such as: where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Financial Analysis of the Authority

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 Statements of Net Position and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority in a way that helps answer this question. These statements include all assets, and liabilities 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 statements report the Authority's *net position* and changes in it. One can think of the Authority's net position (the difference between assets and deferred outflows, and liabilities and deferred inflows), as one way to measure the Authority's financial health, or *financial position*. Over time, *increases or decreases* in the Authority's net position is 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 economic conditions, population growth, zoning, and new or changed government legislation, such as changes in Federal and State water quality standards.

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025 and 2024

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes to the basic financial statements can be found on pages 10 through 15.

Statement of Net Position

A summary of the statements of net position is as follows:

Condensed Statements of Net Position					
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Assets:					
Current assets	\$ 9,638	10,344	(706)	115,446	(105,102)
Total assets	<u>9,638</u>	<u>10,344</u>	<u>(706)</u>	<u>115,446</u>	<u>(105,102)</u>
Liabilities:					
Current liabilities	1,450	-	(1,450)	12,440	12,440
Total liabilities	<u>1,450</u>	<u>-</u>	<u>(1,450)</u>	<u>12,440</u>	<u>12,440</u>
Net position:					
Unrestricted	8,188	10,344	(2,156)	103,006	(92,662)
Total net position	<u>\$ 8,188</u>	<u>10,344</u>	<u>(2,156)</u>	<u>103,006</u>	<u>(92,662)</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 exceeded liabilities by \$8,188 and \$10,344 as of June 30, 2025 and 2024, respectively.

Statement of Revenues, Expenses, and Changes in Net Position

A summary of the statements of revenues, expenses, and changes in net position is as follows:

Condensed Statements of Revenues, Expenses, and Changes in Net Position					
	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>2023</u>	<u>Change</u>
Revenue:					
Operating revenue	\$ 100,236	25,483	74,753	14,394	11,089
Total revenue	<u>100,236</u>	<u>25,483</u>	<u>74,753</u>	<u>14,394</u>	<u>11,089</u>
Expense:					
Operating expense	102,392	118,145	(15,753)	231,986	(113,841)
Total expense	<u>102,392</u>	<u>118,145</u>	<u>(15,753)</u>	<u>231,986</u>	<u>(113,841)</u>
Change in net position	<u>(2,156)</u>	<u>(92,662)</u>	<u>90,506</u>	<u>(217,592)</u>	<u>308,098</u>
Net position, beginning of year	<u>10,344</u>	<u>103,006</u>	<u>(92,662)</u>	<u>320,598</u>	<u>(217,592)</u>
Net position, end of year	<u>\$ 8,188</u>	<u>10,344</u>	<u>(2,156)</u>	<u>103,006</u>	<u>90,506</u>

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Management's Discussion and Analysis, continued
For the Fiscal Year Ended June 30, 2025 and 2024

Statements of Revenues, Expenses, and Changes in Net Position, continued

The statements of revenues, expenses, and changes in net position show how the Authority's net position changed during the fiscal years. In the case of the Authority, net position decreased by \$2,156, as a result of ongoing operations for the year ended June 30, 2025. In June 30, 2024, decreased by \$92,662, as a result of ongoing operations

A closer examination of the sources of changes in net position reveals that:

In fiscal year 2025, the Authority's operating revenues increased by \$74,753, due primarily to an increase of \$78,808 in grant revenue, which was offset by a decrease of \$5,055 in reimbursement revenues. In fiscal year 2024, the Authority's operating revenues operating revenues increased by \$11,089, due primarily to increases of \$11,168 in reimbursement revenues.

In fiscal year 2025, the Authority's operating expenses decreased by \$15,753, due primarily to a decrease of \$113,502 in program expenses. In fiscal year 2024, the Authority's operating expenses decreased by \$113,841, due primarily to a decrease of \$18,745 in program expenses, which was offset by an increase of \$2,992 in general and administrative expenses.

Conditions Affecting Current Financial Position

Management does not foresee any conditions which could have a significant impact on the Authority's current financial position, net position, or operating results in terms of past, present, and future.

Requests for Information

This financial report is designed to provide the Authority's funding sources, customers, stakeholders, and other interested parties with an overview of the Authority's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Authority's Treasurer at 45-305 Oasis Street, Indio, California 92201.

Basic Financial Statements

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Coachella Valley Desert and Mountains Recreation and Conservation Authority
Statements of Net Position
June 30, 2025 and 2024

	2025	2024
Current assets:		
Cash and cash equivalents (note 2)	\$ 6,085	8,104
Accounts receivable	1,313	-
Prepaid expenses	2,240	2,240
Total current assets	9,638	10,344
Liabilities:		
Accounts payable	1,450	-
Total liabilities	1,450	-
Net position:		
Unrestricted	8,188	10,344
Total net position	\$ 8,188	10,344

See accompanying notes to the basic financial statements

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Coachella Valley Desert and Mountains Recreation and Conservation Authority
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Operating revenues:		
Member contributions	\$ 8,000	7,000
Grant revenue	86,024	7,216
Reimbursement revenues	6,212	11,267
Total operating revenues	100,236	25,483
Expenses:		
Program expenses	93,527	112,272
General and administrative expenses	8,865	5,873
Total operating expenses	102,392	118,145
Change in net position	(2,156)	(92,662)
Net position, beginning of year	10,344	103,006
Net position, end of year	\$ 8,188	10,344

See accompanying notes to the basic financial statements

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Cash receipts from member agencies and grants	\$ 98,923	32,877
Cash paid for programs, vendors and suppliers	<u>(100,942)</u>	<u>(130,806)</u>
Net cash used in operating activities	<u>(2,019)</u>	<u>(97,929)</u>
Cash and cash equivalents, beginning of year	<u>8,104</u>	<u>106,033</u>
Cash and cash equivalents, end of year	<u>\$ 6,085</u>	<u>8,104</u>
 Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ (2,156)	(92,662)
Change in assets and liabilities:		
Increase in assets:		
Accounts receivable	(1,313)	7,394
Prepaid expenses	-	(221)
Increase in liabilities:		
Accounts payable	<u>1,450</u>	<u>(12,440)</u>
Total adjustments	<u>137</u>	<u>(5,267)</u>
Net cash used in operating activities	<u>\$ (2,019)</u>	<u>(97,929)</u>

See accompanying notes to the basic financial statements

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2025 and 2024

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Foundation and Operations of the Reporting Entity

On October 15, 2019, the Desert Recreation District (District) entered into a Joint Exercise of Powers Act agreement with The Coachella Valley Mountains Conservancy (Conservancy) and created The Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority).

The Authority seeks to enrich the quality of life for Coachella Valley residents and visitors by acquiring, operating, and maintaining a community-focused parks and recreation system and preserving it for present and future generations while also preserving in trust for the enjoyment or appreciation of the land within Coachella Valley and its surrounding mountains which contains unique and important open space, wildlife, scenic, environmental, anthropological, cultural, scientific, education, and recreational resources.

B. Jointly Governed Authority

The Authority is governed by a five-member board of directors. One member serves on the District's board and one member serves on the Conservancy's board. Management and operations of the Authority is carried out by management and staff of the Authority.

C. Basis of Accounting

The Authority reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the Authority is that the costs of its activities on a continuing basis be financed or recovered primarily through charges, grants, and similar funding. Revenues and expenses are recognized on the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of when the related cash flows take place.

Operating revenues and expenses, result from exchange transactions associated with the principal activity of the Authority. Exchange transactions are those in which each party receives and gives up essentially equal values. Management, administration, and depreciation expenses are also considered operating expenses. Other revenues and expenses not included in the above categories are reported as non-operating revenues and expenses.

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under the accrual basis of accounting, revenue is recognized when earned and expenses are recorded as the liability is incurred.

D. 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 enterprise funds. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority solely operates as a special-purpose government which means it is only engaged in business-type activities; accordingly, activities are reported in the Authority's proprietary fund.

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

In June 2022, the GASB issued Statement No. 101 – *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

D. Financial Reporting, continued

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

In December 2023, the GASB issued Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

E. Assets, Liabilities, and Net Assets

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 and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported change in the Authority's net assets during the reporting period. Actual results could differ from those estimates.

2. Cash and Cash Equivalents

For the purpose of reporting cash flows, the Authority considers all highly liquid debt instruments, including money market funds, purchased with original maturities of three months or less to be cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short-term nature of these financial instruments.

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

E. Assets, Liabilities, and Net Assets, continued

3. Property and Equipment

Property and equipment are recorded at cost if purchased or at fair market value at the date of donation. Depreciation is provided using the straight-line method of depreciation over the estimated useful lives of the assets, ranging from three to ten years. Property and equipment is capitalized if the cost or donated fair market value of an asset is greater than or equal to \$500.

4. Revenue Recognition

Revenues from grants and fees for services are recognized in the period in which the related service occurs.

5. Net Position

The Authority follows the financial reporting requirements of the GASB and reports net position under the following classifications:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt, are included in this component of net position.
- *Restricted* – consists of assets that have restrictions placed upon their use by external constraints imposed either by creditors (debt covenants), grantors, contributors, or laws and regulations of other governments or constraints imposed by law through enabling legislation.
- *Unrestricted* – the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of *the net investment in capital assets* or *restricted* components of net position.

(2) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, are classified in the accompanying financial statements as follows:

	2025	2024
Cash and cash equivalents	\$ 6,085	8,104
Total	\$ 6,085	8,104

Cash and cash equivalents as of June 30, consist of the following:

	2025	2024
Deposits held with financial institutions	\$ 6,085	8,104
Total	\$ 6,085	8,104

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued

Investments Authorized by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized by the Authority in accordance with the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Authority's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury obligations	5 years	None	None
Federal agency and bank obligations	5 years	None	None
Certificates-of-deposit (negotiable or placed)	5 years	30%	10%
Commercial paper (prime)	270 days	10%	10%
Money market mutual funds	N/A	20%	None
State and local bonds, notes and warrants	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

Custodial Credit Risk

The custodial credit risk for *deposits* is the risk that, in the event of failure of a depository financial institution, a government entity 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 custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 public agencies.

As of June 30, 2025, \$250,000 of the Authority's bank balance is federally insured and the remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the Authority's name.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio matures or comes close to maturity evenly over time as necessary to provide for cash flow requirements and liquidity needed for operations.

As of June 30, 2025 and 2024, the Authority maintained no investments subject to market interest rate risk fluctuations.

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

(2) Cash and Cash Equivalents, continued

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Authority's investment in LAIF is not rated.

Concentration of Credit Risk

The Authority's investment policy contains no limitations on the amounts that can be invested in any one issuer as beyond that stipulated by the California Government Code. There were no investments in any one issuer (other than for U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total Authority investments as of June 30, 2025 and 2024.

(3) Related Party Transactions

The Authority provided grants to Desert Recreation District in the amounts of \$152,208, and \$596,089 for the fiscal year ended June 30, 2025 and 2024, respectively.

The Authority receives contributed management, administrative, and operational support from the Authority to administer its programs. No amounts have been reflected in the financial statements for the contributed services since no objective basis is available to measure the value of such services.

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

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

Governmental Accounting Standards Board Statement No. 103

In April 2024, the GASB issued Statement No. 103 – *Financial Reporting Model Improvements*. The primary objective of this Statement is to improve key components of the financial reporting model to enhance effectiveness in providing information that is essential for decision making and assessing a government's accountability. Also, this Statement: (1) continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI); (2) describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence; (3) requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses; (4) requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements; and (5) requires governments to present budgetary comparison information using a single method of communication—RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2025 and 2024

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

Governmental Accounting Standards Board Statement No. 104

In September 2024, the GASB issued Statement No. 104 – Disclosure of Certain Capital Assets. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No. 34, Basic Financial Statements and Management Discussion and Analysis for State and Local Governments. Also, this Statement establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this Statement apply to the financial statements of all state and local governments.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 105

In December 2025, the GASB issued Statement No. 105 – *Subsequent Events*. The primary objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement defines subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. This Statement clarifies the subsequent events that constitute recognized and nonrecognized events and establishes specific note disclosure requirements for nonrecognized events.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter. Earlier application is encouraged.

(5) Contingencies

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 matter, if any, will not materially affect its financial condition.

(6) Subsequent Events

Events occurring after June 30, 2025, have been evaluated for possible adjustment to the financial statement or disclosure as of , which is the date the financial statements were available to be issued.

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Supplementary Information

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Coachella Valley Desert and Mountains Recreation and Conservation Authority
Schedules of Operating Expenses
For the Fiscal Years Ended June 30, 2025 and 2024

	2025	2024
Expenses:		
Grant expense	\$ 93,527	112,272
Professional services	4,910	3,405
Insurance	2,688	2,467
Bank charges & fees	-	-
Office supplies & software	1,267	-
Total expenses	\$ 102,392	118,144

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Report on Internal Controls and Compliance

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**Independent Auditor’s Report on Internal Controls Over Financial Reporting
and on Compliance and Other Matters Based on the Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
The Coachella Valley Desert and Mountains Recreation and Conservation Authority
Indio, 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 Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and have issued our report thereon dated .

Internal Control Over Financial Reporting

In planning and performing our audits 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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits 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 Controls Over Financial Reporting
and on Compliance and Other Matters Based on the Audits of Financial Statements
Performed in Accordance with *Government Auditing Standards*, continued**

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.

C.J. Brown & Company, CPAs
Cypress, California

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**Coachella Valley Desert and Mountains Recreation
and Conservation Authority**

Management Report

June 30, 2025

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**Coachella Valley Desert and Mountains Recreation
and Conservation Authority**

Management Report

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CONFIDENTIAL

The Board of Directors
Coachella Valley Desert and Mountains Recreation
and Conservation Authority
Indio, California

Dear Members of the Board:

In planning and performing our audit of the financial statements of the Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority) as of and for the year ended June 30, 2025, 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, we considered the Authority's 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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 over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

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

Current Year Comment and Recommendation:

During the current year, there are no observations, comments, and recommendations noted throughout the engagement.

Current Year Comment and Recommendation, continued

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

The Authority has 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.

This communication is intended solely for the information and use of management, the Board of Directors, and others within 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.

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.

C.J. Brown & Company, CPAs
Cypress, California

APPENDIX

**Coachella Valley Desert and Mountains Recreation
and Conservation Authority
Audit/Finance Committee Letter**

June 30, 2025

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The Board of Directors
Coachella Valley Desert and Mountains Recreation
and Conservation Authority
Indio, California

We have audited the financial statements of the Coachella Valley Desert and Mountains Recreation and Conservation Authority (Authority) for the year ended June 30, 2025, and have issued our report thereon dated . Professional standards require that we advise you of the following matters relating to our audit

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated April 24, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

If any, we have provided our findings regarding significant control deficiencies over financial reporting and material noncompliance, and other matters noted during our audit in a separate letter to you dated .

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

An auditor that is not involved in the engagement performed an independent review of the financial statements that was prepared by us based on the information provided by management. This safeguard reduces the threat of self-review risk to an acceptable level.

Required Risk Assessment Procedures per Auditing Standards

As auditors of the Authority, we are required per AU-C Section 240, "Consideration of Fraud in a Financial Statement Audit", to "ordinarily" presume and consider the following risks in designing our audit procedures:

- Management override of controls
- Revenue recognition

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates affecting the financial statements are as follows:

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

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

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. No significant unusual transactions were identified as a result of our audit procedures that were brought to the attention of management:

Identified or Suspected Fraud

We have not identified or have not obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management.

Uncorrected and Corrected Misstatements, continued

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. All misstatements, including material misstatements (if any), that we identified as a result of our audit procedures are included on the Schedule of Adjusting and Reclassifying Journal Entries on pages 5 and 6. The journal entries were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. There were no circumstances that affect the form and content of the auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated .

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

The report 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.

Conclusion

We appreciate the cooperation extended us by Gabriel Martinez, General Manager, and Sonya Galvez, Finance Manager, 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.

C.J. Brown & Company CPAs
Cypress, California

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**Coachella Valley Desert and Mountains Recreation and Conservation Authority
Schedule of Audit Adjusting Journal Entries
June 30, 2025**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To adjust prepaid expense at year-end.			
13100	Prepaid Expenses	\$ 2,687.84	
13100	Prepaid Expenses	2,239.88	
80200-01	Insurance	447.97	
13100	Prepaid Expenses		447.97
80200-01	Insurance		2,687.84
80200-01	Insurance		2,239.88
Adjusting Journal Entries JE # 2			
To recognize grant revenue receivable as of June 30, 2024.			
40500-01	Grant Revenue	15,049.80	
30000	Net Assets		15,049.80
Adjusting Journal Entries JE # 3			
To recognize revenue as of June 30, 2024.			
40999-01	Uncategorized Income	193.15	
30000	Net Assets		193.15
Adjusting Journal Entries JE # 4			
To reclassify uncategorized revenue at year-end.			
40999-01	Uncategorized Income	497.42	
40999-01	Uncategorized Income	882.00	
40500-02	Billable Expense Income		497.42
40500-02	Billable Expense Income		882.00
Adjusting Journal Entries JE # 5			
To record expenses as of June 30, 2024.			
30000	Net Assets	15,049.80	
80100-03	General Services	\$	15,049.80

Coachella Valley Desert and Mountains Recreation and Conservation Authority
Schedule of Audit Adjusting Journal Entries, continued
June 30, 2025

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
To record expenses as of June 30, 2024.			
30000	Net Assets	\$ 193.15	
80999-01	Uncategorized Expense		193.15
Adjusting Journal Entries JE # 7			
To reclassify uncategorized expenses as of June 30, 2025.			
80100-03	General Services	497.42	
80300-01	Office Supplies & Software	882.00	
80999-01	Uncategorized Expense		497.42
80999-01	Uncategorized Expense	\$	882.00

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