

San Mateo Resource Conservation District

Service Plan for Proposed Change of Organization

May 25, 2021

Introduction

The Cortese – Knox – Hertzberg Local Government Reorganization Act (California Government Code (Section 56000, et seq.) encourages orderly growth and development “by the logical formation and modification of the boundaries of local agencies, with a preference granted to accommodating additional growth within, or through the expansion of, the boundaries of those local agencies which can best accommodate and provide necessary governmental services.” Section 56668 of the Act requires that boundaries should avoid dividing an existing identifiable community, commercial district, or any other area having social or economic homogeneity and that boundaries should reasonably include all territory which would reasonably benefit from agency services.

The current boundaries of the San Mateo Resource Conservation District (RCD) do not reasonably include all territory that benefits from and will benefit from agency services and exclude parts of some communities, e.g. Pacifica and Pescadero, while other parts are within district boundaries. The RCD intends to apply for a change of organization to redefine its boundaries consistent with its Sphere of Influence.

One purpose of a local agency formation commission (LAFCo) is “to shape the development of local agencies so as to advantageously provide for the present and future needs of [the] county and its communities” based on local circumstances and conditions (Section 56301). Whenever a local agency applies for a change of organization or reorganization, the local agency must submit a plan for providing services within the affected territory. The service plan must describe how the change will be implemented if approved and document the ability to provide service for areas proposed for annexation.

This service plan includes information required by Section 56653, including:

- a) Enumeration and description of the services to be extended to the affected territory;
- b) Level and range of those services;
- c) Indication of when services can feasibly be extended to the affected territory;
- d) Indication of any improvement of structures, roads, sewer or water facilities, or other conditions necessary to provide services the local agency would impose or require within the affected territory if the change of organization or reorganization is completed;
- e) Any conditions which would be imposed or required within the affected territory such as, but not limited to, improvement or upgrading of structures, roads, and sewer or water facilities; and
- f) Information with respect to how those services will be financed.

Proposed Change of Organization

The current boundaries of the San Mateo Resource Conservation District (RCD) are not contiguous and do not reflect the district’s current or anticipated services or current or anticipated community need for its services. The boundaries include 33,085 properties in western San Mateo County from the boundary

with San Francisco to the boundary with Santa Cruz County, generally from Skyline Boulevard to the Pacific Ocean, and exclude most developed residential areas.

In 1938, the State of California authorized the formation of soil conservation districts under Division 9 of the Public Resources Code. Farmers in San Mateo County formed the first such district in the state in 1939 encompassing agricultural lands in northern San Mateo County. Coastal areas were added southward in two subsequent annexations (1942 and 1946). In 1954 many subdivisions were excluded, as the focus of the district at that time was soil conservation on agricultural lands. Division 9 was amended in the early 1970s to expand the powers of the districts to address natural resources more broadly, including water conservation, water quality, wildlife habitat and more, and changing their names from “soil conservation districts” to “resource conservation districts.”

Since that time, San Mateo RCD’s programs and services have expanded significantly with direct services and benefits to areas that are not within district boundaries. Furthermore, in light of climate change and associated wildfires, flooding, drought, sea level rise, catastrophic erosion; a biodiversity crisis; chronic water quality impairments along the coast; and threats to local agricultural viability, the need for RCD services is expected to continue and increase.

In recognition of these facts, LAFCo unanimously adopted an updated Sphere of Influence for the RCD on January 20, 2021 that more accurately represents where the district provides services and where those benefits accrue. The new Sphere of Influence includes areas currently excluded from district boundaries- portions of the City of Pacifica, unincorporated Midcoast (including El Granada, Miramar, Montara, Moss Beach, and Princeton), portions of the City of Half Moon Bay, and portions of the unincorporated South Coast (including Dearborn Park, La Honda, Loma Mar, Pescadero, Pescadero Creek County Park, Portola Redwoods State Park, and South Skyline); and extends the district’s eastern boundary to Highway 280, including currently excluded portions of the towns of Woodside and Portola Valley.

This service plan is for a proposed boundary revision would include an additional approximately 50,000 acres within the district’s revised Sphere of Influence as indicated in *Appendix A: Current vs. Proposed Boundary*.

The proposed change to the district’s boundaries would more accurately represent what the district is, where it provides services, whom it benefits, and where benefits accrue. It would help the district prioritize and include the additional areas for services, funding, and other resources. It would better enable the district to address threats and provide services at an appropriate scale (e.g. climate change, wildfire, species extinction, flooding, water pollution). It would better enable the district to access additional funding sources to serve constituents and the lands in the areas proposed for inclusion and better enable the district to pursue an expanded stable funding base, reducing dependence on uncertain grants and increasing the financial security of the district to continue its services.

These areas were proposed because of their needs for district programs and services (e.g., risk of wildfire, risk of species extinction, risk of flooding, risk of chronic water quality impairment); high priority opportunities for resource protection (e.g., potential for fuel load reduction, high value habitat for endangered species, potential to reduce flooding, potential to reduce pollution); and/or because the areas benefit from district activities (as described in the Municipal Service Review of the RCD adopted by LAFCo in July 2020).

Description of Services

The RCD in San Mateo County is one of nearly 100 conservation districts in California, and about 3,000 across the United States. These districts serve as local hubs for conservation, connecting people with the technical, financial, and educational assistance they need to conserve and manage natural resources. RCDs work directly with landowners and other interests to ensure the resilience and health of water resources, soils, wildlife habitat, and beyond. Conservation districts coordinate assistance from all available sources—public and private, local, state, and federal—to develop locally-driven solutions to natural resource concerns.

In San Mateo County, the RCD is a boots-on-the-ground agency using very diverse tools. The district's work takes many forms, including:

- technical assistance from experts on staff, partners, or consultants as needed. Examples: hydrologists, engineers, biologists, foresters, soil scientists.
- project implementation on public and private lands. Examples: chipping and hauling services to help private landowners reduce risk of wildfire; modifying a County road to restore migration for endangered salmon; dredging a creek through State, County, and private properties to implement a wildlife-friendly flood control project; helping farmers upgrade water infrastructure to maximize conservation.
- a trusted broker coordinating conservation across jurisdictions and land ownerships, leveraging local, state, federal, and private funding. Example: securing State and federal grants to repair a failing access road on County Parks property, coordinating project design and permitting, managing construction contracts, and overseeing construction—all in partnership with Parks staff.
- outreach and education in various formats on a wide range of issues of concern to the community. Examples: on-farm tailgate workshops in Spanish for farmworkers about irrigation water conservation; workshops for equipment operators to learn best environmental practices when working in forests, including operators from County and State Parks as well as local private construction businesses; outreach to pet owners regarding water quality pollution from pet waste; workshops for equestrians about how to compost manure; and assisting the County with outreach regarding sea level rise.
- financial assistance via grants, cost-share programs, and other resources for RCD staff, partner organizations, landowners and land managers, and contractors to directly benefit the community.

The RCD plays a unique role in San Mateo County, within its current boundaries as well as the proposed areas for inclusion. The RCD is the only local entity, public or private, that exists for the purpose of helping people help the land. The RCD shares this mission with a federal agency- the USDA Natural Resources Conservation Service- which is hosted and leveraged by the RCD in San Mateo County. Division 9 of the California Public Resources Code established resource conservation districts to work as a neutral party with constituents on a voluntary basis aiming for win-win solutions—a key reason they are trusted resources in the communities they serve.

The RCD partners closely with other environmental agencies and organizations, while not duplicating any of their work. The district often serves as a liaison across environmental agencies and organizations that have a regulatory function, develop and implement policy, acquire and protect land as open space

preserves, do environmental advocacy, or were formed for a specific environmental interest. It is also able to integrate other community or landowner goals and values, such as agricultural production, public safety, economic security, business plans, equity and social justice, and more. Able to provide diverse services across jurisdictions and public and private lands, the RCD accomplishes on-the-ground environmental protection at landscape and regional scales.

RCDs were designed in the Public Resources Code to evolve with the changing and emergent needs of people and the environment to support thriving communities, landscapes, and economies. In recent years this has enabled San Mateo RCD to bring resources and solutions for flooding, drought, fire, and climate change. The RCD currently provides comprehensive, integrated services addressing community needs and priorities regarding wildlife, water, climate, agriculture, and wildfire.

- Wildlife: restoring ecosystems and habitat with a focus on species at risk of becoming extinct
- Water: improving water conservation, water resource management, and water quality to help ensure clean and reliable water for people, wildlife, and agriculture
- Climate: removing greenhouse gases from the atmosphere, reducing emissions, and building critically needed resilience to extreme weather conditions for wildlife and the community
- Agriculture: helping ensure viable local agriculture while also helping agriculture be environmentally beneficial
- Wildfire: reducing the risk of catastrophic fire, improving forest health, and healing the land after fire does occur

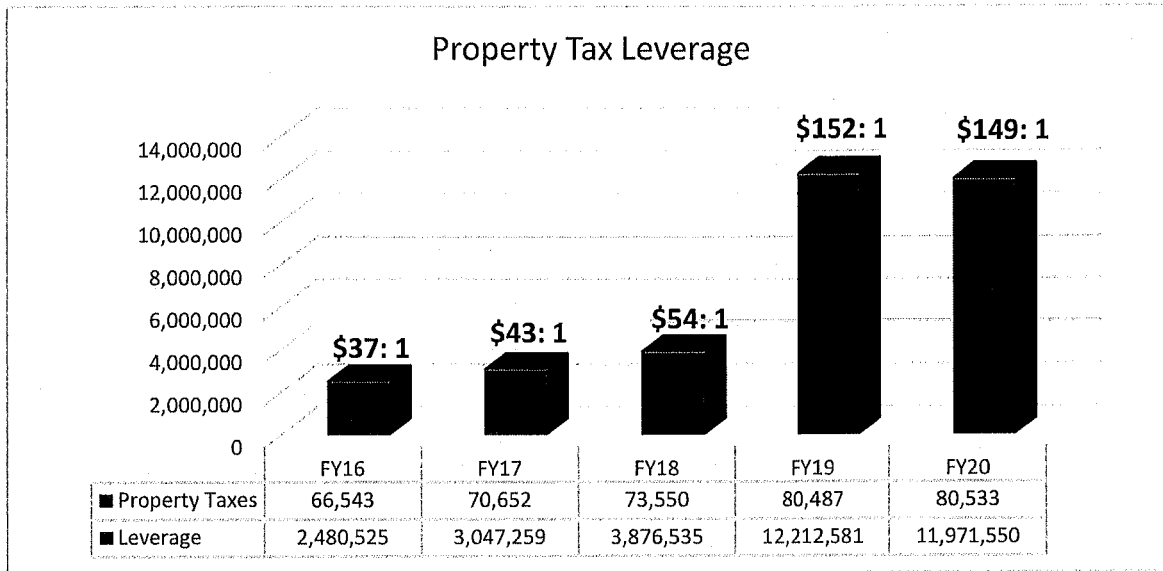
Conditions of Service

No improvement of structures, roads, sewer or water facilities, or other conditions are necessary to provide services. The district would not impose or require any improvements of conditions within the affected territory if the change of organization is completed. The district is non-regulatory and expansion would not result in any new restrictions, fees, or regulations on property owners.

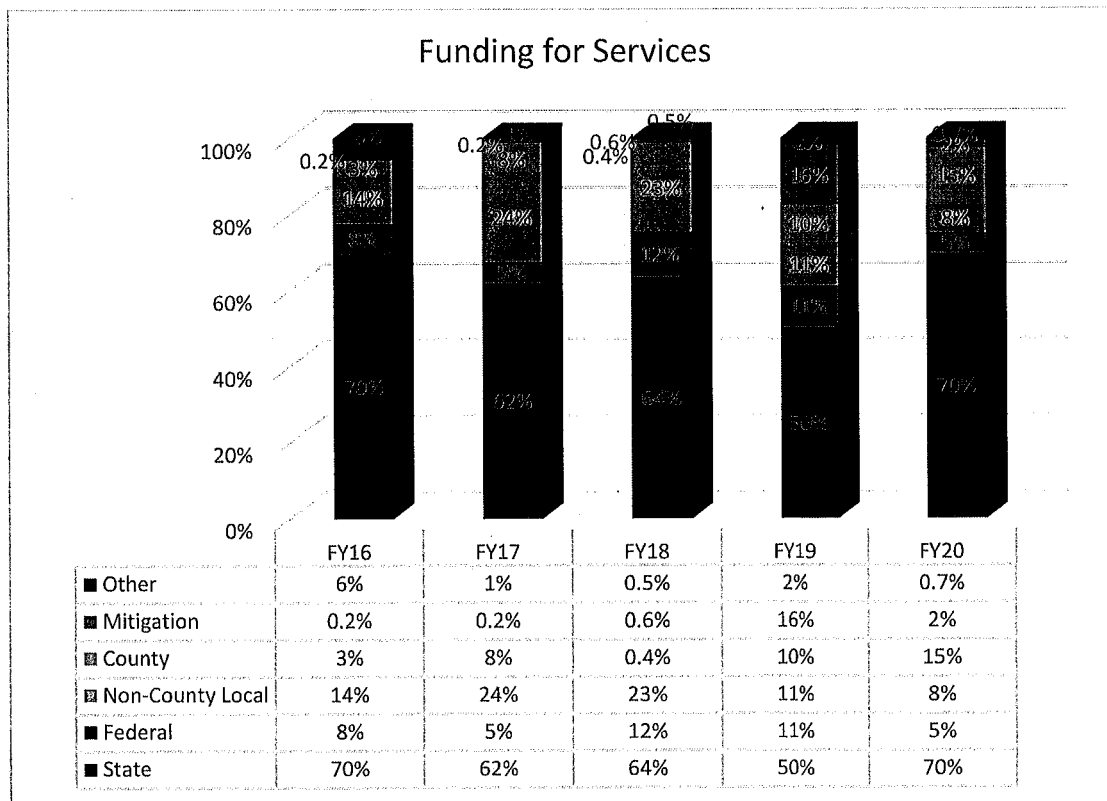
How Services Would Be Financed

The RCD leverages a small property tax base to bring diverse public and private funds via grants, interagency agreements, contracts for services, and private donations. The RCD already brings some of these leveraged funds to areas proposed for inclusion in its boundaries and including the proposed areas within the district would facilitate the ability to bring them more resources.

Per the table below, each dollar of property taxes paid by constituents over the last five fiscal years leveraged between \$37 and \$152. This amount does not include the extensive contributions of the USDA Natural Resources Conservation Service, which provides in-kind services and grant programs in the county at the RCD's invitation.



The following figure shows the sources of funding over the same time period. It highlights the substantial investments that the RCD brings into the county from outside sources, primarily state and federal.



Because the RCD's tax base and the allowable overhead is insufficient to meet its basic needs, the RCD has also depended in recent years on annual allocations of \$200,000 from San Mateo County for

operating support. It is a goal of the RCD to negotiate a transfer of property taxes from the County to support district services and administration that better align with the district's Sphere of Influence.

Attachments

Attachment 1: San Mateo Resource Conservation District Strategic Plan 2021-2024

Attachment 2: Fiscal Year 2021-2022 Annual Budget

Attachment 3: Audited Financial Statements for Fiscal Year Ending June 30, 2021

Attachment 1: San Mateo Resource Conservation District Strategic Plan 2021-2024

San Mateo Resource Conservation District Strategic Plan 2021-2024

Our Mission

San Mateo Resource Conservation District is a local hub for conservation, helping the people of San Mateo County build a more thriving natural environment for all.

Our Vision

Coastal San Mateo County will be environmentally, economically, and socially sustainable.

The Need

People who live, work, or play in coastal San Mateo County know this is a special place. We are inspired by its abundance and beauty, including natural and working lands from the tops of redwood-forested mountains to the majestic coastline and beaches of the Pacific Ocean. We depend on its healthy soils, clean air, water resources, and ecosystems to sustain our health, economy, and way of life. How we manage these resources directly affects biodiversity, public safety, equity and justice, diverse industries, and our personal fulfillment.

There have been significant investments to preserve, restore, and care for these places that care for us. Nonetheless, we face grave threats and significant challenges, including climate change, species extinction, water pollution, catastrophic wildfire, historic drought, flooding, sea level rise, harsh inequity and injustice. Not surprisingly, the same forces that threaten plant and animal species also threaten human lives and livelihoods.

The San Mateo RCD will answer this call to action. We must ambitiously, courageously, and effectively meet the pace and the scale of today's environmental challenges and directly confront their nexus to equity and justice. This strategic plan will guide us to solutions as the RCD works from our base of strength and competency to become the organization our community needs.

The Opportunity

The San Mateo Resource Conservation District is up to the challenge. With a deep understanding of the people and the lands of San Mateo County rooted in more than eighty years of service, the RCD provides comprehensive, integrated services that continuously evolve to address community needs and priorities. Current priorities are:

- Wildlife. San Mateo County is a hotspot of biological diversity and home to more than 40 species of plants and animals at risk of extinction. Our services restore ecosystems and habitat with a focus on species at risk of becoming extinct.

- Water. Water is one of the most significant resources shaping the future of California. Our services improve water conservation, water resource management, and water quality to help ensure clean and reliable water for fish and wildlife, farms, and people.
- Climate. Our work removes greenhouse gases from the atmosphere, reduces emissions, and builds resilience to extreme weather conditions for wildlife and the community
- Agriculture. Agriculture is at the heart of coastal San Mateo County. Our work helps ensure viable local agriculture while also helping farmers and ranchers be environmental stewards of the lands they manage.
- Wildfire. Wildfires are a serious threat in our region. Our work helps reduce the risk of catastrophic fire, improve forest health, and heal the land after fire does occur.

The RCD in San Mateo County is one of nearly 100 conservation districts in California, and about 3,000 across the United States- in nearly every county nationwide. These districts serve as local hubs for conservation, connecting people with the technical, financial, and educational assistance they need to conserve and manage natural resources. RCDs work directly with landowners and other interests to ensure the resilience and health of water resources, soils, wildlife habitat, and more. Conservation districts coordinate assistance from all available sources—public and private, local, state, and federal—to develop locally-driven solutions to natural resource concerns.

RCDs are uniquely positioned as an extremely nimble form of local government that has the benefits of government accountability to the communities we serve, while retaining the flexibility and function of nonprofit organizations.

- RCDs exist to *help people* help the land. We work as an invited neutral party on a voluntary basis aiming for win-win solutions—a key reason we are a trusted resource in the communities we serve.
- RCDs were designed to evolve with changing needs to support thriving communities, landscapes, and economies. In recent years this has enabled the San Mateo RCD to bring resources and solutions for flooding, drought, fire, and climate change.
- RCDs are able to work readily with private and public landowners, tenants and land managers, tribes, federal, state, or local governments, non-profits, advocates, and farmers and ranchers alike. In this way we work across political and economic divides to bring essential programs and financial resources to provide benefits at scale to our community.
- RCDs are locally relevant. We address community priorities and are led by local, publicly appointed boards of directors. RCD directors are constituents and

neighbors, readily accessible to the communities we serve and living the local issues.

- RCDs collaborate with each other and other organizations regionally and statewide to achieve large-scale conservation objectives.

With a deep understanding of the landscapes and people of San Mateo County grounded in more than 80 years of service, we bring science-based solutions to environmental concerns. We provide services across jurisdictions and across public and private lands, accomplishing boots-on-the-ground environmental protection at property, landscape, and regional scales.

Using very diverse tools, our work takes many forms:

- Technical assistance from experts such as hydrologists, engineers, biologists, foresters, and soil scientists
- Implementing projects such as providing chipping and hauling services to help neighborhoods reduce wildfire risk, removing a dam to restore migration for endangered salmon, constructing a wildlife-friendly flood control project across multiple properties, and helping farmers upgrade water infrastructure to maximize conservation
- Trusted broker coordinating across jurisdictions and land ownerships, leveraging local, state, federal, and private funding
- Outreach and education on a wide range of issues of community concern such as bilingual workshops for farmworkers about irrigation water conservation, workshops for equipment operators to learn best practices to protect forests, outreach to pet owners regarding water pollution from pet waste, and assisting the County with outreach regarding sea level rise
- Financial assistance via grants, cost-share programs, and other resources for RCD staff, partner organizations, and contractors to directly benefit the community

To bring these services to our community, we rely on our organizational strengths.

- We bring people together and create trust with diverse stakeholders.
- We provide reliable, science-based technical expertise.
- We leverage our funding. The San Mateo RCD leverages a small property tax base to bring diverse public and private funds. Over five years (FY16-FY20), each dollar of property taxes paid by constituents leveraged between \$37 and \$152 of primarily state and federal grants.
- We maintain an intentional and extraordinary organizational culture. We are:

Passionate and dedicated. Members of our staff and board are devoted to our mission, focused on our customers, and fully engaged in our work.

Creative, courageous, and adaptive. We lead with vision not constraints. We are resourceful and forward thinking, always seeking solutions. We take risks, make mistakes, learn, and respond.

Learners. We are a community of learners that embraces training, professional development and innovation. We learn from diverse types of expertise and wisdom.

Trusting and trustworthy. We trust each other to work independently and in supportive teams. We hold ourselves accountable to each other and to the community. We make space for courageous, real, vulnerable, and uncomfortable conversations that build trust.

Empathetic. We invest in relationships. We listen to each other, treat each other with kindness, and understand what it means to be human and interdependent. We support each other during difficult times. Our whole selves are welcome at the RCD.

Fun. We bring a sense of humor and don't mind being goofy or whimsical as part of our whole selves doing important work.

Goals, Outcomes and Strategies

Together with our partners across the community, we are working towards a future where:

1. The land and communities of San Mateo County are healthy and resilient in the face of climate change and other impacts.
2. The connection between people and the land is strong.
3. People throughout our community equitably share the benefits of and connection to our natural resources.
4. San Mateo RCD offers strong, stable leadership to help reach our vision.
5. San Mateo RCD models a diverse, inclusive, strengths-based culture.

Goal #1: The land and communities of San Mateo County are healthy and resilient in the face of climate change and other impacts.

Outcomes:

- Our watersheds provide clean and reliable water, healthy soils, intact habitats, and other ecosystem services in which both people and wildlife thrive. Little restoration work remains to be done and the stewardship of natural resources focuses on adaptive management.
- Local farms and ranches are productive and economically viable while contributing to environmental solutions and food security.

- Natural resources are managed to build community and ecosystem resilience to cycles of fire, flooding, drought and other extremes.

Strategies:

- 1.1. Implement programs and projects to reduce the risk of catastrophic fire, heal the land after catastrophic fire does occur, and to utilize fire beneficially.
- 1.2. Implement programs and projects that help our landscapes adapt to climate change by building resilience to flooding, drought and other climate extremes.
- 1.3. Plan, design, and implement activities that restore, protect, or monitor healthy watershed and ecosystem function.
- 1.4. Work to remove barriers to accomplishing restoration and stewardship at the pace and scale needed for a healthy environment.
- 1.5. Provide technical assistance and incentives tailored to diverse constituents to adopt practices that conserve water, soil, habitats, and other natural resources and mitigate climate change by reducing greenhouse gas emissions or sequestering carbon.
- 1.6. Provide technical assistance, participate in collaborations, and implement programs and projects towards a resilient food system.

Goal #2: The connection between people and the land is strong.

Outcomes:

- Our community shares widespread empowerment and understanding of how to live and work in harmony with our local ecosystems.
- Everyone in our community has access to the knowledge, information, tools, and confidence needed to sustainably manage natural resources.
- Stewardship is a collaborative effort by those who relate to the land in different ways - from farmers and ranchers to urban residents, from those whose ancestors called these lands home to recent arrivals, from students to business owners to farmworkers, from nonprofit organizations to government agencies.

Strategies:

- 2.1. Increase the knowledge, ability, and confidence of diverse constituents to steward natural resources.
- 2.2. Provide access to information and tools for diverse constituents to be able to confidently manage natural resources sustainably.
- 2.3. Inform community leaders about natural resource challenges and invite their input and participation in solutions.

Goal #3: People throughout our community equitably share the benefits of and connection to our natural resources.

Outcomes:

- Our stewardship ethic includes a commitment to the health and well-being of all people.
- Everyone benefits from the economic, social, and environmental benefits of our lands.
- We recognize the diversity in our community, and we see the strengths and gifts that each member of the community brings to the shared work of deep sustainability.

Strategies:

- 3.1. Engage the board and staff in shared learning and dialogue around diversity, equity, and inclusion and the impacts of systemic racial and social inequity.
- 3.2. Expand engagement with under-represented communities to understand how the RCD can partner to reach shared goals.
- 3.3. Develop a Diversity, Equity, and Inclusion plan for the RCD.

Goal #4: San Mateo RCD offers strong, stable leadership to help reach our vision.

Outcomes:

- The RCD is widely known and a primary resource for addressing environmental concerns.
- The RCD has stable funding that allows its staff and board to focus on both the day-to-day work of helping community members, and long-term strategy and innovation to ensure San Mateo County thrives environmentally, economically, and socially.
- The RCD has the staffing, systems, and other resources it needs to provide excellent and innovative service and retain a skilled and talented team.

Strategies:

- 4.1. Develop and execute a strategic communications plan to raise awareness of the RCD so that people who live, own or manage land, or work in the county know who and what the RCD is, and how to engage with the RCD.
- 4.2. Pursue opportunities to increase RCD baseline funding in perpetuity to a level that supports the core operations and staff.
- 4.3. Maintain and increase diversity of revenue sources, potentially including public and private grants, private donations, corporate contributions, fees charged for services, and others as appropriate.
- 4.4. Maintain and continue improvements to administrative systems that reflect and support the organization the RCD has become and support succession planning.
- 4.5. Document / add to succession planning activities for the Executive Director and other key roles.

- 4.6. Ensure compensation, benefits, and workplace culture that attract and retain high quality professionals.
- 4.7. Through direct hiring, partnerships with other organizations, and professional development, ensure the RCD has the appropriate staffing and skill sets to meet the goals in the strategic plan.
- 4.8. Continue to develop the board's capacity.

Goal #5: San Mateo RCD models a diverse, inclusive, strengths-based culture.

Outcomes:

- The RCD team (board and staff) is representative of our community and we foster full inclusion of people of all backgrounds and identities.
- The stability and effectiveness of the RCD are supported by the continued empowerment of all staff members to act as leaders within the organization.
- The RCD board brings skills, knowledge, resources, connections and passion to its oversight and promotion of the RCD.

Strategies:

- 5.1. Continue and expand hiring and management best practices including those that foster diversity, equity, and inclusion.
- 5.2. Create a strategic board recruitment plan that includes approaches to building a wider circle of leaders who can move into board positions as they become available and focuses on building authentic connections to diverse community members.
- 5.3. Build authentic connections between the RCD and diverse community members, building a wider circle of potential partners and leaders for the organization.
- 5.4. Support the learning and empowerment of all staff and board members through access to internal and external training and development activities.
- 5.5. Foster a supportive work culture in which effective conservation leadership flourishes.
- 5.6. Promote a work environment that minimizes the risk of stress and burnout among staff members.

Attachment 2: Fiscal Year 2021-2022 Annual Budget



San Mateo Resource Conservation District Fiscal Year 2022 Financial Budget

REVENUE

Program Revenue

Agricultural Ombudsman	\$	47,679
Climate Mitigation and Adaptation	\$	322,823
Conservation Technical Assistance	\$	190,478
Erosion and Sediment Management	\$	76,087
Fire and Forestry	\$	2,407,264
Habitat Enhancement	\$	4,560,096
Santa Cruz Mountains Stewardship Network	\$	1,429,162
Water Quality	\$	335,603
Water Resources & Conservation	\$	2,618,568
Subtotal Program Revenue	\$	11,987,761

Other Revenue

County Contributions	\$	200,000
Donations	\$	20,000
Interest Income	\$	1,300
Misc. Income	\$	-
Property Tax	\$	85,000
Subtotal Other Revenue	\$	306,300

Total Revenue \$ 12,294,061

EXPENSES

Operating Expenses

Personnel (Salaries & Fringe)	\$	2,313,200
Other	\$	294,500
Subtotal Operating Expenses	\$	2,607,700

Program Expenses

Agricultural Ombudsman	\$	1,400
Climate Mitigation and Adaptation	\$	55,220
Conservation Technical Assistance	\$	56,185
Erosion and Sediment Management	\$	8,045
Fire and Forestry	\$	1,893,601
Habitat Enhancement	\$	3,986,071
Santa Cruz Mountains Stewardship Network	\$	1,285,198
Water Quality	\$	73,015
Water Resources & Conservation	\$	2,340,600
Subtotal Program Expenses	\$	9,699,335

Total Expenses \$ 12,307,035

NET \$ (12,974)
Operating Reserve Allocation \$ 250,000

Attachment 3: Audited Financial Statements for Fiscal Year Ending June 30, 2021

**SAN MATEO COUNTY
RESOURCE CONSERVATION DISTRICT**

HALF MOON BAY, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2021

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**SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Mateo County Resource Conservation District,
Half Moon Bay, California

Report on Financial Statements

We have audited the accompanying financial statements of the San Mateo County Resource Conservation District (District) as of year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District'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 the 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. 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the San Mateo County Resource Conservation District, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents 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.

Mazze + Associates

Pleasant Hill, California
January 22, 2022

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2021

San Mateo County Resource Conservation District's (the "District") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements. The MD&A is presented for the year ended June 30, 2021.

Introduction to the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. 1bis annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments. The Single Governmental Program for Special Purpose Governments reporting model is used which best represents the activities of the District.

The required financial statements include the Government-wide and Fund Financial Statements; Statement of Net Position and Governmental Funds Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances; and the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - All Governmental Fund Types.

These statements are supported by notes to the basic financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The Basic Financial Statements comprise the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all its capital assets and long-term liabilities on the full accrual basis, like that used by corporations. The Statement of Activities provides information about all the District's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's General Fund and other Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt, and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2021

The Government-wide Financial Statements

Government-wide Financial Statements are prepared on the accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

Governmental Activities -The District's basic services are governmental activities. These services are supported by general District revenues such as taxes, and by specific program revenues such as government grants and service charges.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually; the District has no Non-major Funds. Major Funds present the major activities of the District for the year and may change from year to year because of changes in the pattern of the District's activities.

In the District's case, the General Fund is the only Major Governmental Fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Comparisons of Budget and Actual financial information are presented for the General Fund.

Governmental Activities

	2021	2020
Assets		
Cash & Investments	\$ 2,014,906	\$ 1,638,015
Other Assets	2,270,487	3,253,898
Total Assets	4,285,393	4,891,913
Liabilities		
Accounts payable	350,114	817,071
Other Liabilities	2,587,032	2,659,040
Total Liabilities	2,937,146	3,476,111
Net Position		
Unrestricted	1,348,247	1,415,802
Total Net Position	\$ 1,348,247	\$ 1,415,802

The District's net position was \$1,348,247 for the fiscal year ended June 30, 2021.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2021

The following table summarizes the District's change in net position at June 30:

	July 1, 2020 through June 30, 2021	July 1, 2019 through June 30, 2020
Revenues		
Program revenues		
Operating grants and contracts	\$ 5,643,275	\$ 11,279,355
General Revenue		
Taxes and other	352,865	315,320
Total Revenues	<u>5,996,140</u>	<u>11,594,675</u>
Program Expenses		
Resource conservation	6,063,695	11,048,326
Total Expenses	<u>6,063,695</u>	<u>11,048,326</u>
Change in Net Position	<u>\$ (67,555)</u>	<u>\$ 546,349</u>

Government Activities

For the period from July 1, 2020 through June 30, 2021, the total District revenues were \$5,643,275. The total District expenses were \$6,063,695. The difference of <\$67,555> is the decrease in net position bringing the total net position on June 30, 2021 to \$1,348,247. The main source of revenue for the District is grant revenue and contracts. The amount our taxpayers ultimately financed for these activities through local taxes and assessments was \$89,731.

Capital Assets

The District does not maintain any capital assets.

Debt Administration

The District does not utilize long term debt to fund operations or growth.

General Fund Budgetary Highlights

The District's General Fund operating budget for the period of July 1, 2020 to June 30, 2021 was adopted by the Governing Board. As adopted, projected expenditures totaled \$13,101,923. Budgeted revenues totaled \$13,200,801 with revenues projected to be over expenditures by approximately \$98,878.

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices.

San Mateo County Resource Conservation District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
June 30, 2021

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the Finance Director at San Mateo County Resource Conservation District, 80 Stone Pine Road, Suite 100, Half Moon Bay, California 94019.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2021

ASSETS	General Fund	Adjustments (Note 3)	Statement of Net Position
Current Assets:			
Cash and investments (Note 2)	\$ 2,014,906	\$ -	\$ 2,014,906
Grants receivable (Note 5)	<u>2,270,487</u>	<u>-</u>	<u>2,270,487</u>
Total Current Assets	<u>4,285,393</u>	<u>-</u>	<u>4,285,393</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	350,114	-	350,114
Accrued payroll	139,698	-	139,698
Accrued expenses	2,667	-	2,667
Compensated absences	87,307	-	87,307
Refundable advances	<u>2,257,360</u>	<u>-</u>	<u>2,257,360</u>
Total Current Liabilities	<u>2,837,146</u>	<u>-</u>	<u>2,837,146</u>
Long Term Liabilities			
Recoverable Grants	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total Long Term Liabilities	<u>100,000</u>	<u>-</u>	<u>100,000</u>
FUND BALANCES / NET POSITION			
Fund balances:			
Assigned	<u>1,348,247</u>	<u>(1,348,247)</u>	<u>-</u>
Total Fund Balance	<u>1,348,247</u>	<u>(1,348,247)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 4,285,393</u>		
Net Position:			
Unrestricted		<u>1,348,247</u>	<u>1,348,247</u>
Net Position		<u>\$ 1,348,247</u>	<u>\$ 1,348,247</u>

See accompanying notes to basic financial statements

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Adjustments (Note 4)	Statement of Activities
Expenditure/expenses:			
Resource conservation	\$ 6,063,695	\$ -	\$ 6,063,695
Total expenditures/expenses	<u>6,063,695</u>	<u>-</u>	<u>6,063,695</u>
Program revenues:			
Operating grants and contracts	5,643,275	-	5,643,275
Net program expense	<u>420,420</u>	<u>-</u>	<u>420,420</u>
General revenues:			
Property taxes	89,731	-	89,731
Local government contributions	200,000	-	200,000
Other contributions	55,131	-	55,131
Miscellaneous	6,442	-	6,442
Interest	1,561	-	1,561
Total general revenues	<u>352,865</u>	<u>-</u>	<u>352,865</u>
Excess (deficiency) of revenues over (under) expenditures	(67,555)	67,555	-
Changes in net position	-	(67,555)	(67,555)
Fund balance / net position at July 1, 2020	<u>1,415,802</u>	<u>-</u>	<u>1,415,802</u>
Fund balance / net position at June 30, 2021	<u>\$ 1,348,247</u>	<u>\$ -</u>	<u>\$ 1,348,247</u>

See accompanying notes to basic financial statements

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Organization and Description*

The San Mateo County Resource Conservation District (the District) was formed under California Soil Conservation District Law popular election and approved by the San Mateo County Board of Supervisors on October 10, 1939. The function of the District is to provide a soil and water conservation program within its geographical boundaries.

B. *Accounts and Records*

Custodianship of the District's accounts and records are vested with the District. Assessment of property and collection of tax receipts for the District is provided by the County of San Mateo. The Board further authorized check signatory to a designated board member and the executive director.

C. *Accounting Policies*

The District accounts for its financial transactions in accordance with the policies and procedures recommended by the State of California. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants.

(1) Government-wide and Fund Financial Statements:

The government-wide financial statements (the statement of net position and the statement of activities) report on the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of the District's function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with the District's function. *Program revenues* include grant revenue and charges paid by the recipients of goods or services offered by the program. Other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for the governmental fund of the District (balance sheet and the statement of revenues, expenditures and changes in fund balances).

(2) Measurement Focus, Basis of Accounting and Financial Statement Presentation:

Government-wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Accounting Policies (Continued)

Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

Fund Balances

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the District to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Nonspendables, Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint.

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Accounting Policies (Continued)

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District only has one major fund, the General Fund, which is used to account for all financial resources.

(3) Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures/ expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budget and Budgetary Accounting

The District normally adopts an annual budget on or before June 30 for the ensuing fiscal year. The District follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- (1) Legally adopted annual budgets and formal budgetary integration is employed as a management control device during the year for the General Fund only.
- (2) The budgets for the General Fund are adopted on a basis consistent with GAAP.
- (3) Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year, which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances.
- (4) Budget appropriations for the various governmental funds become effective each July 1. The Board of Directors may amend the budget during the fiscal year.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments consisted of the following at June 30, 2021:

	<u>Carrying Value</u>	<u>Investment Rating</u>
Cash in Tri Counties Bank	\$ 2,014,906	N/A

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government code requires that a financial institution secure deposits made by State or local government 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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Fair Value Reporting – Investments

The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the District's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The District's holdings are classified in Level 1 of the fair value hierarchy.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 3 – RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

NOTE 4 – RECONCILIATION OF GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES WITH THE STATEMENT OF ACTIVITIES

Since the District's funds statements mirror the government-wide statements (i.e., no reconciling items for capital assets, long term debts, etc.), reconciliation statements have not been presented as a part of the basic financial statements.

NOTE 5 – GRANT RECEIVABLE

Grants receivable consisted of the following as of June 30, 2021:

Water Quality	\$	104,556
Water Resources		718,533
Habitat Enhancement		457,948
Conservation Technical Assistance		58,732
Climate Mitigation and Adaption		89,960
Agricultural Ombudsman		7,928
Fire and Forestry		417,350
Erosion and Sediment		63,272
Santa Cruz Mountain Stewardship Network		341,633
Other		10,575
Total grants receivable		\$ 2,270,487

NOTE 6 – COMPENSATED ABSENCES

Compensated absences comprise of unused vacation leave, which is accrued as earned. Compensated absences are recognized as a liability of the District. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the statement of net position. The District does not anticipate paying out any portion of the compensated absences within a year. Therefore, compensated absences are classified as long-term liabilities.

The net change of compensated absences is as follows:

Beginning Balance	\$	67,137
Additions		45,319
Deletions		(25,149)
Ending Balance	\$	87,307

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 7 – REFUNDABLE ADVANCES

The District has been awarded operational grants and contracts from multiple funding sources to provide comprehensive, integrated services for all aspects of natural resource management. These grants and contracts are considered to be an exchange transaction. Accordingly, revenue is recognized when earned and expenses are recognized as incurred. At June 30, 2021, the balance in the refundable advances for grants and contracts was \$2,257,360.

NOTE 8 – PROPERTY TAX LEVY, COLLECTION AND MAXIMUM RATES

The State of California (the "State") Constitution Article XIII A provides that the combined Maximum property tax rate on any given property may not exceed 1 % of its assessed value unless voters have approved an additional amount. Assessed value is calculated at 100% of market value as defined by Article XIII A and may be increased by no more than 2% per year unless the property is sold or transferred. The State Legislature has determined the method of distribution of receipts from a 1 % tax levy among counties, cities, school districts and other districts. Counties, cities, school districts and other districts may levy such additional tax as is necessary to provide for voter approved debt service.

The County of San Mateo assesses properties, and bills and collects property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Valuation dates	March 1	March 1
Lien/levy dates	July 1	July 1
Due Dates	50% on November 1 50% on February 1	Upon receipt of billing
Delinquent as of	December 10 (for November) April 10 (for February)	August 31

The term "unsecured" refers to taxes on property not secured by liens on real property. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the "alternative method" of property tax distribution, known as the Teeter Plan, by the District and the County of San Mateo. The Teeter Plan authorizes the auditor/ controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid. The County of San Mateo remits tax monies to the District in installations as follows:

- 5% remitted in July
- 75% remitted in September; includes advance
- 15% remitted in May
- 5% remitted in June

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

NOTE 9 – RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related joint powers agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member government entities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

The District maintained insurance coverage for liability up to \$2,500,000, property up to \$1,000,000,000 per occurrence, automobile physical damage up to \$2,500,000 per occurrence, Public Officials and Employees Errors and Omissions up to \$2,500,000 per occurrence and Workers' Compensation up to \$5,000,000 per occurrence through the Special District Risk Management Authority (a public entity risk pool) and underwritten by various insurance companies.

Financial statements for the risk pool may be obtained from SDRMA, 1112 I Street, Suite 300, Sacramento, CA 95814.

NOTE 10 – LEASE

The District entered into a non-cancellable operating lease for administrative and program facilities at 80 Stone Pine Rd, Suite 100, Half Moon Bay, California, expiring June 30, 2028. Minimum future payments under this non-cancellable operating lease as of June 30, are as follows:

Lease	Total	Annual Change
2022	\$ 75,094	
2023	81,034	7.91%
2024	88,602	9.34%
2025	93,336	5.34%
2026 - 2028	280,874	
Total	<u>\$ 618,940</u>	

Rental expense for the year ending June 30, 2021 totaled \$65,494.

SAN MATEO COUNTY RESOURCE CONSERVATION DISTRICT
GENERAL FUND
STATEMENT OF REVENUE AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Operating grants and contracts	\$ 8,780,673	\$ 8,780,673	\$ 5,643,275	\$ (3,137,398)
Property taxes	65,000	65,000	89,731	24,731
Government contributions	200,000	200,000	200,000	-
Individual contributions	10,000	10,000	-	-
Other contributions	-	-	55,131	55,131
Miscellaneous	-	-	6,442	6,442
Interest	-	-	1,561	1,561
Total Revenues	<u>9,055,673</u>	<u>9,055,673</u>	<u>5,996,140</u>	<u>(3,059,533)</u>
Expenditures:				
Resource conservation	<u>9,071,579</u>	<u>9,071,579</u>	<u>6,063,695</u>	<u>3,007,884</u>
Total expenditures	<u>9,071,579</u>	<u>9,071,579</u>	<u>6,063,695</u>	<u>3,007,884</u>
Excess of revenues over (under) expenditures	<u>\$ (15,906)</u>	<u>\$ (15,906)</u>	(67,555)	<u>\$ (51,649)</u>
Fund balance, beginning of period			<u>1,415,802</u>	
Fund balance, ending of period			<u>\$ 1,348,247</u>	

