



Yolo Habitat Conservancy

County of Yolo • City of Davis • City of Winters • City of West Sacramento
City of Woodland • University of California, Davis

To: Gary Sandy, Chair
Members of the Board

From: Alexander Tengolics, Executive Director

Re: Receive and file 2020-21 State Controller's Office Report and independent auditor's report and presentation from Lance, Soll & Lunghard, LLP

Date: May 16, 2022

REQUESTED ACTIONS:

- 1) Receive and file 2020-21 State Controller's Office Report (Attachment A)
- 2) Receive and file independent auditor's report and presentation from Lance, Soll & Lunghard, LLP (Attachment B)

BACKGROUND:

The Yolo Habitat Conservancy (YHC) is required by law, pursuant to Government Code 53891, to submit to the California State Controller's Office the Special District Financial Transaction Report within seven months after the close of the fiscal year (Attachment A). This report for fiscal year ended June 30, 2021 is due January 31, 2022. The report summarizes YHC's revenues and expenditures in accordance to the Accounting Standards and Procedures for Counties manual published by the California State Controller.

Additionally, the Board of Directors requires annual outside audits of the YHC finances, including a presentation to the Board. The Conservancy also provides the audit to member agency city managers and the County Administrator of Yolo County. The independent auditor, Lance, Soll & Lunghard, LLP, completed the 2020-21 independent auditor's report (Attachment B).

The Management Discussion and Analysis within the audit provides information from staff about changes to the Conservancy's net position. Most notably, at the end of the current fiscal year, the YHC's total net position increased by \$289,968. The Mitigation Fee Fund ended the fiscal year with a positive fund balance of \$603,255 however, the Conservancy still owes \$213,523 in loans provided by the member agencies to assist with implementation (these loans have been repaid in FY21-22). The Mitigation Trust Account, ended the fiscal year of with a positive fund balance of \$737,411; staff had anticipated expending these funds in FY20-21 to acquire conservation easements, however, that did not occur (the Conservancy has since begun spending down these funds in FY21-22).

There were two findings in the 2020-21 independent auditor's report both regarding accruals. Staff concurs with the recommendations associated with the findings and will work with the County Department of Financial Services to implement. Staff would also note that due to the value of its fund balance and revenues the agency was subject to a low materiality threshold in FY20-21.

ATTACHMENT:

Attachment A. 2020-21 State Controller's Office Report

Attachment B. 2020-21 Independent Auditor's Report

Attachment C. 2020-21 Audit Communication Letter

