

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
WOODLAND, CALIFORNIA**

Independent Auditors' Report,  
Basic Financial Statements and Other Reports

For the Fiscal Year Ended  
June 30, 2023

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**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Yolo County Habitat/Natural Community Conservation Plan  
Joint Powers Agency  
Woodland, California

### *Report on the Financial Statements*

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, and each major fund of the Yolo County Habitat/Natural Community Conservation Plan, (Habitat JPA), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Habitat JPA'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 governmental activities and each major fund, as of June 30, 2023, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Habitat JPA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. 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 the 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 Habitat JPA'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.

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

## ***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 and *Government 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. 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 and *Government 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 Habitat JPA'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 Habitat JPA'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.

### ***Emphasis of Matter***

#### *Economic Dependency*

As discussed in Note 9 to the financial statements, the General Fund of the Habitat JPA is economically dependent on revenue derived from mitigation fees and pre-payment of mitigation fees from member agencies consisting of 80 percent of General Fund program revenues for the year ended June 30, 2023. Our opinion is not modified with respect to this matter.

### ***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 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Habitat JPA's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2024, on our consideration of the Habitat JPA'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 solely 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 the effectiveness of the Habitat JPA's 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 Habitat JPA's internal control over financial reporting and compliance.

*Maze + Associates*

Pleasant Hill, California  
May 3, 2024

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## Management's Discussion and Analysis

As management of the Yolo Habitat/Natural Community Conservation Joint Powers Agency (Habitat JPA), we offer readers of the Habitat JPA's financial statements this narrative overview and analysis of the financial activities of the Habitat JPA for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Habitat JPA's financial statements and the accompanying notes to the basic financial statements.

### Financial Highlights

The assets of the Habitat JPA exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,624,456 (net position), of which \$2,850,722 is reported as unrestricted net position.

The Habitat JPA's total net position increased by \$1,732,324 which was largely driven by mitigation fee revenue.

The Habitat JPA recorded program revenue of \$2,297,025, comprised of mitigation fees, grants, interest, and other income. The Habitat JPA reported \$703,278 in program expense, including professional services, real estate acquisition, and miscellaneous expenses. The Habitat JPA reported resulting net program revenue of \$1,593,747.

### Overview of the Financial Statements

This discussion and analysis serve as an introduction to the Habitat JPA's basic financial statements. The Habitat JPA's financial statements comprise three components:

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

### Government-wide financial statements.

The government-wide financial statements are designed to provide readers with a broad overview of the Habitat JPA's finances in a manner like a private-sector business and are composed of the *statement of net position* and the *statement of activities*.

The *statement of net position* presents information about the financial position of the Habitat JPA, reflecting all of the Habitat JPA's (a) assets and deferred outflows of resources, and (b) liabilities and deferred inflows of resources on a full accrual basis, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Habitat JPA is improving or deteriorating.

The *statement of activities* presents information about the Habitat JPA's revenues and expenses, also on a full accrual basis, with the emphasis on measuring net revenues and expenses of the Habitat JPA. The *statement of activities* reflects how the government's net position changed during the most recent fiscal year.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on page 12-13 of this report.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Habitat JPA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Habitat JPA's fund is a governmental fund.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Habitat JPA's governmental fund accounts for its activities, which include completion of the Yolo HCP/NCCP, acquisition of habitat conservation easements, and monitoring of habitat conservation easements. The Habitat JPA adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16-18 of this report.

### **Notes to the basic financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 19-29 of this report.

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

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Habitat JPA, assets exceeded liabilities by \$9,624,456 at the close of the most recent fiscal year.

The largest portion of the Habitat JPA's net position, \$5,908,315, reflects capital assets.

**STATEMENT OF NET POSITION**

<b>Assets:</b>	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
Current Assets:			
Cash and investments	3,124,488	4,312,600	(1,188,112)
Receivables:			-
Accounts	159,915	-	159,915
Due from other governments	24,857	58,185	(33,328)
Restricted cash and investments	544,211	435,522	108,689
	<u>3,853,471</u>	<u>4,806,307</u>	<u>(952,836)</u>
<b>Noncurrent Assets:</b>			
Capital assets	5,908,315	3,407,811	2,500,504
<b>Total Assets</b>	<u><b>9,761,786</b></u>	<u><b>8,214,118</b></u>	<u><b>1,547,668</b></u>
<b>Liabilities:</b>			
Accounts Payable	13,197	109,748	(96,551)
Unearned revenue	124,133	176,741	(52,608)
Deposits payable	-	16,980	(16,980)
Due to other governments	-	18,517	(18,517)
Loans payable	-	-	-
<b>Total Liabilities</b>	<u><b>137,330</b></u>	<u><b>321,986</b></u>	<u><b>(184,656)</b></u>
<b>Net Potision:</b>			
Net investment in capital assets	5,908,315	3,407,811	2,500,504
Restricted	865,419	1,068,437	(203,018)
Unrestricted	2,850,722	3,415,884	(565,162)
<b>Total Net Position</b>	<u><b>9,624,456</b></u>	<u><b>7,892,132</b></u>	<u><b>1,732,324</b></u>

At the end of the current fiscal year, the Habitat JPA's total net position increased by \$1,732,324 which was largely driven by mitigation fee revenue.

#### **CHANGES IN NET POSITION**

	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
<b>Program Expenses:</b>			
Professional services	516,868	517,620	(752)
Miscellaneous expenses	186,410	192,861	(6,451)
Total program expenses	<u>703,278</u>	<u>710,481</u>	<u>(7,203)</u>
<b>Program Revenues:</b>			
Operating grants, contributions, and fees	2,297,025	3,750,363	(1,453,338)
Total program revenues	<u>2,297,025</u>	<u>3,750,363</u>	<u>(1,453,338)</u>
Net program revenue	<u>1,593,747</u>	<u>3,039,882</u>	<u>(1,446,135)</u>
<b>General Revenues (Expenses):</b>			
Capital contributions	-	1,232,885	(1,232,885)
Use of money and property (losses on investment)	138,577	(160,459)	299,036
Interest expense	-	(2,591)	2,591
Total general revenues (expenses)	<u>138,577</u>	<u>1,069,835</u>	<u>(931,258)</u>
Change in net position	<u>1,732,324</u>	<u>4,109,717</u>	<u>(2,377,393)</u>
Net position at Beginning of Year	7,892,132	3,826,089	4,066,043
Restatement of Net Position	-	(43,674)	43,674
Net Pposition at Beginning of Year, as restated	<u>-</u>	<u>3,782,415</u>	<u>4,109,717</u>
Net Position at End of Year	<u><b>9,624,456</b></u>	<u><b>7,892,132</b></u>	<u><b>1,732,324</b></u>

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

As noted earlier, the Habitat JPA uses fund accounting to ensure and demonstrate compliance with legal and governmental accounting requirements.

#### **Governmental Funds**

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

As of the end of the current fiscal year, the Habitat JPA's General Fund reported an ending unassigned fund balance of \$2,850,722, a decrease of \$565,162 from the prior fiscal year because of increasing the Habitat JPA's investment in capital assets at a rate that outpaced revenue collected.

At the end of the current fiscal year, the Habitat JPA's Grant Revenue Special Revenue Fund and Other Revenue Special Revenue Fund reported an ending fund balance of \$20,357, and \$103,560, respectively.

At the end of the current fiscal year, the Habitat JPA's Mitigation Trust Account Fund Special Revenue Fund reported an ending assigned fund balance of \$150,611. The entire fund balance is restricted to acquisition of habitat conservation easements consistent with the Interim Swainson's Hawk Mitigation Program and required burrowing owl mitigation. The Habitat JPA expects to expend the remaining funds in this account in future fiscal years on the acquisition of habitat conservation easements. The Interim Swainson's Hawk Mitigation Program ceased to exist after the wildlife agencies issued the Habitat JPA permits in January 2019.

At the end of the current fiscal year, the Habitat JPA's Pre-permit and Post Permit Permanent Funds reported an ending fund balance of \$358,092 and \$336,359 respectively, an increase of \$22,384 from prior year in the Pre-permit Permanent Fund, and an increase of \$236,545 in the Post-permit Permanent Fund.

### **Mitigation Fee Fund Budgetary Highlights**

The material difference between the final budget and the actual amounts can be briefly summarized as follows:

- During the fiscal year ended June 30, 2023, the Habitat JPA received less mitigation fee revenue than budgeted.
- The Habitat JPA spent less on professional services and other expenses but invested more in capital easements than originally budgeted.

### **Grant Fund Budgetary Highlights**

The material difference between the final budget and the actual amounts can be briefly summarized as follows:

- During the fiscal year ended June 30, 2023, the Habitat JPA engaged in fewer grant billable tasks than anticipated resulting in less grant revenues and expenditures than budgeted.

### **Other Revenue Fund Budgetary Highlights**

The material difference between the final budget and the actual amounts can be briefly summarized as follows:

- During fiscal year ended June 30, 2023, there were less Special Participating Entity projects than anticipated, resulting in revenues lower than budgeted.

## **Mitigation Trust Fund Budgetary Highlights**

The material difference between the final budget and the actual amounts can be briefly summarized as follows:

- During the fiscal year ended June 30, 2023, the Habitat JPA experienced a gain on investments due to favorable market conditions.
- During the fiscal year ended June 30, 2023, the Habitat JPA experienced higher than anticipated revenues than budgeted due to a contribution of \$1.3M toward a conservation easement.
- During the fiscal year ended June 30, 2023, more conservation easement acquisitions were finalized and as such expenditures were higher than budgeted.

## **Capital Assets**

The Habitat JPA's net investment in capital assets, as of June 30, 2023, amounts to \$5,908,315. This investment in capital assets includes land, easements and other intangible assets, construction in progress, land improvements, machinery and equipment, and pre- acquisition costs.

Additional information on the Habitat JPA's capital assets can be found in the notes to the basic financial statements.

## **Debt Administration**

The Habitat JPA retired all outstanding debts as of June 30, 2022, and has not acquired, or intend to acquire, any new debts.

## **Economic Factors and Next Year's Budgets and Rates**

The Habitat JPA expects to secure additional revenue from mitigation fees in 2023-24. The Habitat JPA will continue to contract with Yolo County for administrative services. The Habitat JPA also expects to increase expenditures on permitting and real estate acquisition assistance and easement monitoring as the Habitat JPA proceeds with easement acquisitions.

The Habitat JPA will also continue to examine grant opportunities as they arise and include them in applicable future budgets.

All these factors were considered in preparing the Habitat JPA's budget for the fiscal year ending June 30, 2024.

## **Request for Information**

This financial report is designed to provide a general overview of the Habitat JPA's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Yolo Habitat JPA, 292 W Beamer Street, Woodland, California 95695. The Habitat JPA can also be reached by telephone at (530) 666- 8150 or via email at [info@yolohabitatconservancy.org](mailto:info@yolohabitatconservancy.org). For more information about the Habitat JPA or the Yolo HCP/NCCP, please visit the website at [www.yolohabitatconservancy.org](http://www.yolohabitatconservancy.org).

**BASIC FINANCIAL STATEMENTS**  
**Government – Wide Financial Statements**

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
STATEMENT OF NET POSITION  
June 30, 2023**

**ASSETS**

Current assets:

Cash and investments in County Treasury (Note 2)	\$ 3,124,488
Accounts receivable	159,915
Due from other governments	24,857
Restricted cash and investments (Note 2)	141,225
Restricted cash with fiscal agent (Note 2)	402,986
Total Current Assets	3,853,471

Noncurrent assets:

Capital assets (Note 3)	5,908,315
Total Assets	9,761,786

**LIABILITIES**

Accounts payable	13,197
Unearned revenue	124,133
Total Liabilities	137,330

**NET POSITION**

Net investment in capital assets	5,908,315
Restricted for:	
Wildlife mitigation	507,327
Endowment	358,092
Unrestricted	2,850,722
Total net position	\$ 9,624,456

The notes to the basic financial statements are an integral part of this statement.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
 CONSERVATION PLAN JOINT POWERS AGENCY  
 STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<b>Program Expenses:</b>	
Professional services	\$ 516,868
Miscellaneous expenses	<u>186,410</u>
Total program expenses	<u>703,278</u>
<b>Program Revenues:</b>	
Operating grants, contributions and fees	<u>2,297,025</u>
Total program revenues	<u>2,297,025</u>
Net program revenue (expense)	<u>1,593,747</u>
<b>General Revenues (Expenses)</b>	
Use of money and property (losses on investments)	<u>138,577</u>
Total General Revenues	<u>138,577</u>
Change in net position	<u>1,732,324</u>
Net position - Beginning of year	<u>\$ 7,892,132</u>
Net position - End of year	<u><u>\$ 9,624,456</u></u>

The notes to the basic financial statements are an integral part of this statement.

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**BASIC FINANCIAL STATEMENTS**  
**Fund Financial Statements**

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>Special Revenue Funds</u>				<u>Permanent Funds</u>		Total Governmental Funds
	General Fund	Grant Fund	Other Revenue Fund	Mitigation Trust Account Fund	Pre-Permit Endowment Fund	Post-Permit Endowment Fund	
<b>Assets</b>							
Pooled cash and investment in County Treasury (Note 2)	\$ 2,866,570	\$ -	\$ 107,307	\$ 150,611	\$ -	\$ -	\$ 3,124,488
Accounts receivable	1,241	9,574	-	-	-	149,100	159,915
Due from other governments	-	24,857	-	-	-	-	24,857
Due from other funds	14,074	-	-	-	1,140	-	15,214
Restricted assets:							
Cash and investments (Note 2)	-	-	-	-	7,793	133,432	141,225
Cash and investments with fiscal agents (Note 2)	-	-	-	-	349,159	53,827	402,986
Total Assets	<u>\$ 2,881,885</u>	<u>\$ 34,431</u>	<u>\$ 107,307</u>	<u>\$ 150,611</u>	<u>\$ 358,092</u>	<u>\$ 336,359</u>	<u>\$ 3,868,685</u>
<b>Liabilities and Fund Balance</b>							
Liabilities:							
Accounts payable	\$ 13,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,197
Unearned revenue	120,386	-	3,747	-	-	-	124,133
Due to other funds	1,140	14,074	-	-	-	-	15,214
Total Liabilities	<u>134,723</u>	<u>14,074</u>	<u>3,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,544</u>
Fund balance							
Nonspendable:							
Endowment	-	-	-	-	358,092	-	358,092
Restricted:							
Wildlife Mitigation	-	20,357	-	150,611	-	336,359	507,327
Unassigned	2,747,162	-	103,560	-	-	-	2,850,722
Total Fund Balance	<u>2,747,162</u>	<u>20,357</u>	<u>103,560</u>	<u>150,611</u>	<u>358,092</u>	<u>336,359</u>	<u>3,716,141</u>
Total Liabilities and Fund Balance	<u>\$ 2,881,885</u>	<u>\$ 34,431</u>	<u>\$ 107,307</u>	<u>\$ 150,611</u>	<u>\$ 358,092</u>	<u>\$ 336,359</u>	<u>\$ 3,868,685</u>

The notes to the basic financial statements are an integral part of this statement.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
June 30, 2023**

Fund balances - Governmental funds	\$ 3,716,141
Amount reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	<u>5,908,315</u>
Net Position of Governmental Activities	<u><u>\$ 9,624,456</u></u>

The notes to the basic financial statements are an integral part of this statement.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				Permanent Funds		Total Governmental Funds
	General Fund	Grant Fund	Other Revenue Fund	Mitigation Trust Account Fund	Pre-Permit Endowment Fund	Post-Permit Endowment Fund	
<b>Revenues</b>							
Mitigation fees	\$ 674,307	\$ -	\$ 22,068	\$ -	\$ -	\$ 139,120	\$ 835,495
Grant revenue	-	63,048	-	-	-	-	63,048
SPE fees	-	-	-	-	-	22,068	22,068
Other revenue	12,900	-	-	1,306,826	-	-	1,319,726
Charges for services	45,685	-	11,003	-	-	-	56,688
Use of money and property (losses on investment)	92,092	(1,121)	1,360	17,374	25,515	3,357	138,577
Total Revenues	<u>824,984</u>	<u>61,927</u>	<u>34,431</u>	<u>1,324,200</u>	<u>25,515</u>	<u>164,545</u>	<u>2,435,602</u>
<b>Expenditures</b>							
Current:							
Professional services	440,747	71,378	-	472	4,271	-	516,868
Capital Outlay - Easements	1,050,170	-	-	1,450,334	-	-	2,500,504
Other expenditures	1,649	10	-	184,751	-	-	186,410
Total Expenditures	<u>1,492,566</u>	<u>71,388</u>	<u>-</u>	<u>1,635,557</u>	<u>4,271</u>	<u>-</u>	<u>3,203,782</u>
Excess (deficiency) of revenues over expenditures	<u>(667,582)</u>	<u>(9,461)</u>	<u>34,431</u>	<u>(311,357)</u>	<u>21,244</u>	<u>164,545</u>	<u>(768,180)</u>
<b>Other Financing Sources (Uses)</b>							
Transfers in	-	-	-	-	1,140	72,000	73,140
Transfers out	(1,140)	-	-	(72,000)	-	-	(73,140)
Total Other Financing Sources (Uses)	<u>(1,140)</u>	<u>-</u>	<u>-</u>	<u>(72,000)</u>	<u>1,140</u>	<u>72,000</u>	<u>-</u>
Net Change in Fund Balance	<u>(668,722)</u>	<u>(9,461)</u>	<u>34,431</u>	<u>(383,357)</u>	<u>22,384</u>	<u>236,545</u>	<u>(768,180)</u>
Fund balance - Beginning	<u>\$ 3,415,884</u>	<u>\$ 29,818</u>	<u>\$ 69,129</u>	<u>\$ 533,968</u>	<u>\$ 335,708</u>	<u>\$ 99,814</u>	<u>\$ 4,484,321</u>
Fund balance - Ending	<u>\$ 2,747,162</u>	<u>\$ 20,357</u>	<u>\$ 103,560</u>	<u>\$ 150,611</u>	<u>\$ 358,092</u>	<u>\$ 336,359</u>	<u>\$ 3,716,141</u>

The notes to the basic financial statements are an integral part of this statement.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
 CONSERVATION PLAN JOINT POWERS AGENCY  
 RECONCILIATION OF THE NET CHANGE IN FUND BALANCES  
 WITH THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2023**

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (768,180)

Amount reported for governmental activities in the statement of net position are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital contribution of easements purchased.	2,500,504
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NET CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 1,732,324
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The notes to the basic financial statements are an integral part of this statement.

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**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Yolo County Habitat/Natural Community Conservation Joint Powers Agency (Habitat JPA) was founded in August 2002, under the provision of Section 61600 of the Government Code of the State of California. The Health and Safety Code and the Water Code of the State of California regulate the Habitat JPA's operations.

The Habitat JPA was formed for the purposes of acquiring Swainson's hawk habitat conservation easements and to serve as the lead agency for the preparation and implementation of the Yolo Habitat Conservation Plan/ Natural Community Conservation Plan (HCP/NCCP).

The JPA governing Board is composed of representatives from member agencies, which include two members of the Yolo County Board of Supervisors, one member each from the City Councils of Davis, Woodland, West Sacramento and Winters, and one ex-officio member from University of California, Davis.

**B. Basis of Accounting**

*Government-Wide Statements*

The statement of net position and statement of activities display information about the primary government of the Habitat JPA. These statements include the financial activities of the overall Habitat JPA.

The statement of activities presents a comparison between direct expenses and program revenues for the Habitat JPA's governmental activity. Direct expenses are those that are specifically associated with the operations of the Habitat JPA. Program revenues include charges for services, mitigation fees and grants and contributions that are restricted to meeting the operational or capital requirements of the Habitat JPA. Revenues that are not classified as program revenues, including investment income, are presented instead as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Grants and similar items are recognized as revenues as soon as eligibility requirements have been met.

*Fund Financial Statements*

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available to finance expenditures of the current period. A 365 day availability period is used for revenue recognition for all governmental fund revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting, (Continued)**

Nonexchange transactions, in which the Habitat JPA gives (or receives) value without directly receiving (or giving) value in exchange, include developer mitigation fees, grants, entitlements, and donations. On a modified accrual basis, revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied and resources meet the availability criteria.

The Habitat JPA reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Habitat JPA and is used to account for all financial resources.
- The *Grant Special Revenue Fund* records all grant revenues and expenditures through this fund.
- The *Other Revenue Special Revenue Fund* records revenue from special participating entities contribution to recovery fees, landowner contributions and other non-mitigation fee revenue.
- The *Mitigation Trust Account Special Revenue Fund* records Swainson's hawk mitigation fees collected prior to permit issuance on January 9, 2019.
- The *Pre-Permit Endowment Fund (previously Stewardship Permanent Fund)* is used for restricted revenues and resources for conservation easement stewardship to maintain and monitor the easements in accordance with the easement agreements prior to permit issuance on January 9, 2019. The funds are based on individual easement agreements with land owners but the principal amounts are to remain intact and interest earned on the funds will be used to perform monitoring activities in perpetuity.
- The *Post-Permit Endowment Fund* is used for restricted revenues and resources for conservation easement stewardship to maintain and monitor the easements in accordance with the easement agreements after permits have been issued. The funds are based on individual easement agreements with land owners but the principal amounts are to remain intact and interest earned on the funds will be used to perform monitoring activities in perpetuity.

**C. Cash**

The total of restricted and unrestricted cash comprises cash and investments in the County Treasury. Cash is defined as all cash and investments with maturities of 90 days or less and the Habitat JPA's investment in the County of Yolo's pooled cash and investments.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fair Value Measurement**

The Habitat JPA implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The Habitat JPA categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Habitat JPA is a participant in the Yolo County Treasurer's Pool (County Pool). The County Pool is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The Yolo County Treasury Oversight Committee conducts County Pool oversight. Cash on deposit in the County Pool at June 30, 2023, is stated at fair value. The County Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the County Pool, refer to the County of Yolo Annual Comprehensive Financial Report.

**E. Due From Other Governments**

Due from other governments receivables are recorded at their gross value and, where appropriate, are reduced by the portion that is considered uncollectible. Receivables consist primarily of grant claims that have been filed but not received as of year-end. Management believes its receivable balance to be fully collectible and, accordingly, no allowance for doubtful accounts has been recorded.

**F. Capital Assets**

All capital assets, including easements, are capitalized by the Habitat JPA. The Habitat JPA defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Purchased capital assets are stated at cost. Donated fixed assets are valued at their acquisition value. Depreciation of exhaustible capital assets is charged as an expense against operations. Capital assets of the Habitat JPA are reported in the statement of net position, net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the capital assets. Easements and intangible assets have indefinite useful lives and are not depreciated.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Capital Assets (Continued)**

The Habitat JPA also capitalizes conservation easements acquired per the initiative of the Habitat JPA's objective. Conservation easements are a form of deed restriction that landowners voluntarily place on their property to protect certain features, including agricultural and wildlife habitat, open space, or cultural resources. A conservation easement is recorded in the chain of title and it vests the easement "holder" with authority to monitor the property and enforce the restrictions set forth in the easement. The landowner retains fee title to the property and, subject to the restrictions in the conservation easement, continues to determine the types of land uses and activities that occur on the property. Often, this includes continuing his or her current use of the encumbered property so long as such use(s) are compatible with the terms of the conservation easement.

**G. Deferred Inflows of Resources**

The deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Unavailable revenues represent amounts associated with the state and federal grants of the Habitat JPA which are not expected to be received within the Habitat JPA's period of availability of 365 days. As such, these amounts are not available for expenditure and are required to be recorded as deferred inflows of resources in the governmental funds balance sheet.

**H. Net Position/Fund Balance**

Net Position is displayed in three components:

- a. *Net Investment in capital assets* - Consists of capital assets, net of accumulated depreciation.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

The governmental funds utilize a classified fund balance presentation. Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts can be spent as follows:

- d. *Nonspendable* – to reflect amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Net Position/Fund Balance (Continued)**

- e. *Restricted* – to reflect amounts that can only be used for specific purposes pursuant to constraints either
  - (a) externally imposed by creditors (such as debt covenants), grants, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- f. *Committed* – to reflect amounts that can only be used for specific purposes pursuant to the constraints imposed by formal action of the Board of the Habitat JPA. The formal action necessary to establish (and modify or rescind) a commitment is done through a majority vote via resolution of the Board of the Habitat JPA.
- g. *Assigned* – to reflect amounts that are constrained by formal actions of the Board of the Habitat JPA's intent to be used for specific purposes, but are neither restricted nor committed. A formal action is not required to re-assign fund balance.
- h. *Unassigned* – to reflect amounts that have not been restricted, committed, or assigned to specific purposes.

When committed, assigned, and unassigned fund balance amounts are available for use, it is the Habitat JPA's policy to use committed resources first, then assigned resources, and then unassigned resources as they are needed.

**I. General Reserve**

During October 2013, the Board of Directors of the Habitat JPA adopted a general reserve of \$60,087. The reserve can only be released with action from the Board of Directors and was established in order to reserve funding to ensure fiscal stability of the Habitat JPA. The general reserve is reported in the General Fund's unassigned fund balance.

**J. 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 and disclosure of contingent amounts at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. New Accounting Pronouncements**

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with such arrangements. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This Statement is effective for reporting periods beginning after December 15, 2021, or fiscal year 2022-23. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA’s financial statements.

GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, Omnibus 2020. The primary objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements for a variety of topics. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA’s financial statements.

GASB Statement No. 94 – In March 2020, GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA’s financial statements.

GASB Statement No. 96 – In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA’s financial statements.

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, Omnibus 2022. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2022, or the fiscal year 2022-23. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA’s financial statements.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. New Accounting Pronouncements, (Continued)**

Governmental Accounting Standards Board (GASB) Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequence, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. This statement is effective for the 2022-2023 fiscal year and had no effect on the Habitat JPA's financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

Habitat JPA holds restricted and unrestricted cash and investments with the Treasurer of the County of Yolo in a cash and investment pool. On a quarterly basis the Auditor Controller allocates interest to participants based upon their average daily balances. The Treasurer's investments and policies are overseen by the Yolo County Treasury Oversight Committee. Required disclosure information regarding the credit risk, custodial credit risk, concentration risk and interest rate risk of investments can be found in the County of Yolo's basic financial statements. The County of Yolo's financial statements may be obtained by contacting the County of Yolo's Auditor-Controller's Office at 625 Court Street, Room 103, Woodland, California 95695. The Yolo County Treasury Oversight Committee oversees the Treasurer's investments and policies.

Investments held in the County's investment pool are available on demand and are stated at fair value.

California Government Code authorizes the Treasurer of the County to invest excess funds in the following list of eligible securities:

- a) Obligations of the County or any local agency and instrumentality in or of the State of California.
- b) Obligations of the U.S. Treasury, agencies and instrumentalities.
- c) Bankers' acceptances eligible for purchase by the Federal Reserve System.
- d) Commercial paper with an A-1 rating by Moody's Investors Service or a P-1 rating by Standard & Poor's Corporation.
- e) Repurchase agreements or reverse repurchase agreements.
- f) Medium-term notes with a five-year maximum maturity of corporations operating within the United States and rated in the top three rating categories by Moody's Investors Service and Standard & Poor's Corporation.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

- g) Shares of beneficial interest issued by diversified management companies (money market funds) investing in securities and obligations as outlined in a) through f) above. Certain security rankings and/or organizational requirements apply to this type of investment.

Cash and investments are classified in the financial statements as follows:

Cash and Investments:

Cash in County Pooled Treasury	\$ 3,124,488
Restricted Cash and Yolo Community Foundation Endowment	544,211
Total Cash and Investments	\$ 3,668,699

Investments

The Habitat JPA invests its cash in the County of Yolo Treasury Investment Pool. The Habitat JPA does not have its own investment policy defining criteria for selecting acceptable financial institutions, brokers/dealers, or allowable investment types as defined by Government Code 53601. The investments in the County of Yolo Treasury Investment Pool follow the County’s investment policy with oversight by the Yolo County Treasury Oversight Committee.

At June 30, 2023, the Habitat JPA had the following investments:

	Interest Rates	Maturities	Cost Value	Fair Value	WAM (Years)
Cash in County Pooled Treasury	Variable	On Demand	\$ 3,034,532	\$ 3,124,488	1.25
Restricted Cash in County Pooled Treasury	Variable	On Demand	528,543	544,211	1.25
Total Cash and Investments			\$ 3,563,075	\$ 3,668,699	

At June 30, 2023 the Habitat JPA had the following restrictions on cash balances:

Restricted for:

Conservation Easement Endowment	\$ 141,225
Yolo Community Foundation Endowment	402,986
Total Restricted Cash	\$ 544,211

The restricted cash is to provide funds for the monitoring of easements to ensure landowners follow the terms of the conservation easements purchased by the Yolo Habitat JPA. The monitoring is performed by the Habitat JPA, Yolo Land Trust, or California Waterfowl Association depending on the individual easement and reimbursed from the Habitat JPA’s restricted cash.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

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 the market interest rate.

Credit Risk:

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Habitat JPA has no investment policy that would further limit its investment choices.

Fair Value Measurement:

The Habitat JPA categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 input are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2023, the Habitat JPA held no individual investments. All funds are invested in the County Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Habitat JPA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Deposits and withdrawals from the County Pool are made on the basis of \$1 and not fair value. Accordingly, the Habitat JPA's proportionate share of investments in the County Pool at June 30, 2023 of \$3,662,122 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

**NOTE 3 – CAPITAL ASSETS**

The Habitat JPA's capital assets consist of land easement agreements. The agreement limits certain uses on all or a portion of a property for conservation purposes while keeping the property in the landowner's ownership and control. These agreements do not have an expiration date and thus, the easements are considered to have indefinite useful lives.

A summary of changes in capital assets for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital Assets, Not Being Depreciated				
Land easements	\$ 3,407,811	\$ 2,500,504	-	\$ 5,908,315
Total Capital Assets, Not Being Depreciated	<u>\$ 3,407,811</u>	<u>\$ 2,500,504</u>	<u>-</u>	<u>\$ 5,908,315</u>

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 4 – RISK MANAGEMENT**

The Habitat JPA is exposed to various risks of loss related to workers' compensation and general liability. The Habitat JPA participates in the Yolo County Public Agency Risk Management Insurance Agency (YCPARMIA), a public entity risk pool of governmental entities within Yolo County, for comprehensive general and auto liability, and worker's compensation insurance. Through the Habitat JPA's membership in the YCPARMIA, the Habitat JPA is provided with excess coverage through the California State Association of Counties – Excess Insurance Agency for catastrophic liability losses. Loss contingency reserves established by YCPARMIA are funded by contributions from member agencies.

The Habitat JPA pays an annual premium to YCPARMIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal cost, and administrative and other costs to operate the YCPARMIA. The Habitat JPA's deductibles and maximum coverages are as follows:

2023 Coverage	Deductible	YCPARMIA	Excess
General Liability	\$ 1,000	\$ 1,000,000	\$ 40,000,000

The Habitat JPA has had no settlements exceeding coverage in the fiscal year ended June 30, 2023 or the prior two fiscal years.

**NOTE 5 – RELATED PARTY TRANSACTIONS**

The County of Yolo provides certain legal, accounting, administrative, and other professional services to the Habitat JPA. Although the Habitat JPA was created in part by the County of Yolo, it is not part of the County's financial reporting entity. Legal, payroll, and accounting services are billed separately and at amounts that will approximately recover the County's full cost of providing such services. The Habitat JPA had expenditures for services provided by the County for the 2023 fiscal year as follows:

	Amount
Administrative Services	\$ 127,389
IT Services	8,200
Accounting Services	5,016
Legal Services	408
Total	\$ 141,013

**NOTE 6 – CONTINGENCIES**

The Habitat JPA receives funding for specific purposes through state and federal grants that are subject to review and audit by the funding source. Such audits could result in a request for reimbursement of expenditures to be disallowed under the terms and conditions of the contracts. Management is of the opinion that no material liabilities will result from such potential audits.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 7 – MITIGATION CREDITS**

On November 10, 2008, the Habitat JPA Board of Directors adopted Resolution 2008-02 supporting the creation of receiving sites for Swainson's Hawk Foraging Habitat Mitigation and the subsequent sale of mitigation credits. The Habitat JPA has engaged in the subsequent sale and exchange of mitigation credits in order to acquire conservation easements. The Habitat JPA is responsible for the tracking and management of the mitigation credits provided. As of June 30, 2023, a total of 5 mitigation receiving sites have been established for 977.75 acres. A total of 913.496 credits have been issued as of June 30, 2023. Landowners are responsible for reporting the sales of credits to the Habitat JPA in accordance with the Mitigation Credit agreement between the Habitat JPA and the landowner.

**NOTE 8 – CONTINGENCIES AND COMMITMENTS**

**Grant Awards:**

The Habitat JPA participates in certain federal, and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

**NOTE 9 – ECONOMIC DEPENDENCE**

The Habitat JPA is economically dependent on revenue derived from mitigation fees and pre-payment of mitigation fees from member agencies consisting of 80 percent of General Fund program revenues for the year ended June 30, 2023. The Habitat JPA is dependent on the continued support member agencies for the organization's objective of the implementation of the Yolo County Habitat/Natural Community Conservation Plan and to continue operations in the future.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Mitigation fees	\$ 1,500,000	\$ 1,500,000	\$ 674,307	\$ (825,693)
Other revenue	-	-	12,900	12,900
Charges for services	-	-	45,685	45,685
Use of money and property (losses on investment)	5,000	5,000	92,092	87,092
Total Revenues	<u>1,505,000</u>	<u>1,505,000</u>	<u>824,984</u>	<u>(680,016)</u>
<b>Expenditures</b>				
Current:				
Professional services	800,000	800,000	440,747	359,253
Other expenditures	3,005,500	3,005,500	1,649	3,003,851
Capital Outlay - Easements	250,000	250,000	1,050,170	(800,170)
Total Expenditures	<u>4,055,500</u>	<u>4,055,500</u>	<u>1,492,566</u>	<u>2,562,934</u>
Excess (deficiency) of revenues over expenditures	<u>(2,550,500)</u>	<u>(2,550,500)</u>	<u>(667,582)</u>	<u>(3,242,950)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(1,140)</u>	<u>198,860</u>
Total Other Financing Sources (Uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(1,140)</u>	<u>198,860</u>
Net Change in Fund Balances	<u>\$ (2,750,500)</u>	<u>\$ (2,750,500)</u>	(668,722)	(3,044,090)
Fund Balance - Beginning			3,415,884	(165,257)
Fund Balance - Ending			<u>\$ 2,747,162</u>	<u>\$ (3,209,347)</u>

The notes to the required supplementary information are an integral part of this schedule.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
GRANT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Grant Money	\$ 125,000	\$ 125,000	\$ 63,048	\$ (61,952)
Use of money and property (losses on investment)	-	-	(1,121)	(1,121)
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>61,927</u>	<u>(63,073)</u>
<b>Expenditures</b>				
Current:				
Professional services	125,000	125,000	71,378	(53,622)
Other expenditures	-	-	10	10
Total Expenditures	<u>125,000</u>	<u>125,000</u>	<u>71,388</u>	<u>(53,612)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(9,461)</u>	<u>(9,461)</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>(9,461)</u>	<u>(9,461)</u>
Fund Balance - Beginning			29,818	(165,257)
Fund Balance - Ending			<u>\$ 20,357</u>	<u>\$ (174,718)</u>

The notes to the required supplementary information are an integral part of this schedule.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
OTHER REVENUE SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Mitigation fees	\$ 50,000	\$ 50,000	\$ 22,068	\$ (27,932)
Charges for services	-	-	11,003	11,003
Use of money and property (losses on investment)	1,000	1,000	1,360	360
Total Revenues	<u>51,000</u>	<u>51,000</u>	<u>34,431</u>	<u>(16,569)</u>
 Excess (deficiency) of revenues over expenditures	 <u>51,000</u>	 <u>51,000</u>	 <u>34,431</u>	 <u>(16,569)</u>
Net Change in Fund Balances	<u>\$ 51,000</u>	<u>\$ 51,000</u>	34,431	(16,569)
 Fund Balance - Beginning			<u>69,129</u>	<u>(165,257)</u>
Fund Balance - Ending			<u>\$ 103,560</u>	<u>\$ (181,826)</u>

The notes to the required supplementary information are an integral part of this schedule.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
MITIGATION TRUST ACCOUNT SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other revenue	\$ -	\$ -	\$ 1,306,826	\$ 1,306,826
Use of money and property (losses on investment)	2,000	2,000	17,374	15,374
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>1,324,200</u>	<u>1,322,200</u>
<b>Expenditures</b>				
Current:				
Professional services	-	-	472	472
Other expenditures	552,884	552,884	184,751	(368,133)
Capital Outlay - Easements	-	-	1,450,334	1,450,334
Total Expenditures	<u>552,884</u>	<u>552,884</u>	<u>1,635,557</u>	<u>1,082,673</u>
Excess (deficiency) of revenues over expenditures	<u>(550,884)</u>	<u>(550,884)</u>	<u>(311,357)</u>	<u>239,527</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(72,000)	(72,000)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(72,000)</u>	<u>(72,000)</u>
Net Change in Fund Balances	<u>\$ (550,884)</u>	<u>\$ (550,884)</u>	(383,357)	167,527
Fund Balance - Beginning			533,968	(165,257)
Fund Balance - Ending			<u>\$ 150,611</u>	<u>\$ 2,270</u>

The notes to the required supplementary information are an integral part of this schedule.

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**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING**

Habitat JPA prepares and is required to legally adopt a final budget for all funds on or before June 30th of each fiscal year. Habitat JPA operation, commencing July 1st, is governed by the proposed budget, which is prepared on the modified accrual basis and normally adopted by the JPA Board of Directors in June of the prior year.

After the budget is approved, the Executive Director is authorized to execute transfers within major budget units as long as the total expenditures for each budget unit remain unchanged. The Habitat JPA measures compliance with the legally adopted budget at the major object level.

An operating budget is adopted each fiscal year on the modified accrual basis.

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**SUPPLEMENTARY INFORMATION**

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
PRE-PERMIT ENDOWMENT PERMANENT FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property (losses on investment)	\$ 10,000	\$ 10,000	\$ 25,515	\$ 15,515
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>25,515</u>	<u>15,515</u>
<b>Expenditures</b>				
Current:				
Professional services	10,000	10,000	4,271	(5,729)
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,271</u>	<u>(5,729)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>21,244</u>	<u>21,244</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>1,140</u>	<u>1,140</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>1,140</u>	<u>1,140</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>22,384</u>	<u>22,384</u>
Fund Balance - Beginning			<u>335,708</u>	<u>(165,257)</u>
Fund Balance - Ending			<u>\$ 358,092</u>	<u>\$ (142,873)</u>

The notes to the required supplementary information are an integral part of this schedule.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY  
CONSERVATION PLAN JOINT POWERS AGENCY**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
POST-PERMIT ENDOWMENT PERMANENT FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Mitigation fees	\$ 39,000	\$ 39,000	\$ 139,120	\$ 100,120
SPE fees	-	-	22,068	22,068
Use of money and property (losses on investment)	5,000	5,000	3,357	(1,643)
Total Revenues	<u>44,000</u>	<u>44,000</u>	<u>164,545</u>	<u>120,545</u>
<b>Expenditures</b>				
Current:				
Professional services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>44,000</u>	<u>44,000</u>	<u>164,545</u>	<u>120,545</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	72,000	72,000
Transfers out	<u>(44,000)</u>	<u>(44,000)</u>	<u>-</u>	<u>44,000</u>
Total Other Financing Sources (Uses)	<u>(44,000)</u>	<u>(44,000)</u>	<u>72,000</u>	<u>116,000</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	236,545	236,545
Fund Balance - Beginning			99,814	(165,257)
Fund Balance - Ending			<u>\$ 336,359</u>	<u>\$ 71,288</u>

The notes to the required supplementary information are an integral part of this schedule.

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**INDEPENDENT AUDITOR’S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Yolo County Habitat/Natural Community Conservation Plan  
Joint Powers Authority  
Woodland, 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 basic financial statements of the Yolo County Habitat/Natural Community Conservation Plan Joint Powers Authority (Habitat JPA), as of and for the year ended June 30, 2023 and the related notes to the financial statements, and have issued our report thereon dated May 3, 2024. Our report included an emphasis of a matter paragraph disclosing the economic dependency as disclosed in Note 9 of the financial statements.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Habitat JPA’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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Habitat JPA’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Habitat JPA’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 Habitat JPA’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 audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Habitat JPA'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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated May 3, 2024, which is an integral part of our audit and should be read in conjunction with this report.

### ***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 Habitat JPA'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 Habitat JPA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze + Associates*

Pleasant Hill, California  
May 3, 2024