

**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, 2025

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**

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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, 2025, 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, 2025, 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.

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 58 percent of General Fund program revenues for the year ended June 30, 2025. 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 January 21, 2026, 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
January 21, 2026

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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, 2025. 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 \$9,744,398 (net position), of which \$2,805,919 is reported as unrestricted net position.

The Habitat JPA's total net position decreased by \$58,302 which was largely due to a decrease in net program revenues.

The Habitat JPA recorded program revenue of \$370,974, comprised of mitigation fees, interest, and other income. The Habitat JPA reported \$697,236 in program expenses, including professional services, real estate acquisition, and miscellaneous expenses. The Habitat JPA reported resulting net program revenue of \$(326,262).

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 pages 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 implementation 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 16-19 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 21-31 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 \$9,744,398 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

Assets:	2025	2024	Increase (Decrease)
Current Assets:			
Cash and investments	\$ 3,169,700	\$ 3,297,816	\$ (128,116)
Receivables:			
Accounts	1,241	1,241	-
Due from other governments	23,616	23,616	-
Restricted cash and investments	834,969	941,204	(106,235)
	<u>4,029,526</u>	<u>4,263,877</u>	<u>(234,351)</u>
 Noncurrent Assets:			
Capital assets	5,908,315	5,908,315	-
Total Assets	<u>9,937,841</u>	<u>10,172,192</u>	<u>(234,351)</u>
 Liabilities:			
Accounts Payable	69,311	224,693	(155,382)
Unearned revenue	124,133	124,132	1
Due to other governments	-	20,667	(20,667)
Total Liabilities	<u>193,444</u>	<u>369,492</u>	<u>(176,048)</u>
 Net Potision:			
Net investment in capital assets	5,908,315	5,908,315	-
Restricted	1,030,164	927,717	102,447
Unrestricted	2,805,919	2,966,668	(160,749)
Total Net Position	<u>\$ 9,744,398</u>	<u>\$ 9,802,700</u>	<u>\$ (58,302)</u>

At the end of the current fiscal year, the Habitat JPA's total net position decreased by \$58,302 which was largely due to a decrease in net program revenue.

CHANGES IN NET POSITION

	2025	2024	Increase (Decrease)
Program Expenses:			
Professional services	\$ 678,326	\$ 516,967	\$ 161,359
Miscellaneous expenses	18,910	350	18,560
Total program expenses	<u>697,236</u>	<u>517,317</u>	<u>179,919</u>
Program Revenues:			
Operating grants, contributions, and fees	<u>370,974</u>	<u>484,382</u>	<u>(113,408)</u>
Total program revenues	<u>370,974</u>	<u>484,382</u>	<u>(113,408)</u>
Net program revenue	<u>(326,262)</u>	<u>(32,935)</u>	<u>(293,327)</u>
General Revenues (Expenses):			
Capital contributions	-	-	-
Use of money and property (losses on investment)	267,960	211,179	56,781
Total general revenues (expenses)	<u>267,960</u>	<u>211,179</u>	<u>56,781</u>
Change in net position	<u>(58,302)</u>	<u>178,244</u>	<u>(236,546)</u>
Net position at Beginning of Year	9,802,700	9,624,456	178,244
Net Position at End of Year	<u><u>\$ 9,744,398</u></u>	<u><u>\$ 9,802,700</u></u>	<u><u>\$ (58,302)</u></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 \$2,691,015, a decrease of \$166,801 from the prior fiscal year due to a higher increase in the JPA's liabilities than assets.

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 \$28,661, and \$114,904, 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 \$166,534. The entire fund balance is restricted to acquisition of habitat conservation easements consistent with the Interim Swainson's Hawk Mitigation Program, which ceased to exist once the Habitat JPA began implementation of the Yolo HCP/NCCP in January 2019 after receiving its state and federal permits, and burrowing owl mitigation fees paid prior to Yolo HCP/NCCP implementation. The Habitat JPA expects to expend the remaining funds in this account in FY25/26 on the acquisition of a habitat conservation easement that provides both Swainson's hawk foraging habitat and burrowing owl habitat.

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 \$430,881 and \$404,088 respectively, an increase of \$44,950 from prior year in the Pre-permit Permanent Fund, and an increase of \$48,815 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, 2025, the Habitat JPA received less mitigation fee revenue than budgeted.
- The Habitat JPA spent less than originally budgeted for professional services and other expenditures. Additionally, capital easements expenditures were budgeted but none were acquired during the fiscal year.

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, 2025, the Habitat JPA did not budget for grant revenue due to not actively pursuing grants during this time, however; a small amount of revenue was received due to residual interest from prior year pooled cash in the County Treasury.

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, 2025, did not budget for revenues from Special Participating Entity projects, however; interest revenue was received due to cash being pooled in the County Treasury.

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, 2025, the Habitat JPA experienced a gain on investments due to favorable market conditions.
- During the fiscal year ended June 30, 2025, conservation easement acquisitions were budgeted but none were acquired.

Capital Assets

The Habitat JPA's net investment in capital assets, as of June 30, 2025, 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, nor 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 2025-26. The Habitat JPA will continue to contract with Yolo County for administrative services. The Habitat JPA also expects to increase expenditures on real estate acquisition assistance and easement monitoring as the Habitat JPA proceeds with easement acquisitions and on habitat restoration monitoring and management activities as habitat restoration sites are expanded to meet mitigation needs. The Habitat JPA anticipates spending down the entirety of the funds remaining in the Habitat JPA's Mitigation Trust Account Fund Special Revenue Fund on an easement acquisition that will provide both Swainson's hawk foraging habitat and burrowing owl habitat. 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, 2026.

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 Conservancy, PO Box 2202, Woodland, California 95776. The Habitat JPA can also be reached via email at info@yolohabitatconservancy.org. For more information about the Habitat JPA or the Yolo HCP/NCCP, please visit the website at 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, 2025**

ASSETS

Current assets:

Cash and investments in County Treasury (Note 2)	\$ 3,169,700
Accounts receivable	1,241
Due from other governments	23,616
Restricted cash and investments (Note 2)	111,453
Restricted cash with fiscal agent (Note 2)	723,516
Total Current Assets	4,029,526

Noncurrent assets:

Capital assets (Note 3)	5,908,315
Total Assets	9,937,841

LIABILITIES

Accounts payable	69,311
Unearned revenue	124,132
Due to other governments	-
Total Liabilities	193,443

NET POSITION

Net investment in capital assets	5,908,315
Restricted for:	
Wildlife mitigation	599,283
Endowment	430,881
Unrestricted	2,805,919
Total net position	\$ 9,744,398

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, 2025**

Program Expenses:	
Professional services	\$ 678,326
Miscellaneous expenses	<u>18,910</u>
Total program expenses	<u>697,236</u>
Program Revenues:	
Operating grants, contributions and fees	<u>370,974</u>
Total program revenues	<u>370,974</u>
Net program revenue (expense)	<u>(326,262)</u>
General Revenues (Expenses)	
Use of money and property (losses on investments)	<u>267,960</u>
Total General Revenues	<u>267,960</u>
Change in net position	<u>(58,302)</u>
Net position - Beginning of year	<u>\$ 9,802,700</u>
Net position - End of year	<u><u>\$ 9,744,398</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, 2025**

	<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	
Assets							
Pooled cash and investment in County Treasury (Note 2)	\$ 2,880,711	\$ 3,804	\$ 118,651	\$ 166,534	\$ -	\$ -	\$ 3,169,700
Accounts receivable	1,241	-	-	-	-	-	1,241
Due from other governments	(1,241)	24,857	-	-	-	-	23,616
Restricted assets:							
Cash and investments (Note 2)	-	-	-	-	(1,849)	113,302	111,453
Cash and investments with fiscal agents (Note 2)	-	-	-	-	432,730	290,786	723,516
Total Assets	<u>\$ 2,880,711</u>	<u>\$ 28,661</u>	<u>\$ 118,651</u>	<u>\$ 166,534</u>	<u>\$ 430,881</u>	<u>\$ 404,088</u>	<u>\$ 4,029,526</u>
Liabilities and Fund Balance							
Liabilities:							
Accounts payable	\$ 69,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,311
Unearned revenue	120,385	-	3,747	-	-	-	124,132
Due to other governments	-	-	-	-	-	-	-
Total Liabilities	<u>189,696</u>	<u>-</u>	<u>3,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,443</u>
Fund balance							
Nonspendable:							
Endowment	-	-	-	-	430,881	-	430,881
Restricted:							
Wildlife Mitigation	-	28,661	-	166,534	-	404,088	599,283
Unassigned	2,691,015	-	114,904	-	-	-	2,805,919
Total Fund Balance	<u>2,691,015</u>	<u>28,661</u>	<u>114,904</u>	<u>166,534</u>	<u>430,881</u>	<u>404,088</u>	<u>3,836,083</u>
Total Liabilities and Fund Balance	<u>\$ 2,880,711</u>	<u>\$ 28,661</u>	<u>\$ 118,651</u>	<u>\$ 166,534</u>	<u>\$ 430,881</u>	<u>\$ 404,088</u>	<u>\$ 4,029,526</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, 2025**

Fund balances - Governmental funds	\$ 3,836,083
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>\$ 9,744,398</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, 2025**

	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	
Revenues							
Mitigation fees	\$ 361,888	\$ -	\$ -	\$ -	\$ -	\$ 9,086	\$ 370,974
Grant revenue	-	-	-	-	-	-	-
Use of money and property (losses on investment)	156,340	189	6,052	8,493	54,610	42,276	267,960
Total Revenues	518,228	189	6,052	8,493	54,610	51,362	638,934
Expenditures							
Current:							
Professional services	666,119	-	-	-	9,660	2,547	678,326
Capital Outlay - Easements	-	-	-	-	-	-	-
Other expenditures	18,910	-	-	-	-	-	18,910
Total Expenditures	685,029	-	-	-	9,660	2,547	697,236
Excess (deficiency) of revenues over expenditures	(166,801)	189	6,052	8,493	44,950	48,815	(58,302)
Net Change in Fund Balance	(166,801)	189	6,052	8,493	44,950	48,815	(58,302)
Fund balance - Beginning	\$ 2,857,816	\$ 28,472	\$ 108,852	\$ 158,041	\$ 385,931	\$ 355,273	\$ 3,894,385
Fund balance - Ending	\$ 2,691,015	\$ 28,661	\$ 114,904	\$ 166,534	\$ 430,881	\$ 404,088	\$ 3,836,083

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 FISCAL YEAR ENDED JUNE 30, 2025**

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 \$ (58,302)

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.

	-
NET CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (58,302)

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, 2025**

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, 2025**

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 post-permit endowment fund is for monitoring and maintain HCP/NCCP reserve system sites after the expiration of the permits (not permit issuance). The post-permit endowment fund includes both a % of mitigation fee funds collected and contributions from individual landowners that are combined into the fund, of which the total principal is intended to remain intact and the interest earned on the funds will be used to perform Yolo HCP/NCCP reserve system monitoring and management activities in perpetuity.

The pre-permit endowment fund has separate accounts that are intended to accrue interest that is used for easement compliance monitoring of specific pre-permit sites while Post-Permit Endowment Fund receives money from both mitigation fees and landowner payments and is maintained as a lump-sum, of which accrued interest is intended to support post-permit monitoring and management activities that are required by the HCP/NCCP after the expiration of the HCP/NCCP permits.

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, 2025**

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, 2025, 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, 2025**

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 Inflow/Outflow of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

In addition to assets, the statement of net position reports a separate section for deferred outflows or resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

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.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Net Position/Fund Balance (Continued)

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.
- 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, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. New Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this pronouncement did not have a material effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. **The implementation of this pronouncement did not** have a material effect on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Habitat JPA does not anticipate that the Statement will have a material effect on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The Habitat JPA has not yet determined the effect of this Statement on its 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.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (Continued)

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.
- 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	\$ 3,169,700
Restricted Cash in County Pooled Treasury and Yolo Community Foundation Endowment	834,969
Total Cash and Investments	\$ 4,004,669

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.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (Continued)

At June 30, 2025, the Habitat JPA had the following investments:

	Interest Rates	Maturities	Cost Value	Fair Value	WAM (Years)
Cash in County Pooled Treasury	Variable	On Demand	\$ 3,179,314	\$ 3,169,700	2.5
Restricted Cash and in County Pooled Treasury	Variable	On Demand	837,502	834,969	2.5
Total Cash and Investments			<u>\$ 4,016,816</u>	<u>\$ 4,004,669</u>	

At June 30, 2025 the Habitat JPA had the following restrictions on cash balances:

Restricted for:

Conservation Easement Endowment	\$ 111,454
Yolo Community Foundation Endowment	<u>724,247</u>
Total Restricted Cash	<u>\$ 835,701</u>

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.

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, 2025, the Habitat JPA held no individual investments. All funds are invested in the County Pool.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (Continued)

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, 2025 of \$3,282,567 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, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Capital Assets, Not Being Depreciated				
Land easements	\$ 5,908,315	\$ -	\$ -	\$ 5,908,315
Total Capital Assets, Not Being Depreciated	<u>\$ 5,908,315</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,908,315</u>

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:

2025 Coverage	Deductible	YCPARMIA	Excess
General Liability	\$ 1,000	\$ 1,000,000	\$ 25,000,000

The Habitat JPA has had no settlements exceeding coverage in the fiscal year ended June 30, 2025 or the prior two fiscal years.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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 2025 fiscal year as follows:

	Amount
Administrative Services	\$ 88,115
IT Services	1,382
Accounting Services	1,680
Legal Services	650
Total	\$ 91,827

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.

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, 2025, 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, 2025. 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.

**YOLO COUNTY HABITAT/NATURAL COMMUNITY
CONSERVATION PLAN JOINT POWERS AGENCY
NOTE TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

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 58 percent of General Fund program revenues for the year ended June 30, 2025. The Habitat JPA is dependent on the continued support from member agencies for 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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Mitigation fees	\$ 700,000	\$ 700,000	\$ 361,888	\$ (338,112)
Use of money and property (losses on investment)	5,000	5,000	156,340	151,340
Total Revenues	<u>705,000</u>	<u>705,000</u>	<u>518,228</u>	<u>(186,772)</u>
Expenditures				
Current:				
Professional services	942,511	942,511	666,119	276,392
Other expenditures	62,689	62,689	18,910	43,779
Capital Outlay - Easements	1,584,762	1,584,762	-	1,584,762
Total Expenditures	<u>2,589,962</u>	<u>2,589,962</u>	<u>685,029</u>	<u>1,904,933</u>
Excess (deficiency) of revenues over expenditures	<u>(1,884,962)</u>	<u>(1,884,962)</u>	<u>(166,801)</u>	<u>(2,091,705)</u>
Net Change in Fund Balances	<u>\$ (1,884,962)</u>	<u>\$ (1,884,962)</u>	<u>(166,801)</u>	<u>(2,091,705)</u>
Fund Balance - Beginning			<u>2,857,816</u>	<u>(165,257)</u>
Fund Balance - Ending			<u>\$ 2,691,015</u>	<u>\$ (2,256,962)</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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Grant Money	\$ -	\$ -	\$ -	\$ -
Use of money and property (losses on investment)	-	-	189	189
Total Revenues	-	-	189	189
Expenditures				
Current:				
Professional services	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	\$ -	\$ -	189	189
Fund Balance - Beginning			28,472	(165,257)
Fund Balance - Ending			\$ 28,661	\$ (165,068)

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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Mitigation fees	\$ -	\$ -	\$ -	\$ -
Use of money and property (losses on investment)	-	-	6,052	6,052
Total Revenues	<u>-</u>	<u>-</u>	<u>6,052</u>	<u>6,052</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>6,052</u>	<u>-</u>
Fund Balance - Beginning			<u>108,852</u>	<u>(165,257)</u>
Fund Balance - Ending			<u>\$ 114,904</u>	<u>\$ (165,257)</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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property (losses on investment)	\$ -	\$ -	\$ 8,493	\$ 8,493
Total Revenues	<u>-</u>	<u>-</u>	<u>8,493</u>	<u>8,493</u>
Expenditures				
Capital Outlay - Easements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,493</u>	<u>8,493</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>8,493</u>	<u>8,493</u>
Fund Balance - Beginning			158,041	(165,257)
Fund Balance - Ending			<u>\$ 166,534</u>	<u>\$ (156,764)</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, 2025**

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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Use of money and property (losses on investment)	\$ -	\$ -	\$ 54,610	\$ 54,610
Total Revenues	<u>-</u>	<u>-</u>	<u>54,610</u>	<u>54,610</u>
Expenditures				
Current:				
Professional services	10,000	10,000	9,660	(340)
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,660</u>	<u>(340)</u>
Excess (deficiency) of revenues over expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>44,950</u>	<u>54,950</u>
Net Change in Fund Balances	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>44,950</u>	<u>54,950</u>
Fund Balance - Beginning			385,931	(165,257)
Fund Balance - Ending			<u>\$ 430,881</u>	<u>\$ (110,307)</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 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Mitigation fees	\$ 8,000	\$ 8,000	\$ 9,086	\$ 1,086
Use of money and property (losses on investment)	-	-	42,276	42,276
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>51,362</u>	<u>43,362</u>
Expenditures				
Current:				
Professional services	-	-	2,547	2,547
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,547</u>	<u>2,547</u>
Excess (deficiency) of revenues over expenditures	<u>8,000</u>	<u>8,000</u>	<u>48,815</u>	<u>40,815</u>
Net Change in Fund Balances	<u>\$ 8,000</u>	<u>\$ 8,000</u>	<u>48,815</u>	<u>40,815</u>
Fund Balance - Beginning			<u>355,273</u>	<u>(165,257)</u>
Fund Balance - Ending			<u>\$ 404,088</u>	<u>\$ (124,442)</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, 2025 and the related notes to the financial statements, and have issued our report thereon dated January 21, 2026. 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 January 21, 2026, 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
January 21, 2026