

**Sonoma Agricultural Preservation
And Open Space District**

**Annual Report
For The Fiscal Year Ended
June 30, 2009**



RODNEY A. DOLE
SONOMA COUNTY
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

**Sonoma County Agricultural Preservation
And Open Space District**

**Basic Financial Statements
For the Fiscal Year Ended
June 30, 2009
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Sonoma County Agricultural Preservation
And Open Space District
Citizen Advisory Committee

At May 27, 2010, the Citizen Advisory Committee included the following:

Dennis Murphy	Fourth District Representative
Paul Brophy	Business Representative
Suzanne Doyle	Environmental Representative
Vacant	First District Representative
Cary Fargo	Real Estate Representative
Yancey Forest-Knowles.....	Third District Representative
Douglas Hanford.....	First District Representative
John Nagle.....	Fifth District Representative
Janet Orchard	Mayors' and Council Members' Representative
Susan Kirks	Second District Representative
Laurie Gallian	Mayors' and Council Members' Representative
Vacant	Fourth District Representative
Vacant	Mayors' and Council Members' Representative
Andy Rodgers	Second District Representative
Vacant	Agricultural Representative
Vacant	Third District Representative
Victoria Wikle.....	Fifth District Representative

Sonoma County Agricultural Preservation
and Open Space District
Roster of Board Members

As of May 28, 2010, the District Board consisted of the following members:

<u>Directors</u>	<u>Office</u>	<u>Term Expires</u>
Paul Kelley	Chairman	January 2011
Valerie Brown	Vice Chairwoman.....	January 2013
Mike Kerns		January 2011
Shirlee Zane.....		January 2013
Efren Carrillo		January 2013

Introduction

The Sonoma County Agricultural Preservation & Open Space District (“the District”) was created in 1990 by a vote of the Sonoma County electorate. The mission of the Sonoma County Agricultural Preservation and Open Space District (District) is to permanently preserve the diverse landscapes of Sonoma County for future generations, including working farms and ranches; greenbelts and community separators between and around urban areas, natural areas and wildlife habitat, and land for public access and passive recreation. Since its inception, the District has protected over 72,000 acres or 100 square miles on 152 properties at a cost of \$247 million; and today, ranks as one of the top open space and farmland conservation programs in the nation.

The District is a separate legal entity and has specific purposes and powers, which are set out in Public Resources Code Sections 5500 et seq.¹ Primary financing for the District comes from a voter-approved 0.25 percent sales tax. The District is thus different from Sonoma County departments, which are created by the Board of Supervisors for internal administrative convenience, but are not separate legal entities.

The 5-member Open Space Authority levies the sales tax and ensures that the District’s open space purchases are consistent with the voter-approved expenditure plan. The Authority currently contracts with the District to acquire open space (planning, appraisal, negotiation and stewardship) and pays directly into escrow for the acquisitions. The District partners with willing landowners, public agencies and non-profit organizations to protect land permanently from being developed, through agreements with landowners (conservation easements) and through outright purchase of land.

The District’s status as a separate legal entity with specific powers affects the types of activities in which the District may engage. Unlike Sonoma County, which generally may spend its general fund revenues for activities the Board of Supervisors determines benefit the public good,² the District may only expend its sales tax revenue to further the purposes specified in the voter approved Expenditure Plan.³ Unlike the County, the District has no general land use authority, and does not exercise general regulatory “police powers.”

Because of the separate powers and revenue sources of the District, the District’s revenues, expenses and assets are held and accounted for separately from Sonoma County’s.⁴ When County officials perform services for the District, they are separately paid for those services by the District, pursuant to agreements between the District and the County. Similarly,

¹ See Public Resources Code Sections 5506.5 and 5506.6 and Sonoma County Measure A, 1990 General Election ballot. Unless otherwise specified, all section references are to the Public Resources Code.

² See Government Code Section 26227.

³ See Revenue & Taxation Code Section 7285.5 and the contract between the District and the Sonoma County Open Space Authority. See also *Golden Bridge District v. Luehring* (1970) 4 Cal. App.3d 204.

⁴See Section 4 of Sonoma County Ordinance no 5677R (“The Sonoma County Open Space, Clean Water and Farmland Protection Measure”).

when District personnel perform services for the County, the County pays the Agency for those services. Payments are subject to fiscal oversight by the Sonoma County Open Space Authority, to assure the public that they are consistent with the Expenditure Plan and that they are based on actual cost. The District holds separate title to its real property and assets, and the County may not use District property or funds for County purposes absent an appropriate agreement that is consistent with the voter approved Expenditure Plan. The District is also subject to different laws than the County regarding acquisition and disposition of property.⁵

⁵ For instance, see Public Resources Section 5540.

Financial Section

RODNEY A. DOLE
AUDITOR-CONTROLLER
TREASURER-TAX COLLECTOR

**Auditor-Controller
Treasurer-Tax Collector
County of Sonoma**

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AUDITOR-CONTROLLER

ROBERT BOITANO
ASSISTANT
TREASURER

PAM JOHNSTON
ASSISTANT
TAX COLLECTOR/AUDITOR

Board of Directors
Sonoma County Agriculture Preservation and Open Space District
Santa Rosa, CA

Auditor-Controller's Report

We have audited the accompanying basic financial statements of the Sonoma County Agricultural Preservation and Open Space District, (the District), as of and for the year ended June 30, 2009, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note III.C of the Notes to the Basic Financial Statements, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. However, we believe adequate safeguards and divisions of responsibility exist.

In our opinion, except for the effects, if any, of the impairment to auditor independence, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2009, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 2 through 7 and the budgetary comparison information on page 26 are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Sonoma County Auditor-Controller

May 27, 2010

Management's Discussion and Analysis

As management of the Sonoma County Agriculture Preservation and Open Space District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the District's financial statements (pages 8-13) and the accompanying notes to the basic financial statements (pages 14-26).

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$291,859,256 (net assets). The District reported unrestricted net assets of \$2,238,367.
- The District's total net assets increased by \$20,156,820. The majority of this increase, \$17,435,514, is due to transfers from the County of Sonoma towards land and easement purchases.
- During FY 2007-08 the County of Sonoma issued Measure F Sales Tax Revenue bonds. The net proceeds from these bonds totaled \$84,365,614, of which \$37,486,332 was used for the retirement of debt related to prior year land purchases. As of June 30, 2009, the remaining proceeds from the bonds total \$8,773,768.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$2,971,141, a decrease of \$102,585 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic 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 District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 (e.g., unused vacation leave).

The government-wide financial statements can be found on pages 8 –9 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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

Governmental funds. 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.

Because 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 District uses governmental funds to account for its activities, which include preservation of open space in the district's boundaries. The district adopts an annual appropriated budget for its funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 10 – 13 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 14 – 26 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$291,859,256 at the close of the most recent fiscal year.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land and easements).

Net Assets

	2009	2008	Increase (Decrease)
Current and other assets	\$ 3,151,047	\$ 3,203,405	\$ (52,358)
Capital assets	289,048,448	268,812,213	20,236,235
Total assets	292,199,495	272,015,618	20,183,877
Long-term liabilities outstanding	255,227	166,836	88,391
Other liabilities outstanding	159,906	126,345	33,561
Total liabilities	415,133	293,181	121,952
Net assets:			
Invested in capital assets, net of related debt	289,028,448	268,795,547	20,232,901
Restricted	592,441	595,679	(3,238)
Unrestricted	2,238,367	2,331,210	(92,843)
Restatement		(20,000)	
Total net assets	\$ 291,859,256	\$ 271,702,436	\$ 20,156,820

At the end of the current fiscal year, the District is able to report positive balances in all categories of net assets.

Governmental activities. Governmental activities increased the District's net assets by \$20,156,820. The majority of this increase is due to contributions from the Open Space Authority for operations and land and easements (\$5,716,448) and from the County of Sonoma towards land and easements. (\$17,435,514).

Changes in Net Assets

	2009	2008	Increase (Decrease)
Revenues:			
Program Revenues:			
Open space preservation	\$ 7,398,557	\$ 4,449,511	\$ 2,949,046
General Revenues:			
Investment income and other	150,038	413,032	(262,994)
Total revenues	7,548,595	4,862,543	2,686,052
Expenses:			
Program Expenses:			
Open space preservation	4,931,207	4,170,650	760,557
Total expenses	4,931,207	4,170,650	760,557
Other financing sources (uses)			
Transfers in - contribution from the County	17,535,514	58,173,819	(40,638,305)
Transfers in - miscellaneous	13,410	16,335	(2,925)
Transfers out - primary government	(9,492)	(7,597)	(1,895)
		58,182,557	
Increase (decrease) in net assets	20,156,820	58,874,450	(38,717,630)
Net assets - beginning of the year, as restated	271,702,436	212,827,986	58,874,450
Net assets - end of the year	\$ 291,859,256	\$ 271,702,436	\$ 20,156,820

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

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

The general fund is the chief operating fund of the District. As of the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$2,971,141, a decrease of \$102,585 in comparison with the prior year. \$1,729,624 of this amount represents

unreserved fund balance. The remainder of the District's fund balance \$1,261,517 is reserved for future financing commitments.

General Fund Budgetary Highlights

Material differences between the original budget and the final amended budget can be briefly summarized as follows:

- \$529,575 increase in Contributions to Other Governments towards funding for the Sebastopol Skate Park.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets, as of June 30, 2009, amounts to \$289,123,342. This investment in capital assets includes land and easements, construction in progress, buildings and improvements, and pre-acquisition costs. The total increase in the District's investment in capital assets for the current fiscal year was \$20,311,129.

Major capital asset events during the current fiscal year included the following:

- During the year, a total of 1,136 acres of land was protected in perpetuity through the acquisition of 6 conservation easements and 2 fee properties. The acquisitions were financed with transfers from the County of Sonoma, contributions from the Sonoma County Open Space Authority, and a \$1,500,000 State Coastal Conservancy grant for the \$9,950,000 Sonoma Mountain Ranch acquisition.

Additional information on the District's capital assets can be found in Note II.C on page 21 of this report.

Debt administration. The debt service on the 2007 Series A and B sales tax revenue bond issuance will begin in fiscal year 2011-2012.

Economic Factors and Next Year's Budgets and Rates

- Primary funding for the District comes from the voter approved one quarter percent sales tax imposed by the Open Space Authority. The tax was initially imposed for a period of 20 years ending the first quarter of 2011. In November 2006 the voters passed Measure F, the initiative which extends the tax for another 20 years ending the first quarter of 2031.
- Anticipated decrease in sales tax revenues would affect funding available for acquisition of interests in land and intergovernmental revenue received from the Open Space Authority.
- The \$84,343,101 in County of Sonoma bond issuance proceeds will continue to be the primary source of funding for land and easement acquisitions until they have been exhausted. As of June 30, 2009, the District has spent \$75,609,333 of these proceeds leaving a balance of \$8,733,768 available for 2009-10. The proceeds are to be spent in advance of any use of sales tax revenues.

All of these factors were considered in preparing the District's budget for the fiscal year ending June 30, 2010.

Request for Information

This financial report is designed to provide a general overview of the District'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 Sonoma County Agricultural Preservation and Open Space District, 747 Mendocino Avenue, Suite 100, Santa Rosa, CA 95401-4850.

Sonoma County Agricultural Preservation and Open Space District
Statement of Net Assets
June 30, 2009

Assets	
Cash and investments	\$ 2,425,132
Restricted cash	592,441
Accounts receivable	58,580
Due from other governments	74,894
Capital assets:	
Non-depreciable	
Land and easements	288,496,512
Land and easements - preacquisition costs	551,936
Construction in progress	39,524
Depreciable	
Building and improvements	<u>35,370</u>
Total assets	<u>292,274,389</u>
 Liabilities	
Accounts payable	159,906
Non-current liabilities:	
Compensated absences	235,227
Pollution remediation	<u>20,000</u>
Total liabilities	<u>415,133</u>
 Net Assets	
Invested in capital assets, net of related debt	289,028,448
Restricted for:	
Cooper's Grove capital improvements	83,881
Lawson Property capital improvements	111,842
Saddle Mountain capital improvements	110,647
Clover Springs capital improvements	286,071
Unrestricted	<u>2,238,367</u>
Total net assets	<u>\$ 291,859,256</u>

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

Sonoma County Agricultural Preservation and Open Space District
Statement of Activities
For the fiscal year ended June 30, 2009

Program Expenses

Open Space Preservation	
Salaries and employee benefits	\$ 2,517,740
¹ Costs applied	(310,982)
Services and supplies	2,194,280
Contribution to other governments	511,157
Other charges	18,322
Interest on long-term debt	690
	<hr/>
Total program expenses	4,931,207
	<hr/>

Program Revenues

Intergovernmental	
Operations	4,825,000
Grants	1,601,579
Other	891,448
Rental Income	80,530
	<hr/>
Total program revenues	7,398,557
	<hr/>
Net program revenues (expenses)	2,467,350
	<hr/>

General Revenues

Investment earnings	86,548
Donations	63,490
	<hr/>
Total general revenues	150,038
	<hr/>

Other financing sources (uses)

Transfers in - contribution from County	17,535,514
Transfers in - miscellaneous	13,410
Transfers out	(9,492)
	<hr/>
Total other financing sources (uses)	17,539,432
	<hr/>

Change in net assets	20,156,820
Net assets - beginning of year	271,722,436
Prior period adjustment	(20,000)
	<hr/>
Net assets - beginning of year, as restated	271,702,436
	<hr/>
Net assets - end of year	\$ 291,859,256
	<hr/> <hr/>

Sonoma County Agricultural Preservation and Open Space District
Balance Sheet
Governmental Fund
June 30, 2009

Assets

Cash and investments	\$ 2,425,132
Restricted cash	592,441
Accounts receivable	58,580
Due from other governments	74,894
	74,894
Total assets	\$ 3,151,047
	3,151,047

Liabilities and Fund Balance

Liabilities:

Accounts payable	\$ 159,906
Pollution remediation liability	20,000
	20,000
Total liabilities	179,906
	179,906

Fund balance:

Reserved for:

Cooper's Grove capital improvements	83,881
Lawson Property capital improvements	111,842
Saddle Mountain capital improvements	110,647
Clover Springs capital improvements	286,071
Encumbrances	588,019

Unreserved, designated:

Capital improvement grant (Prince Memorial Greenway)	49,379
Capital improvement grant (Riverkeepers)	31,678

Unreserved, undesignated	1,709,624
Total fund balance	2,971,141
	2,971,141
Total liabilities and fund balance	\$ 3,151,047
	3,151,047

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

Sonoma County Agricultural Preservation and Open Space District
Reconciliation of Balance Sheet to Statement of Net Assets
June 30, 2009

Fund balances - total governmental funds	\$ 2,971,141
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	289,123,342
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Compensated absences	<u>(235,227)</u>
Net assets of governmental activities (page 9)	<u><u>\$ 291,859,256</u></u>

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

Sonoma County Agricultural Preservation and Open Space District
Statement of Revenues, Expenditures and
Changes in Fund Balance
Governmental Fund
For the fiscal year ended June 30, 2009

Revenues

Intergovernmental Revenue	\$	
Operations		4,825,000
Other		891,448
Donations		13,490
Grants		1,601,579
Rental income		80,530
Investment earnings		86,548
		7,498,595
Total revenues		7,498,595

Expenditures

Current:		
Salaries and employee benefits		2,449,349
¹ Costs applied		(310,982)
Services and supplies		2,135,263
Contribution to other government		511,157
Other charges		18,322
Capital outlay		20,220,146
Debt Service:		
Principal		16,667
Interest		690
		25,040,612
Total expenditures		25,040,612
Excess (deficiency) of revenue over (under) expenditures		(17,542,017)

Other financing sources

Transfers in - contribution from County		17,435,514
Transfers in - miscellaneous		13,410
Transfers out		(9,492)
		17,439,432
Total other financing sources		17,439,432
Net change in fund balances		(102,585)
Fund balance - beginning of year		3,073,726
Fund balance - end of year	\$	2,971,141

¹ See note disclosure on II-F

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

**Sonoma County Agricultural Preservation and Open Space District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the fiscal year ended June 30, 2009**

**Amounts reported for governmental activities in the
statement of activities (page 9) are different because:**

Net change in fund balances - total governmental funds (page 12)	\$ (102,585)
Governmental funds report capital outlays as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Expenditure for capital assets	20,220,146
Repayment of note's principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	
Principal	16,667
Change in compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore is not reported as expenditures in governmental funds.	
	(68,391)
Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:	
Retirement of pre-acquisition costs	(59,017)
Capital asset donations	50,000
Transfer of capital asset from primary government	100,000
	20,156,820
Change in net assets of governmental activities (page 9)	\$ <u><u>20,156,820</u></u>

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

**Sonoma County Agricultural Preservation
And Open Space District
Notes to the Basic Financial Statements
June 30, 2009**

I. Summary Of Significant Accounting Policies

A. Reporting Entity

The Sonoma County Agricultural Preservation and Open Space District (the District) is a dependent Special District formed under Government Code Section 65562 and 5500 et seq. of the Public Resources Code to further State policy on the preservation of open space. The boundaries of the District are coterminous with the boundaries of the County of Sonoma. The District is governed by the Board of Supervisors of the County of Sonoma, who act ex-officio as the Board of Directors of the District. The District is reported as part of the primary government of the County of Sonoma.

The District was formed by a 70.6% positive vote of the County Electorate during the November 1990 elections.

Primary financing for the District is by contract with the Sonoma County Open Space Authority (the Authority). The District may be financed by gifts, grants, special taxes, general obligation bonds, and other sources of revenue authorized by law or any combination thereof.

The District and Authority entered into a contract on February 4, 1991, which was amended on March 26, 1992. Among other things, the contract requires the Authority to finance the purchase of interests in land by the District in exchange for the District's agreement to administer an acquisition program and to hold and maintain interests in land. With respect to individual purchases of interest in land, the contract further provides for a three-party escrow with the seller submitting an executed easement agreement in exchange for an agreed upon price, the District taking title to the interest in land and the Authority submitting the purchase price and a proportionate share of the closing costs. Thus, the Authority finances the purchase price and the District takes title to the interest in land.

The District has adopted an acquisition plan and has a staff of twenty-four permanent positions. As of June 30, 2009 the District has protected approximately 75,000 acres through conservation or open space easements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the

**Sonoma County Agricultural Preservation
And Open Space District
Notes to the Basic Financial Statements
June 30, 2009**

District. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgments are recorded only when payment is due.

Amounts recorded as program revenues include 1) operating grants and contributions and 2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues.

**Sonoma County Agricultural Preservation
And Open Space District
Notes to the Basic Financial Statements
June 30, 2009**

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

In accordance with GASB Statement No. 31, the District reports cash and investments at fair value in the balance sheet and recognizes the corresponding change in the fair value of investments in the year in which the change occurred.

2. Capital Assets

Capital assets are recorded at historical costs. Capital assets include non-depreciable land and land easements acquired through purchase or matching grant agreements. The costs of the assets include not only the purchase price of the assets but also associated costs such as legal fees, appraisal fees, negotiation fees and other incidental expenses.

3. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirements.

4. Net Assets

Net assets are classified into three components-invested in capital assets, (net of related debt), restricted and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balance of notes payable.
- Restricted net assets - This component of net assets consists of net assets with limits on their use that are imposed by outside parties.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

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When both restricted and unrestricted net assets are available, restricted resources are used only after unrestricted resources are depleted.

5. Fund Balance

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

6. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. Implementation of Governmental Accounting Standards Board Statements

In fiscal year 2008-09, the District adopted two new statements of financial accounting standards issued by the GASB:

Statement No. 45 – Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions – In addition to pensions, many state and local governmental employers provide other post-employment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes post-employment health care, as well as other forms of post-employment benefits, such as life insurance, when provided separately from a pension plan. This statement establishes standards for the measurement, recognition, and display of OPEB expense/supplementary information (RSO) in the financial reports of state and local governmental employers.

Statement No. 49 – Effective July 1, 2008, the District implemented the GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, issued in November 2006. This Statement establishes accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such

**Sonoma County Agricultural Preservation
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as site assessments and cleanups. The Statement establishes once any of five specified obligating events occurs, that a government is required to estimate the components of the expected pollution remediation outlays for those components should be recorded as a liability or, if appropriate, capitalized when goods and services are acquired.

Statement No. 50 – Pension Disclosures, an Amendment of GASB Statements No. 25 and 27 - This statement more closely aligns the financial reporting requirements for pensions with those for other post-employment benefits and enhances information disclosed in notes to financial statements or presented as required supplementary information (RSO) by pension plans and by employers that provide pension benefits.

The District is presented as a blended component of the County of Sonoma. The County’s financial statements include the required information and disclosures relating to these statements. Please see the County of Sonoma annual comprehensive financial report for additional information.

F. Restatement of Net Assets

Effective July 1, 2008, the District has restated and decreased beginning net assets of governmental activities in accordance with the implementation requirements of GASB Statement No. 49. The District has included the related financial statement disclosures required by GASB Statement No. 49 in Note II.G.

II. Detailed Notes

A. Deposits and Investments

The District follows the County's practice of pooling cash and investments with the County Treasurer, except for the cash on hand used as a petty cash fund.

The amount of cash at June 30, 2009 is as follows:

Cash and investment in County Treasury	\$ 2,424,982
Petty Cash	150
Restricted Cash	592,441
Total	3,017,573

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Investment in the Sonoma County Treasurer's Investment Pool

The District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100, Santa Rosa, California, 95403-2871.

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 is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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As of June 30, 2009, approximately 74 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 3 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.
- The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

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Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2009 Sonoma County CAFR.

B. Restricted Assets

\$592,441 of the District's net assets have legally enforceable limitations on their use, and are related to donations received by the District towards capital improvements.

Restricted for:

Cooper's Grove capital improvements	\$ 83,881
Clover Springs capital improvements	286,071
Lawson Property capital improvements	111,842
Saddle Mountain capital improvements	<u>110,647</u>
	<u>\$ 592,441</u>

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Notes to the Basic Financial Statements
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C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Beginning Balance</u>	<u>Transfers & Adjustments</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:					
Land and easements	\$ 268,516,470	\$ 224,354	\$ 19,755,688	\$ -	\$ 288,496,512
Preacquisition costs	295,743	(224,354)	539,564	(59,017)	551,936
Construction in progress	-	-	39,524		39,524
Total capital assets not being depreciated	<u>268,812,213</u>	<u>-</u>	<u>20,334,776</u>	<u>(59,017)</u>	<u>289,087,972</u>
Capital assets, being depreciated:					
Building and Improvements	-	-	35,370	-	35,370
Total capital assets being depreciated	<u>-</u>	<u>-</u>	<u>35,370</u>	<u>-</u>	<u>35,370</u>
Less accumulated depreciation for:					
Buildings and Improvements	-	-	-	-	-
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated, net	<u>-</u>	<u>-</u>	<u>35,370</u>	<u>-</u>	<u>35,370</u>
Capital assets, net	<u>\$ 268,812,213</u>	<u>\$ -</u>	<u>\$ 20,370,146</u>	<u>\$ (59,017)</u>	<u>\$ 289,123,342</u>

Land and easements - pre-acquisition costs represent funds expended towards the acquisition of land and easements that have not closed escrow. Upon the close of escrow these funds will be moved into the Land and easements category. In the event a property is not acquired, the funds associated with that property will be reclassified to expense.

**Sonoma County Agricultural Preservation
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Notes to the Basic Financial Statements
June 30, 2009**

D. Long-term Debt

Changes in long-term debt

Long term liability activity for the year ended June 30, 2009 was as follows:

	Beginning		Additions		Retirements		Ending		Due Within
	Balance						Balance		One Year
Compensated absences	\$ 166,836	\$	68,391	\$	0	\$	235,227	\$	0
Pollution remediation	0		20,000		0		20,000		0
Notes payable	16,666		0		(16,666)		0		0
Total long-term liabilities	<u>\$ 183,502</u>	<u>\$</u>	<u>88,391</u>	<u>\$</u>	<u>(16,666)</u>	<u>\$</u>	<u>255,227</u>	<u>\$</u>	<u>0</u>

E. Intergovernmental Revenue

For the fiscal year 2008/2009, the District received intergovernmental revenue from the Open Space Authority in the amount of \$5,716,448. This total is comprised of \$891,448 in financing towards the purchase capital assets, and \$4,825,000 for the administration of the acquisition program.

The District also received intergovernmental revenue from the County of Sonoma in the amount of \$17,435,514 towards the purchase of land and easements.

The District also received \$1,601,579 from other governmental agencies towards the purchase and maintenance of land and easements.

F. Costs applied

This represents the amount of salaries and benefits the District has capitalized as pre-acquisition costs. This is the first year the District has allocated salaries and benefits to land acquisitions.

G. Pollution Remediation Obligation

The District purchased agricultural land at 8000 Highway One in Jenner, California. Preliminary environmental sampling found hazardous materials in the soil surrounding a sheep dipping area on the property. As the owner, the District is responsible for clean-up costs. Additional environmental evaluation is required to determine the extent of the contamination, the steps to be taken for remediation, and the associated costs. The estimate for the environmental sampling is \$20,000.

**Sonoma County Agricultural Preservation
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Notes to the Basic Financial Statements
June 30, 2009**

III. Other Information

A. Risk Management

The District participates in the County of Sonoma self-insurance program as follows: \$300,000 per occurrence for workers' compensation claims, \$1,000,000 per occurrence for automobile and general liability claims, \$500,000 per occurrence and any amount in excess of \$10,000,000 per occurrence for hospital malpractice claims occurring prior to March 26, 1996, and \$275,000 per occurrence for health insurance claims with a stop loss coverage up to \$1,000,000/\$3,000,000 per individual lifetime benefit. The County is entirely self-insured for unemployment claims and for long-term disability occurring prior to August 1, 1999.

The County participates in the CSAC Excess Insurance Authority excess liability insurance program. The County is covered under this program for \$1,000,000 to \$25,000,000 per occurrence for liability claims. Amounts in excess of \$300,000 per occurrence for worker's compensation claims within statutory limits are maintained through participation in the CSAC Excess Insurance Authority-Excess Workers' Compensation Program.

The County maintains "All Risk" coverage for physical loss and damage including flood and earthquake coverage through participation in the CSAC Excess Insurance Authority with the following limits and deductibles: \$600,000,000 limit per occurrence and \$50,000 deductible for "All Risk" and flood, earthquake limits of \$365,000 with a deductible of 5% of the building value. Boiler and machinery coverage is included in the All-Risk coverage.

The County pays an annual basic premium for excess coverage and is assessed an annual risk premium based on an actuarial review that estimates each of the program's participant's ultimate liabilities. Settled claims have not exceeded the commercial coverage in any of the past three fiscal years.

B. Employee Retirement Plan

Plan Description

All full-time employees participate in a cost sharing multiple-employer Defined Benefit Pension Plan (DBPP) and a Post-employment Healthcare Plan (PHP) administered by the Sonoma County Employees' Retirement Association (SCERA). The County of Sonoma is the primary government (employer) for the multiple-employer plans. The SCERA was

**Sonoma County Agricultural Preservation
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Notes to the Basic Financial Statements
June 30, 2009**

organized on January 1, 1946, under the provision of the 1937 County Employees Retirement Act, and is financially independent of the County of Sonoma.

DBPP members include all permanent full employees of a participating employer who have been appointed to a permanent position of at least half time. The plan provides benefits as defined by the law upon retirement, death, or disability of members.

In addition to the pension benefits described above, post-retirement health care benefits are provided to all active, covered employees who retire on or after attaining the age of 50 with at least 10 years of service. Participants must retire from County service, be covered under a medical plan of the County at the time of retirement, and be eligible to receive a monthly pension from the Sonoma County Employees Retirement Association defined benefit pension plan at the time of retirement. Benefits are as follows:

- Employees hired prior to 1/1/1990 receive 'retiree plus family' coverage without any service requirements
- Employees hired on or after 1/1/1990 but before 1/1/2009 (a) with ten years of county service are eligible to receive County-subsidized 'retiree only' medical coverage or (b) with twenty years of County service are eligible to receive County-subsidized 'retiree and one dependent' medical coverage, with the retiree bearing the full cost of premiums for covering additional dependents.

Effective 6/1/09, the county will begin to phase in a contribution maximum toward the cost of the plan over a five year period. Retirees and the County share in the cost of monthly premium for medical coverage. The fiscal year 2008-2009 County contribution will be adjusted incrementally each year until it reaches \$500 per month maximum contribution. After the phase in period has elapsed the County shall contribute the same dollar amount as it contributes toward the cost of County offered medical plans for active unrepresented Administrative Management employees. Retirees may enroll eligible dependents in the County offered medical plan elected by the retiree but the retiree is responsible for all premium costs in excess of the County's contribution.

The employer reimburses a fixed amount per month for Medicare supplement for each retiree aged 65 and over covered under Medicare Parts A and B.

SCERA issues a publicly available financial report that includes financial statements and required supplementary information for the pension plan. That report may be obtained by writing to Sonoma County Employee's Retirement Association, 433 Aviation Blvd., Suite 100, Santa Rosa, CA 95403-1069 or by calling 707-565-8100.

**Sonoma County Agricultural Preservation
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Notes to the Basic Financial Statements
June 30, 2009**

Funding Policy

Contribution rates for the employers and their covered employees are adopted by the Board of Supervisors upon recommendation by the SCERA Board of Retirement. Pension plan members are required to contribute 7% to 14% of their annual covered salary, depending upon their age of entry into the system. The employer is required to contribute an amount necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. Contributions to the DBPP for the fiscal years ended June 30, 2009, 2008 and 2007 were \$408,903, \$294,376 and \$289,923 respectively.

Post employment healthcare benefits are funded by employer contributions made on a periodic basis. The rate is determined annually by SCERA and approved by the Board of Supervisors. The rate is determined by dividing the estimated annual premium cost by the annual covered payroll. The financial statements of the County of Sonoma (the primary government) contain the financial information for the post-employment benefits, which are not presented here because the District's portion cannot be separated from the whole.

C. Auditor Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the County Treasury, we believe that adequate safeguards and divisions of responsibility exist. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the auditor's opinion contained in this report.

Required Supplementary Information

Sonoma County Agricultural Preservation and Open Space District
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental Fund
For the Fiscal Year Ended
June 30, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues				
Contributions from other governments:				
Operations	\$ 14,825,000	\$ 14,825,000	\$ 4,825,000	\$ (10,000,000)
Other	0	0	891,448	891,448
Grants	0	0	1,601,579	1,601,579
Donations	0	0	13,490	13,490
Rental income	0	0	80,530	80,530
Investment earnings	0	0	86,548	86,548
Total revenues	<u>14,825,000</u>	<u>14,825,000</u>	<u>7,498,595</u>	<u>(7,326,405)</u>
Expenditures				
Current:				
Salaries and employee benefits	2,991,415	2,991,415	2,449,349	542,066
Costs applied	0	0	(310,982)	310,982
Services and supplies	3,486,909	3,486,909	2,703,507	783,402
Contribution to other government	0	529,575	511,157	18,418
Capital outlay	36,579,106	36,579,106	20,239,921	16,339,185
Other charges	0	0	18,322	(18,322)
Debt Service:				
Principal	0	0	16,667	(16,667)
Interest	0	0	690	(690)
Total expenditures	<u>43,057,430</u>	<u>43,587,005</u>	<u>25,628,631</u>	<u>17,958,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,232,430)</u>	<u>(28,762,005)</u>	<u>(18,130,036)</u>	<u>10,631,969</u>
Other financing sources				
Transfers in - contribution from County	26,138,210	26,667,785	17,435,514	9,232,271
Transfers in - miscellaneous	0	0	13,410	(13,410)
Transfers out	(9,492)	(9,492)	(9,492)	0
Total other financing sources	<u>26,128,718</u>	<u>26,658,293</u>	<u>17,439,432</u>	<u>9,218,861</u>
Net change in fund balances	(2,103,712)	(2,103,712)	(690,604)	1,413,108
Fund balance - beginning of year	3,073,726	3,073,726	3,073,726	0
Fund balance - end of year	<u>\$ 970,014</u>	<u>\$ 970,014</u>	<u>\$ 2,383,122</u>	<u>\$ 1,413,108</u>
Budget adjustments				
Encumbrances			\$ 588,019	
Net change in fund balance, GAAP basis			<u>\$ (102,585)</u>	

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

**Sonoma County Agricultural Preservation
and Open Space District
Notes to Required Supplementary Information
June 30, 2009**

I. Stewardship, Compliance, And Accountability

A. Budgetary Information

Budgetary revenue estimates represent original estimates modified for any authorized adjustment which was contingent upon new or additional revenue sources. Budgetary expenditure amounts represent original appropriations adjusted by budget transfers and authorized appropriation adjustments made during the year. All budgets are adopted on a non-GAAP basis. The District's budgetary information was amended during the year by resolution of the Board of Directors.

B. Encumbrances

The District has unexpended encumbrances of \$588,019 at June 30, 2009. These encumbrances represent commitments by the District for services related to the acquisition of land and easements and the stewardship of District owned properties.

Other Information

**Sonoma County Agricultural Preservation
And Open Space District
Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>		<u>Total Cost</u>
5/14/1992	Marty	Meacham Hill, Penngrove	\$	503,639.00
		Orchard Lane (-08)		
TOTAL FY 91-92			\$	503,639.00
3/8/1993	Cloudy Bend Conservation Easement	5070 Lakeville Hwy., Petaluma Note: Coastal Conservancy granted \$350,000	\$	102,607.50
5/25/1993	Sebastopol Conservation Easement	Portion of Railroad Right-of- Way, Sebastopol		21,313.75
TOTAL FY 92-93			\$	123,921.25
7/27/1993	Doerksen	7125 St. Helena Road	\$	109,936.25
8/31/1993	Alba Lane **	4260 Alba Lane Santa Rosa, CA		300,707.90
9/14/1993	White	4205 Coffey Lane		454,494.25
9/14/1993	St. Francis	Hwy 12 at Adobe Canyon Road		886,327.11
9/14/1993	Vasila	6018 Bloomfield Road		128,158.49
9/21/1993	Brown	374 Horn Avenue		197,865.52
10/19/1993	Burns	2505 & 2245 Spring Hill Road		431,371.80
4/12/1994	St. Luke's **	4111 Old Redwood Hwy. Santa Rosa, CA		342,602.58

**Sonoma County Agricultural Preservation
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Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
6/14/1994	Cotati Highlands Conservation Easement	1300 W. Sierra Avenue	2,089,204.35
06/14/0994	Dougan Conservation Easement	5510 Bloomfield Road Petaluma, CA	355,432.90
TOTAL FY 93-94			\$ 5,296,101.15
8/22/1994	Lorenzini Property	22477 Koftinow Drive	\$ 520,058.72
9/1/1994	De Loach Property	10540 Los Amigos Road	540,448.31
9/1/1994	Ziedrich Property	10536 Los Amigos Road	144,332.50
9/2/1994	San Francisco Archdiocese	4547 Whistler Avenue	150,883.48
9/15/1994	Ratchford Property	Fitch Mountain	1,042,247.84
12/16/1994	Pieter Myers	19999 Coleman Valley	108,273.75
12/30/1994	Maacama Valley Partners* National Audubon Society	Juncture of Alexander Valley & Knights Valley vicinity of Pine Flat Road	722,972.50

**Sonoma County Agricultural Preservation
And Open Space District
Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
2/2/1995	Fox Healdsburg Ridge	Poppy Hill & El Arroyo	154,938.53
2/2/1995	Diggers Bend	Poppy Hill & El Arroyo	305,304.99
4/28/1995	Stony Point Ranch	6700 Gravenstein Hwy	485,867.56
5/23/1995	Haroutunian	200 Scenic Avenue	185,811.01
5/31/1995	Graton Right of Way	Occidental Road to Grey Street near Graton, from Graton Road to Green Valley Road, and from point south of Ross Station to Key Lane	174,356.00
6/15/1995	Carinalli	2900 Llano Road	768,149.66
6/30/1995	Lang Property	3115 Porter Creek Road Santa Rosa, CA	1,259,634.28
TOTAL FY 94-95			\$ 6,563,279.13
9/7/1995	Silberstein	5531 Kay Drive	\$ 204,853.49
9/15/1995	Dutton	8610, 8611 Oak Grove Avenue	325,361.33
9/22/1995	Freiberg	2400 Sobre Vista Road	959,704.37
9/22/1995	Henshaw	2400 Sobre Vista Road	314,798.00
11/15/1995	Silacci Conservation Easement	4170 Lakeville Hwy Petaluma, CA	503,777.62

**Sonoma County Agricultural Preservation
And Open Space District
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June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
12/12/1995	Nicholas Turkey Farms	2676 Napa Road	1,412,600.78
1/3/1996	Santa Angelina Ranch/ McMicking Conservation	12629 Hwy 128 Knights Valley, CA	1,743,230.11
1/8/1996	McCormick Ranch Conservation Easement	Langtry Road	1,712,147.95
1/19/1996	Matteri	3820 Petaluma Hill Road	401,535.50
3/29/1996	Moon Ranch – Pfendler Conservation Easement	3268 Old Adobe Road	1,439,122.93
4/3/1996	Unity Church Property	4351 Old Redwood Hwy.	422,523.92
4/10/1996	Andersen	North Cloverdale on	228,004.76
05/03/1996 &	Palm Terrace Conservation Easement	City limits of Sebastopol west edge of Laguna de Santa Rosa	913,432.35
5/24/1996	Mickelsen	Mecham and Pepper Roads	677,379.69
5/30/1996	Alman Marsh Conservation Easement	East of Hwy 101 between Marina and former city landfill	60,991.25
6/7/1996	Herzog (Sleepy Hollow) Conservation Easement	Mecham and Pepper Roads Northwest of Petaluma	997,397.59
TOTAL FY 95-96			\$ 12,316,861.64
7/5/1996	Treadwell Conservation Easement	31820 McCray Road Cloverdale, CA	\$ 105,027.50

**Sonoma County Agricultural Preservation
And Open Space District
Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
7/23/1996	Knudtsen	3150 Robler Road	428,244.26
9/4/1996	Guttman (Lang) Conservation Easement	13000 Los Amigos Road (NW of Poerter Creek Road/Franz) Healdsburg, CA	406,196.85
9/26/1996	Callahan (Raja Dev.) Conservation Easement	North of Highland Circle / East of Poppy Hill Drive	559,332.00
10/14/1996	McNear Peninsula (Lind)	100 East D Street	192,111.50
12/11/1996	Weston	13000 Los Amigos Road	1,667,916.25
4/25/1997	Yee Conservation Easement	4871 Redwood Hwy., South	803,641.36
5/19/1997	Young/Armos – Fee	4315 Snyder Lane	376,574.50
5/29/1997	McCormick Ranch	Los Alamos Road Santa Rosa, CA	667,046.44
TOTAL FY 96-97			\$ 5,206,090.66
7/23/1997	McCrea	Vigilante Road	\$ 1,208,560.80
7/31/1997	Geary	5525 Bennett Valley Road	2,322,335.50
9/5/1997	Hepper	Estero Lane	294,357.05
11/3/1997	Morrison Brothers	5151 Stony Point Road Santa Rosa, CA	388,443.93

**Sonoma County Agricultural Preservation
And Open Space District
Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
12/11/1997	Keegan & Coppin	Bennett Valley Road	558,401.40
1/15/1998	Magers (Gray Creek PTN)	Gray Creek Road /	90,215.51
1/21/1998	Cramer	Hall / Occidental Roads	1,667,016.50
2/17/1998	Stein	10801, 10806, 10808, 10810, 10900 Hillview Rd / Arata Ln	1,634,576.65
2/20/1998	Aggio	2888 Stony Point Road	494,323.02
2/27/1998	Haroutunian North	Airport Boulevard	408,311.65
3/11/1998	Gustafson	Gray Creek Rd /	143,730.13
4/13/1998	Oken	5057 Petaluma Hill Road Rohnert Park, CA	897,660.30
TOTAL FY 97-98			\$ 10,107,932.44
8/4/1998		Between Santa Rosa and Rohnert Park East side of Petaluma Hill Road	\$ 336,322.00
8/14/1998	White II, Conservation	Coffey Lane, Santa Rosa	241,614.00
9/30/1998	Hafey Conservation Easement	Knights Valley along Hwy 128 South of Franz Valley Road	910,487.00

**Sonoma County Agricultural Preservation
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Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
12/21/1998	Bath/Watt	Along prominent ridgeline SE of Santa Rosa, on Northern side of Taylor Mountain	824,241.00
1/6/1999	Sonoma Developmental Center	Sonoma Valley, adjacent to Jack London Park	262,705.00
2/4/1999	Monte Rio School Conservation Easement	9725 Main Street, south of Monte Rio Community Center	197,684.00
4/16/1999	Bodega Bay	Highway One Scenic Corridor	53,785.00
4/23/1999	Mazzetta	NW of Petaluma at junction of Pepper Road and Mecham Roads	1,000,839.00
4/23/1999	Mom's Beach	Northwest of Forestville, River Road adjacent to Russian River	81,561.00
5/18/1999	Skiles	North of Glen Ellen, adjacent to Jack London State Park	646,987.00
6/1/1999	Good (Nathanson Creek)	Park/Sonoma Valley High School	101,687.00
6/25/1999	Nahmens	East and West sides of Canfield Road south of Sebastopol	1,166,429.00
TOTAL FY 98-99			\$ 5,824,341.00
12/23/1999	Nunes Fee	Panorama Drive	\$ 987,791.00
1/5/2000	Colliss	Coleman Valley Road	1,049,574.00
1/12/2000	Town of Windsor (Windsor Green), Conservation Easement	Bell Road Windsor, CA	776,816.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
1/19/2000	Matteri Fee	Petaluma Hill Road	473,128.00
1/21/2000	Mickelson/Cammozzi Conservation Easement	Pepper and Walker Roads Sonoma County, CA	1,516,125.00
TOTAL FY 99-00			\$ 4,803,434.00
9/13/2000	Val Alstyne	Fitzpatrick Lane	\$ 1,272,910.00
10/4/2000	Cook	Lichau Road	1,711,894.00
12/6/2000	Modini	Pine Flat Road	1,060,730.00
12/7/2000	Sequeira / Red Hill	Coast Hwy 1	1,428,759.00
12/29/2000	Solak	Railroad Avenue	176,454.00
5/4/2001	Ho	Petaluma Hill Road	569,860.00
5/11/2001	Dewar	1660 Estero Lane	291,574.00
5/18/2001	Glen Oaks	Hwy 12, Glen Ellen, CA	1,511,825.00
TOTAL FY 00-01			\$ 8,024,006.00
12/12/2001	Laguna de Santa Rosa (Donated)	Geysers Pipeline	\$ 41,785.00
12/17/2001	Cooley Ranch	Cooley Ranch Road	5,887,575.00
1/10/2002	Ielmorini Property	13601 State Hwy 1 Valley Ford, CA	1,815,589.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
1/18/2002	Cloverdale River Park	31650 McCray Road	65,765.00
1/29/2002	Azevedo Property	820 Fallon Road	1,762,344.00
3/20/2002	Morelli Property	500 Morelli Vista Road Santa Rosa, CA	2,187,178.00
4/5/2002	Martin Property	Valley Ford Road	1,610,287.00
4/18/2005	Balletto Ranch	5700 Occidental Road	2,632,820.00
5/3/2002	Bianchi Property	15000 Hwy 1 Valley Ford, CA	1,527,517.00
TOTAL FY 01-02			\$ 17,530,860.00
7/31/2002	Paulin Creek Property Sass (Chanate Trail)	3100 Chanate Road	\$ 1,615,337.00
8/16/2002	Scott Property	700 Hardin Lane	3,373,245.00
8/16/2002	McCullough Property	Mark West Springs Road	2,923,109.00
8/30/2002	Town of Windsor	630 Windsor River Road	1,149,765.00
9/17/2002	Rigler Property	Coleman Valley Road	875,856.00
10/9/2002	Hanson Aggregates Parcel	7821 Eastside Road	4,042,301.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
10/31/2002	Cloverdale River Park	31638 McCray Road	22,024.00
12/24/2002	Keen Property	16331 Norrbom Road Sonoma, CA	360,566.00
12/27/2002	Prince Memorial Greenway ****	1000 Second Street	3,080,201.00
12/31/2002	Grossi Property	6300 Petaluma Hill Road	330,879.00
1/31/2003	Sunset Beach Property	11057 Sunset Avenue	636,915.00
3/11/2003	Asborno Property	16488, 16492 Healdsburg Ave	4,285,288.00
3/25/2003	Johnson Property	7555 Sonoma Highway	3,077,498.00
3/25/2003	Johnson Access Property	7557 Sonoma Highway	1,028,487.00
5/16/2003	Carrington Property	3800, 4000, 4300 & 4500	4,882,273.00
5/30/2003	Brayton Property	1797, 1799 Pepper Road Petaluma, CA	1,316,268.00
TOTAL FY 02-03			\$ 33,000,012.00
7/16/2003	Indian Valley Property	5610 Maryannis Drive	\$ 478,043.00
7/31/2003	Connolly Property	27285 Dutcher Creek Road	266,505.00
8/13/2003	Jacobs Ranch	5297 Sonoma Mountain Road Santa Rosa, CA	4,919,749.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
11/10/2003	Fox Pond Property	16496 Healdsburg Avenue	2,905,833.00
1/29/2004	Skiles Property	6560 Sonoma Mountain Road	224,894.00
2/26/2004	Flocchini Property	7078 Lakeville Highway	794,322.00
2/27/2004	Petaluma River Marsh Enhancement *****	Lakeville Highway	1,105,920.00
4/30/2004	Wilroth Property	Lichau Road	2,255,695.00
5/21/2004	Roblar Ranch Property	7175 Roblar Road	2,292,062.00
5/28/2004	Eliot Property *****	5850 Grove Street Sonoma, CA	17,090.00
TOTAL FY 03-04			\$ 15,260,113.00
7/14/2004	Van Hoosear	2290 Grove Street	\$ 5,402,122.00
10/13/2004	Maffia Property	12001 Valley Ford Road	1,168,446.00
10/21/2004	Sebastopol Skate Park	Laguna Park Way	132,176.00
10/22/2004	Beltane Ranch Property	11775 Sonoma Highway	9,182,041.00
11/2/2004	Dickson Property	7699 Reclamation Road	4,282,207.00
12/1/2004	Wilroth Property	Lichau Road Sonoma County, CA	59,555.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
1/31/2005	Cooper's Grove	5761 Sonoma Mountain Road	4,926,873.00
3/15/2005	Summer Home Park	11453 River Road	399,098.00
5/6/2005	Willow Creek	19100 Willow Creek Road	20,923,138.00
Sonoma County, CA			
TOTAL FY 04-05			\$ 46,475,656.00
9/29/2005	Tolay Lake Ranch	5869 Lakeville Highway	\$ 21,794,852.00
10/7/2005	Lawson Property	6280 Melita Road	1,183,695.00
10/7/2005	Prince Gateway Park	Santa Rosa Creek	420,963.00
12/20/2005	Camp Gualala	27010 Skaggs Spring Road	894,878.00
12/15/2005	Montini Property	18950 Fifth Street West	14,037,523.00
1/13/2006	Taylor Mountain Property	2100 Kawana Terrace Road Santa Rosa, CA	18,174,418.00
TOTAL FY 05-06			\$ 56,506,329.00
9/8/2006	Crane Property	5900 Petaluma Hill Road	1,112,379
8/24/2006	Saddle Mountain Property	Calistoga & Helena Roads	14,714,525
7/3/2006	Santa Rosa Creek 3 Bridges	Santa Rosa, CA	7,950

**Sonoma County Agricultural Preservation
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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
6/22/2007		14400 Sonoma Highway Sonoma County, CA	586,881
4/18/2007	Tremari	5767 & 5775 Bloomfield Road Unincorporated Petaluma, CA	3,185,447
TOTAL FY 06-07			\$ 19,607,182.00
6/5/2008	Quailbrook Ranch	6450 Quailbrook Lane	1,647,162.93
12/31/2007	Hayfork Ranch	5240 St. Helena Road	668,197.58
11/15/2007	Cresta Property	3035 Porter Creek Road Santa Rosa, CA	3,142,034.65
9/28/2007	Poff Property	8000 State Highway 1	5,650,183.47
9/28/2007	Clover Springs Property	Skyview Drive	7,840,666.65
9/28/2007	Pitkin Marsh Property	4869 North Gravenstein Highway Sebastopol, CA	404,855.50
12/21/2007	Roche Property	West Line of Highway 121 Sonoma County, CA	2,013,611.24
TOTAL FY 07-08			\$ 21,366,712.02
10/14/2008	Prince Memorial Greenway		879,216.91
10/16/2008	Laguna de Santa Rosa		688,047.45
10/16/2008	Falletti Ranch		3,161,087.85
11/14/2008	Occidental Road		6,442.44
12/30/2008	Sonoma Mtn Ranch		10,060,427.19
1/15/2009	Russian Riverkeeper		18,321.95
3/24/2009	North Slope Mtn Trail		2,890.00
4/17/2009	Pacheco		1,530,844.32
5/28/2009	Cooke Ranch		1,056,593.87
6/30/2009	Gilardi Ranch		1,654,816.16
6/30/2009	Petaluma Marsh Improvements		816,554.00
TOTAL FY 08-09			19,875,242.14

**Sonoma County Agricultural Preservation
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Schedule of Interests in Land
June 30, 2009**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
TOTAL INTERESTS IN LAND June 30, 2009			\$ <u>288,391,712.43</u>

* New contract replacing McCord Conservation Easement.

** Cost of easement retained after the sale of property previously purchased in fee.

*** District committed a total of \$4,808,795 to this property. Currently \$1,728,595 remains in restricted cash. As these funds are expended, the total cost of the property will be adjusted accordingly.

**** The District has committed an additional \$ 914,000 to the project. Currently, these funds are being held by the Sonoma County Open Space Authority pending soil remediation and restoration and public outdoor improvements. As these funds are expended total costs of the property will be adjusted accordingly.

***** Total cost of the property does not include the value of the conservation easement as the District did not obtain an appraisal.