

The District completed another year of successful financial management for fiscal year 2013-2014. Property tax revenues (the District's primary source of funding) ended the year 2% higher than projected due to the strong growth in the local economy. District expenditures were 16% below budgeted levels due largely to the need to redirect additional staffing resources to accomplish three District-wide key projects: the Vision Plan, Capital Finance Program, and development of the Expenditure Plan for the top 25 Priority Actions. This work together led to the placement of Measure AA on the June 3 ballot, which was successfully passed by the voters.

Land Added to the Preserves in Fiscal Year 2013- 2014

Reaching a new milestone of owning or managing 62,315 acres of land, the District added 461 acres of newly protected open space this year. Valued at \$3.635 million, the additions were funded as follows:

District General Fund	\$3.600 million
Gifts	<u>\$0.035 million</u>
Total	\$3.635 million

■ **La Honda Creek Open Space Preserve:**

The District entered into a lease and management agreement with Peninsula Open Space Trust (POST) for the 308-acre Apple Orchard and Event Center located within the Driscoll Ranch area of La Honda Creek Open Space Preserve.

■ **Monte Bello Open Space Preserve:**

The District purchased the 148-acre INE Ranch for \$3.6 million. This same year, the District received \$225,000 in partnership funds from Santa Clara County Parks for the FY2012-13 purchase of the 10.7-acre Lobner Trust property.

■ **El Sereno Open Space Preserve:**

The District added 4.1 acres of conservation and patrol easements to El Sereno Open Space Preserve.

■ **Purisima Creek Redwoods Open Space Preserve:**

A total of 0.8 acres of Redwood Park parcels, valued at \$30,000, was added to Purisima Creek Redwoods Open Space Preserve, all gifted from various donors.

■ **El Corte de Madera Creek Open Space Preserve:**

The District added 0.3 acres in the form of a trail easement over Molder Trail from the California Water Service Company.

■ **Rancho San Antonio Open Space Preserve:**

The District continues its management agreement with Santa Clara County Parks for approximately 127.85 acres.

District Revenues

Total District revenues for Fiscal Year 2013-2014 were \$36.1 million, a decrease of \$758,000 from the prior fiscal year. Excluding the \$3.9 million of land donations received in Fiscal Year 2012-13, total revenue increased by \$3.1 million over the prior fiscal year due to higher property tax revenues, as well as \$1.2 million in federal grant income for completion of the Mount Umunhum structures demolition (not including the radar tower) and site remediation work. Total property tax revenue was \$32.4 million, an increase of \$2.2 million or 7.1% over the previous fiscal year.

The District receives approximately two-thirds of its tax revenue from Santa Clara County and one-third from San Mateo County. Distributions from the dissolution of redevelopment agencies totaled \$1.0 million, of which \$430,000 is one-time revenue. Other sources of revenue include rental income, grants and donations, land and property gifts, and investment income.

The District received \$305,832 under its five-year agreement with Santa Clara County to manage the developed portion of Rancho San Antonio County Park, including \$50,000 to the City of Mountain View to help manage Deer Hollow Farm.

District Expenditures

District expenditures remained within the budget approved by the District Board of Directors. Excluding land acquisition transactions and debt service, total District spending, \$21.9 million, was \$3.0 million or 12.0% below budget. This is primarily due to the deferral of several projects as staff was reallocated to complete the District's Vision Plan that includes the 25 Top Priority Actions to be completed over the next 30 years, and develop the Capital Finance Program and Expenditure Plan. Expenditures for land and debt service (used for payment of long-term debt principal and interest) were \$3.6 million and \$8.9 million, respectively, resulting in total expenditures of \$34.4 million for Fiscal Year 2013-2014.

District Assets and Liabilities

The District's net assets at the end of Fiscal Year 2013-2014 total \$311.1 million of which the majority consists of the District's over 62,300 acres of land in 26 open space preserves. The District's net assets increased by \$11.9 million over the prior year, and total long-term debt obligations ended the year at \$140.2 million.

District's Future

On June 3, 2014, voters approved Measure AA, a general obligation bond measure authorizing the District to issue up to \$300 million in bonds, at a tax rate not to exceed \$3.18 per \$100,000 of assessed value of property owned, with expenditures verified by an independent citizen oversight committee. The bond funds will be utilized to fund the Vision Plan Top 25 Priority Actions to continue the District's mission and legacy of acquiring land, adding trails and trail connections, opening new preserves, protecting redwood forests, restoring wetlands and streams, and providing habitat connectivity.

*Numbers in article are rounded.



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Rancho San Antonio Open Space Preserve



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