



Midpeninsula Regional  
Open Space District

R-25-160  
Meeting 25-32  
December 10, 2025

## AGENDA ITEM 4

### AGENDA ITEM

Fiscal Year 2025 Annual Financial Report

#### GENERAL MANAGER'S RECOMMENDATION

(57) *den*

1. Review and accept the Fiscal Year 2024-25 (FY25) Annual Financial Report.
2. Adopt a resolution approving the transfer of \$9.5 million from the General Fund Unassigned Fund balance to the Committed for Infrastructure Fund.

#### SUMMARY

Fiscal Year ending June 30, 2025 (FY25) expenditures totaled \$87.1 million, which is 12.4% below the final adjusted budget of \$99.5 million. The Board of Directors (Board) adopted the final adjusted budget on June 11, 2025 (R-25-11). Revenue for FY25 totaled \$92.3 million, or 4.2% above the final projected revenue of \$88.6 million.

The Unassigned Fund balance is approximately \$10 million more than the minimum requirement of 30% of budgeted General Fund revenue. A \$9.5 million transfer is recommended from the Unassigned Fund to Committed for Infrastructure Fund which will bring the Unassigned Fund balance to \$540,185 above the required minimum.

#### DISCUSSION

##### Revenues

The estimated total revenue for FY25 was \$88.6 million, while the actual amount received as of June 30, 2025, was \$92.3 million. Total District revenues under Fund 10 – General Fund Operating include property tax revenues, rental income, interest income, donations and other miscellaneous revenues (see table below). In addition, Measure AA (MAA) bond funds provided \$1.5 million for capital improvement projects within the 25 portfolios. MAA bond funds and grant reimbursements for eligible MAA projects comprise Fund 30 – Measure AA Capital in the table below. Property tax revenues from MAA are listed under Fund 50 – Debt Service.

**Table 1A – District Revenues by Fund**

<b>DISTRICT REVENUES (By Fund)</b>	<b>FY25 Adopted Budget</b>	<b>FY25 Final Adjusted Budget</b>	<b>FY25 Year- End Actuals</b>	<b>\$ Change from FY25 Final Adjusted Budget</b>	<b>% Revenues of FY25 Final Adjusted Budget</b>
Fund 10 - General Fund Operating	\$78,743,333	\$79,241,119	\$83,054,597	\$3,813,478	105%
Fund 20 - Hawthorn Fund	64,000	64,000	101,807	37,807	159%
Fund 30 - Measure AA Capital	7,292,121	1,546,000	1,503,242	(42,758)	97%
Fund 40 - General Fund Capital	500,000	1,018,500	1,485,340	466,840	0%
Fund 50 - Debt Service	6,757,000	6,757,000	6,186,867	(570,133)	92%
<b>TOTAL DISTRICT REVENUES</b>	<b>\$93,356,454</b>	<b>\$88,626,619</b>	<b>\$92,331,853</b>	<b>\$3,705,234</b>	<b>104%</b>

**Expenditures**

The District ended the year with total expenditures of \$87.1 million, which is approximately \$12.3 million or 12.4% below the final adjusted budget. Excluding capital expenditures and debt service, total operating expenditures were \$49.3 million, which is \$1.9 million, or approximately 3.7% below the final adjusted budget. The District's FY25 total expenditures remained within the approved budget. Expenditures by category are listed in Table 1B and by fund in Table 1C.

**Table 1B– District Budget & Expenditures by Fund Category**

<b>DISTRICT EXPENDITURES (By Fund)</b>	<b>FY25 Adopted Budget</b>	<b>FY25 Final Adjusted Budget</b>	<b>FY25 Year- End Actuals</b>	<b>\$ Change from FY25 Final Adjusted Budget</b>	<b>% Spent of FY25 Final Adjusted Budget</b>
Fund 10 - General Fund Operating	\$51,246,917	\$50,586,110	\$48,646,265	\$(1,939,845)	96%
Fund 20 - Hawthorn Fund	118,200	113,000	79,652	(33,348)	70%
Fund 30 - Measure AA Capital	7,323,044	16,659,971	12,285,439	(4,374,532)	74%
Fund 40 - General Fund Capital	14,031,825	17,671,325	9,684,531	(7,986,794)	55%
Fund 50 - Debt Service	16,756,162	14,442,162	16,430,693	1,988,531	114%
<b>TOTAL DISTRICT EXPENDITURES</b>	<b>\$89,476,148</b>	<b>\$99,472,568</b>	<b>\$87,126,580</b>	<b>\$(12,345,988)</b>	<b>88%</b>

**Table 1C – District Operating and Non-Operating Budget & Expenditures**

<b>DISTRICT EXPENDITURES (All Funds)</b>	<b>FY25 Adopted Budget</b>	<b>FY25 Final Adjusted Budget</b>	<b>FY25 Year- End Actuals</b>	<b>\$ Change from FY25 Final Adjusted Budget</b>	<b>% Spent of FY25 Final Adjusted Budget</b>
Salaries and Benefits	\$37,868,464	\$37,868,464	\$35,893,024	\$(1,975,440)	95%
Services and Supplies	14,092,207	13,357,607	13,442,686	85,079	101%
<b>Total Operating Expenditures</b>	<b>51,960,671</b>	<b>51,226,071</b>	<b>49,335,710</b>	<b>(1,890,361)</b>	<b>96%</b>
Capital/Fixed Asset Expenditures	20,759,315	33,804,335	21,360,177	(12,444,158)	63%
Debt Service	16,756,162	14,442,162	16,430,693	1,988,531	114%
<b>Total Non-Operating Expenditures</b>	<b>37,515,477</b>	<b>48,246,497</b>	<b>37,790,870</b>	<b>(10,455,627)</b>	<b>78%</b>
<b>TOTAL DISTRICT EXPENDITURES</b>	<b>\$89,476,148</b>	<b>\$99,472,568</b>	<b>\$87,126,580</b>	<b>\$(12,345,988)</b>	<b>88%</b>

**Fund Balance**

The District's Fund Balance policy, as adopted by the Board of Directors on October 26, 2016 and revised on June 6, 2023, states that the District is required to maintain a minimum unassigned fund of 30% of budgeted General Fund total revenues. The budgeted total General Fund revenue for FY26 at the time of adoption was \$81.9 million, requiring the District to maintain a minimum General Fund Unassigned Fund Balance of \$24.6 million.

At the end of the third quarter of FY25, the Board of Directors approved a transfer of \$1.5 million from the Unassigned Fund Balance to Committed for Infrastructure (Table 2A). With the Skyline Field Office and Coastal Field Office Projects in mind, the General Manager and Controller recommend an additional \$9.5 million transfer from Unassigned Fund Balance to Committed for Infrastructure. After the proposed transfers, the General Fund Unassigned Fund Balance will be \$25.1 million, which is \$0.5 million above the required \$24.6 million (30% of FY26 projected total revenues). A summary of the balances for all District funds as of June 30, 2025 is shown in Table 2B.

**Table 2A – Previous Approved Transfers**

<b>Fund</b>	<b>Balance 6/30/2024</b>	<b>FY 25 Adopted Budget</b>	<b>Midyear Adjustments</b>	<b>Balance 6/30/2025</b>
Infrastructure	\$26,825,087	\$5,100,000	\$1,500,000	\$33,425,087
<b>Total</b>	<b>\$26,825,087</b>	<b>\$5,100,000</b>	<b>\$1,500,000</b>	<b>\$33,425,087</b>

**Table 2B – District Fund Balances (All Governmental Funds)**

<b>Fund</b>	<b>Balance as of 6/30/2025</b>	<b>Transfer</b>	<b>Proposed Balance</b>	<b>Minimum Required GF Unassigned Fund Balance</b>	<b>Balance Above Minimum Required</b>
Nonspendable for prepaid expenditures/lease receivable	\$5,689,844		\$5,689,844	N/A	N/A
Restricted for debt service	4,917,461		4,917,461	N/A	N/A
Restricted for Hawthorn maintenance	1,971,040		1,971,040	N/A	N/A
Restricted for Pension	13,994,775		13,994,775	N/A	N/A
Restricted for MAA Projects	23,105,028		23,105,028	N/A	N/A
Committed for Equipment Replacement	4,000,000		4,000,000	N/A	N/A
Committed for Capital Maintenance & Repairs	11,559,535		11,559,535	N/A	N/A
Committed for Future Acquisitions & Capital Projects	18,662,386		18,662,386	N/A	N/A
Committed for Infrastructure	33,425,087	9,500,000	42,925,087	N/A	N/A
Assigned for ongoing capital projects	2,891,390		2,891,390	N/A	N/A
General Fund Unassigned Fund	34,608,216	(9,500,000)	25,108,216	24,568,031	540,185
	<b>\$154,824,762</b>	<b>\$0</b>	<b>\$154,824,762</b>	<b>\$24,568,031</b>	<b>\$540,185</b>

**Operating Expenditures**

Salaries and benefits ended the year at \$35.9 million, or 5.2% below the final adjusted budget. Salary savings were due to vacancies and turnover during the fiscal year; note a normal and healthy turnover rate is generally considered to be 10% or less. Expenditures for Services and Supplies

were \$13.4 million or 0.6% above budget, overall operating expenditures were 3.7% below the adjusted budget.

### **Fixed Assets and Capital Projects**

Expenditures for capital projects ended the year at \$21.4 million (including land costs), or approximately 36.8% below the final adjusted budget. The primary reason for the variance was the delayed closing of escrow on the Alves properties (a commercial property for the future Coastal Field Office and two open space parcels). The budget was adjusted with the expectation that escrow would close prior to June 30, 2025, but it was delayed which resulted in an \$8.1 million unspent budget.

### **Land and Associated Costs**

During FY25, the District purchased and preserved approximately 388 acres of open space land at a total cost of \$8.6 million.

### **Long-Term Debt and Debt Service**

Debt service expenses in FY25 totaled \$16.4 million, consisting of \$8.9 million in principal and \$7.5 million in interest. The total includes \$7.5 million for debt service on Measure AA General Obligation bonds.

### **Past Budget Performance**

Table 3 below presents a comparison of FY25 budget performance to the prior four fiscal years. Overall budgeted expenditures have historically ranged between 88% and 96% of the actual amounts.

As a reminder, land acquisitions are funded through budget amendments at the time the Board considers the purchase to reflect the opportunistic nature of land purchases, which are not guaranteed until an offer is accepted, the purchase approved, and escrow closed. This funding approach for land acquisitions produces a more predictable overall budget utilization rate in the long term.

**Table 3 – Past Performance with Amended Budget**

DISTRICT EXPENDITURES	FY21	FY22	FY23	FY24	FY25	FY25*
Operating Expenses	94%	90%	93%	95%	96%	96%
Capital (CAPEX)	79%	84%	96%	77%	75%	75%
Land & Associated Costs	82%	70%	99%	100%	51%	98%
Debt Service	100%	100%	99%	100%	114%	114%
<b>TOTAL EXPENDITURES</b>	<b>90%</b>	<b>90%</b>	<b>96%</b>	<b>94%</b>	<b>88%</b>	<b>95%</b>

*\*The Alves property acquisition was delayed resulting in \$8.1 million of unspent funds. The last column above depicts the FY25 performance when excluding this significant budget adjustment.*

### **Hawthorn Fund**

The FY25 expenditures from the Hawthorn Fund totaled \$79,652, which is 30% below the final adjusted budget of \$113,000 (Table 4). The budget remaining is primarily due to a change in project scope to pursue a partnership opportunity which resulted in unspent funds from the Hawthorns Historic Complex project.

**Table 4 – Hawthorn Fund Budget and Expenditures**

<b>Budget Category</b>	<b>FY25 Adopted Budget</b>	<b>FY25 Final Adjusted Budget</b>	<b>FY25 Year- End Actuals</b>	<b>\$ Change from FY25 Final Adjusted Budget</b>	<b>% Spent of FY25 Final Adjusted Budget</b>
Operating Expenses	\$118,200	\$113,000	\$79,652	\$(33,348)	70%
Capital Expenses	-	-	-	-	N/A
<b>HAWTHORN TOTAL</b>	<b>\$118,200</b>	<b>\$113,000</b>	<b>\$79,652</b>	<b>\$ (33,348)</b>	<b>70%</b>

The Hawthorn Endowment Fund balance as of June 30, 2025, is \$1,971,040 million.

### **FISCAL IMPACT**

None

### **PRIOR BOARD AND COMMITTEE REVIEW**

None

### **PUBLIC NOTICE**

Public notice was provided as required by the Brown Act. No additional notice is required.

### **CEQA COMPLIANCE**

This item is not a project subject to the California Environmental Quality Act.

### **NEXT STEPS**

With the Board's acceptance of the audited financial statements, staff will proceed with final submission of the Annual Comprehensive Financial Report (ACFR) to the Government Finance Officers Association award program.

#### **Attachments:**

1. Annual Financial Report for the Fiscal Year Ending June 30, 2025
2. Resolution approving the transfer of funds from the Unassigned Fund Balance to Committed for Infrastructure Fund

#### **Responsible Department Head:**

Stefan Jaskulak, Chief Financial Officer/Director of Administrative Services

#### **Prepared by:**

Rafaela Ocegüera, Budget and Finance Manager





# Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2025



Headquarters in Los Altos, California

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# *Annual Comprehensive Financial Report*

*Fiscal Year Ended June 30, 2025*

## *Midpeninsula Regional Open Space District*

*Prepared by:  
Budget & Finance Department  
Los Altos, California*

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*Introductory Section*

# Midpeninsula Regional Open Space District

Santa Clara County, California  
Annual Comprehensive Financial Report  
For the Year Ended June 30, 2025

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Santa Clara County, California  
Annual Comprehensive Financial Report  
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GENERAL MANAGER  
Ana M. Ruiz

BOARD OF DIRECTORS  
Craig Gleason  
Yoriko Kishimoto  
Jed Cyr  
Curt Riffle  
Karen Holman  
Margaret MacNiven  
Zoe Kersteen-Tucker

Midpeninsula Regional Open Space District  
5050 El Camino Real  
Los Altos, California 94022

December 10, 2025

Members of the Midpen Board of Directors and Constituents:

The Annual Comprehensive Financial Report (ACFR) of the Midpeninsula Regional Open Space District (District) for the year ended June 30, 2025, is hereby submitted.

The Budget and Finance Department has prepared the ACFR in compliance with the principles and standards for financial reporting promulgated by the Governmental Accounting Standards Board (GASB). The ACFR consists of District management's representations concerning the District's finances and District management assumes full responsibility for the completeness, accuracy of the data and fairness of the presentation, including all footnotes and disclosures. Management believes the data presented are accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the District.

The District's accounting records for governmental operations are maintained on a modified accrual basis, with revenues recorded when both measurable and available, expenditures recorded when the services or goods are received, and liabilities are incurred.

District management has established a comprehensive framework of internal controls designed both to protect the District's assets from loss, theft or misuse, and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the District designed its controls to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The ACFR has been audited by the independent certified public accounting firm, Maze & Associates. The independent certified public accounting firm has issued an unmodified opinion on the District's financial statements for the year ended June 30, 2025.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the financial statements. This letter of transmittal serves as a complement to the MD&A and should be read in conjunction with it.



## MIDPENINSULA REGIONAL OPEN SPACE DISTRICT PROFILE

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The Midpeninsula Regional Open Space District (District) was formed in 1972 to acquire and preserve public open space land in the northern and western portions of the County of Santa Clara. In June 1976, the southern and eastern portions of the County of San Mateo were annexed to the District. The District annexed three parcels located in the northern tip of Santa Cruz County in 1992, but the 1% *ad valorem* property tax is not levied on this land for the benefit of the District. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in the County of San Mateo, from the southern borders of the City of Pacifica to the San Mateo/Santa Cruz County line.

The District encompasses over 550 square miles of land located in the County of Santa Clara (approximately 200 square miles out of 1,304), the County of San Mateo (approximately 350 square miles out of 744) and the County of Santa Cruz (approximately 3.3 square miles out of 607). The Counties of Santa Clara and San Mateo are referred to together as the “Counties” and over 750,000 people live within the boundaries of the District.

The District has preserved over 70,000 acres of public land and manages 27 open space preserves within its mission *to acquire and preserve a regional greenbelt of open space land in perpetuity, protect and restore the natural environment, and provide opportunities for ecologically sensitive public enjoyment and education.*

A seven-member board of directors (board), elected by individual wards, establishes policies for the District. Specifically, the board sets general operating objectives for the District, authorizes debt issuance, monitors financial and long-range planning, establishes policies governing conditions of employment and sets policies to protect and enhance the natural and cultural resources of the District. Members of the board of directors are elected for staggered four-year terms. The board appoints a general manager to serve as the District’s chief executive officer. The general manager provides direction and leadership to all District departments and ensures that all District policies are implemented.

The District is a legally separate and fiscally independent entity from other government agencies, which may also provide governmental services within the same geographic area. The ACFR includes all funds of the District. There are no separate or legal entities or component units included in the financial statements of the District. The District has a blended component unit included in the financial statements of the District. In 1996, the District and Santa Clara County established the Midpeninsula Regional Open Space District Financing Authority (Authority) to help the District finance improvements by buying land and building facilities in cooperation with the Authority. The President of the Midpen’s Board of Directors is also the Chairperson of the Authority. Three District directors and a Supervisor from Santa Clara County are also on the Authority Board. In effect, the Authority operates in tandem with the District.

## FACTORS AFFECTING FINANCIAL CONDITION

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The information presented in the financial statements is perhaps best understood when considered from the broader perspective of the District’s environment.

## State and Regional Economy

The updated UCLA Anderson Forecast released in October 2025 predicts a continued cooling of the economy primarily driven by the impacts of the United States-imposed tariffs, increased immigration enforcement, uncertainty over the federal reserve rate, declining job growth, increased unemployment rate and most recently the longest government shutdown in history which lasted 43 days. Although the impacts have been subtle thus far, there is increasing concern from economists that the uncertainty created by these factors will carry over to 2026 and the impact on the economy may become more significant and impactful.

There have been initial warning signs of a weakening labor market as the unemployment rate has increased in the last year. The year over year July 2025 local unemployment rate in the Bay Area rose from 4.6% to 5.0%, the rate for California has a smaller increase from 5.4% to 5.5%, and nationwide it remained at 4.2%.<sup>1</sup> There are conflicting indicators as inflation is again increasing but the labor market is showing a slowdown, with low-hire and low-fire economy and slowing job growth. The Federal Reserve maintained the rate at about 5.25% to 5.5% to counter inflation for approximately a year and started decreasing the rate in the fall of 2024. The most recent decrease was in October 2025 but cautioned that further reductions would depend on the inflation rate. Inflation rose year over year in August 2025 from 2.4% to 2.7%, surpassing the 2% target<sup>2</sup>. The impacts of the U.S. imposed tariffs are still anticipated as many companies chose to absorb the cost and/or increase their inventory ahead of the enactment of the tariffs.

Many of the actions from the administration discussed previously have created uncertainty which has led to business decision delays and expansion of government spending. For instance, impacts to the economy from the U.S. imposed tariffs are still anticipated, as many companies chose to initially absorb the cost and/or increase their inventory ahead of the enactment of the tariffs. A potential offset to the negative indicators around the economy is the fiscal and monetary stimulus expected from the Big Beautiful Bill Act (OBBBA), many of the key changes are expected in 2027.

The District's boundaries encompass a large portion of Silicon Valley, which continues to be the world's premier location for the technology industry with a long culture of entrepreneurship and innovation. The District typically derives nearly 90 percent of its total revenues from property taxes, with two-thirds of its general fund property tax revenue from Santa Clara County and one-third from San Mateo County.

In its most recent report for fall 2025, Beacon Economics reports on California's cooling economy, mainly attributed to the labor and housing markets<sup>3</sup>. For the fiscal year 2024-25, the Santa Clara County Assessor's Office showed that the assessment roll (assessed value) increased by 5.39%, to \$697 billion. Similarly, San Mateo County reported that the total value of assessed properties increased by 5.84% for fiscal year 2024-25 to \$328 billion. Total assessments within the District's boundaries increased by 5.2% for fiscal year 2024-25, lower than the previous fiscal year increase of 6.6%. Over the past 10 years, the District's general fund property tax revenues have increased by an annual average of 8.5%.

While the assessed values continued to grow in both counties, affordability remains a concern for both sellers and buyers, prices have slowly decreased and mortgage rates remain relatively high, even with the recent interest rate reduction by the Federal Reserve. Commercial real estate assessed valuations continue to decline, and the number of appeals continues to grow. This has caused a slight slowdown in the sales of residential properties and a decrease in the assessed valuation of commercial properties. The decline in revenues associated with commercial properties has been minor thus far; it's unknown what the overall decline will be.

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<sup>1</sup> U.S. Bureau of Labor Statistics

<sup>2</sup> Board of Governors of the Federal Reserve System

<sup>3</sup> Beacon Economics

The District continues to develop prudent spending plans to ensure that the District has the necessary financial resources, including growing reserves. Housing affordability and the tight labor market continue to present challenges for the hiring and retention of employees. The inflation rate for construction costs and materials for capital projects is still increasing more rapidly than general inflation, which has impacted the cost of various capital projects.

## Major Initiatives

In fiscal year 2024-25, the District achieved the completion of major projects and actions, including the following:

- Land Acquisition and Preservation
  - Permanently protected an additional 388 acres of open space land in Cloverdale Ranch, El Sereno, Purisima Creek Redwoods, Russian Ridge and Sierra Azul Open Space Preserves
- Natural Resource Protection and Restoration
  - Launched a vital “head starting” program to support the conservation of the endangered San Francisco garter snake
  - Completed studies and schematic designs of roadway improvements for safe wildlife passage along Alma Bridge Road fronting Sierra Azul Open Space Preserve
  - Initiated fuel breaks along Highways 35 and 84, and completed maintenance on existing fuel breaks in Coal Creek, Teague Hill and La Honda Creek Open Space Preserves
  - Restored over seven acres of a former Christmas tree farm comprised of dense, overgrown cultivar Douglas-fir trees in Bear Creek Redwoods Open Space Preserve
  - For the first time in 14 years, conducted a nine acre prescribed burning operation in Sierra Azul Open Space Preserve
  - Completed 650+ acres of brush management, upgrades to water systems and wildlife-friendly fencing installations as a part of the Conservation Grazing Program, which serves to manage grassland habitats and reduce wildfire risk
- Public Access, Interpretation and Education
  - Completed and opened the new Thimbleberry Trail to the public in Bear Creek Redwoods Open Space Preserve
  - Constructed 1.6 miles of trail in La Honda Creek Open Space Preserve, connecting the upper and lower regions of the preserve (public opening scheduled for November)
  - Completed environmental review work and preliminary designs necessary for the Highway 17 Wildlife and Trail Crossings
  - Expanded preserve accessibility Districtwide, including new ADA parking spaces and upgraded trails
  - Employed a new trail-junction numbering system within El Corte de Madera Creek Open Space Preserve
  - Programmatically and financially supported nine community partners through the Community Partnership Program
  - Volunteers provided 15,000+ docent naturalist and stewardship volunteer hours, 300+ docent naturalist guided public activities with nearly 2,500 participants, and 18 field trips serving 400+ students
- Assets and Organizational Support
  - Completed an organizational assessment to capture staff perspectives, values and systemic opportunities for internal and external engagement
  - Geographic Information Systems team continued to receive awards and accolades for recently released applications
  - Received \$605,000 in grants with another \$18 million under review

## Relevant Financial Policies

### ***Budget Policy***

The District follows best practices in budgeting, including assessment of constituent needs, development of long-range plans, adherence to budget preparation and adoption procedures, monitoring of performance and adjustment of budget as required. The District budget is divided into four categories: Operating Budget, Capital Budget, Land and Associated Costs and Debt Service. The budget is prepared and adopted on a cash basis, whereas the annual financial statements are prepared on a modified accrual basis. The budget can be amended during the year in accordance with the Board Budget and Expenditure Policy, which states that increases to any of the four budget categories must be approved by the board.

### ***Investment Policy***

The District's Investment Policy is adopted annually in accordance with State law. The policy provides guidance and direction for the prudent investment of District funds to safeguard the principal of invested funds and achieve a return on funds while ensuring the liquidity needs of the District. The goal is to maximize the efficiency of the District's cash management system and to enhance the economic status of the District while protecting its pooled cash.

The investment of funds is governed by the California Government Code Section 53601 et seq., and by California Government Code Section 53630 et seq. Funds on deposit in banks must be federally insured or collateralized in accordance with the provisions of California Government Code Section 53630 et seq.

### ***Fund Balance Policy***

The board of directors adopted the Fund Balance Policy in 2014 and updated the policy in 2023 to achieve the following goals: provide adequate funding to meet the District's short-term and long-term plans; provide funds for unforeseen expenditures related to emergencies such as natural disasters; strengthen the District's financial stability against present and future uncertainties such as economic downturns and revenue shortfalls; and maintain an investment-grade bond rating. This policy has been developed with the counsel of the District's independent auditors to meet the requirements of GASB 54.

The components of the District fund balances are as follows:

- **Non-Spendable** fund balance includes amounts that cannot be spent either because they are not in spendable form, e.g., prepaid insurance, or because of legal or contractual constraints. At all times, the District shall hold fund balance equal to the sum of its non-spendable assets.
- **Restricted** fund balance includes amounts that are constrained for specific purposes which are externally imposed by constitutional provisions, enabling legislation, creditors or contracts.
- **Committed** fund balance includes amounts that are constrained for specific purposes that are internally imposed by the Midpen Board of Directors. Funds spent from committed funds shall be reimbursed from the general fund within two years.
- **Assigned** fund balance includes amounts that are intended to be used for specific purposes that are neither restricted nor committed. Such amounts may be assigned by the general manager if authorized by the board of directors to make such designations. Projects to be funded by assigned funds require the approval of the general manager. Funds spent from assigned funds shall be reimbursed from the general fund within two years.

- **Unassigned** fund balance includes amounts within the general fund which have not been classified within the above categories. The board shall designate the minimum amount of unassigned fund balance which is to be held in reserve in consideration of unanticipated events that could adversely affect the financial condition of the District and potentially jeopardize the continuation of necessary public services. The current minimum unassigned fund balance is 30% of the Budgeted General Fund Total Revenue.

### ***Debt Management Policy***

The board of directors adopted a debt management policy on July 12, 2017. The stated purpose of the Debt Management Policy is to establish the overall parameters for issuing, structuring and administering the debt of the District in compliance with applicable federal and State securities laws. The Debt Management Policy was developed in conjunction with the Initial and Continuing Disclosure Relating to Bond Issuances Policy, with the latter ensuring that statements or releases of information to the public and investors relating to the finances of the District are complete, true and accurate in all material respects.

## **AWARDS**

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement to the District for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024. This was the eighth consecutive year that the District received this prestigious national award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. To receive the award, the District must publish an Annual Comprehensive Financial Report that is easily readable and efficiently organized, and the contents of the report must conform to program standards and satisfy generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for one year. We believe that our current report continues to conform to the Certificate requirements, and we are submitting it to the GFOA for another award of the certificate.

## **ACKNOWLEDGEMENTS**

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The preparation of this Annual Comprehensive Financial Report could not have been completed without the efforts and contributions of its administrative staff, as well as other departments across the District. Management also wishes to acknowledge the invaluable assistance of Maze & Associates, the District's independent auditors who contributed to the preparation of this Annual Comprehensive Financial Report.

Lastly, we wish to acknowledge Midpen's Board of Directors for their continued interest in support of the District's effort to improve and strengthen its financial operations and reporting.

Respectfully submitted,

/s/Stefan Jaskulak

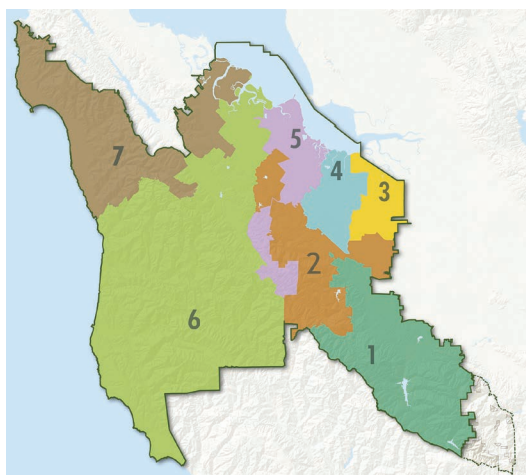
**Stefan Jaskulak**  
Chief Financial Officer/  
Director of Administrative Services

/s/ Ana Maria Ruiz

**Ana Maria Ruiz**  
General Manager



# Board of Directors and Management



District Wards



Left to right: Craig Gleason, Karen Holman, Margaret MacNiven, Zoe Kersteen-Tucker, Jed Cyr, Yoriko Kishimoto, Curt Riffle

Craig Gleason – <b>Board Treasurer</b>	Ward 1: Cupertino, Lexington Hills, Los Gatos, Monte Sereno, Saratoga
Yoriko Kishimoto	Ward 2: Cupertino, Los Altos, Los Altos Hills, Loyola, Mountain View, Palo Alto, Stanford
Jed Cyr – <b>Board Vice President</b>	Ward 3: Cupertino, Sunnyvale
Curt Riffle – <b>Board Secretary</b>	Ward 4: Cupertino, Los Altos, Mountain View, Sunnyvale
Karen Holman	Ward 5: East Palo Alto, Menlo Park, Mountain View, Palo Alto, Sunnyvale
Margaret MacNiven – <b>Board President</b>	Ward 6: Atherton, La Honda, Ladera, Loma Mar, Menlo Park, North Fair Oaks, Pescadero, Portola Valley, Redwood City, West Menlo Park, Woodside
Zoe Kersteen-Tucker	Ward 7: El Granada, Emerald Lake Hills, Half Moon Bay, Montara, Moss Beach, Redwood City, San Carlos, Woodside

## Executive Management

Ana María Ruiz–General Manager  
Hilary Stevenson–General Counsel  
Mike Foster–Controller

Susanna Chan–Assistant General Manager/Project Planning and Delivery  
Brian Malone–Assistant General Manager/Visitor and Field Services  
Stefan Jaskulak–Chief Financial Officer/Director of Administrative Services

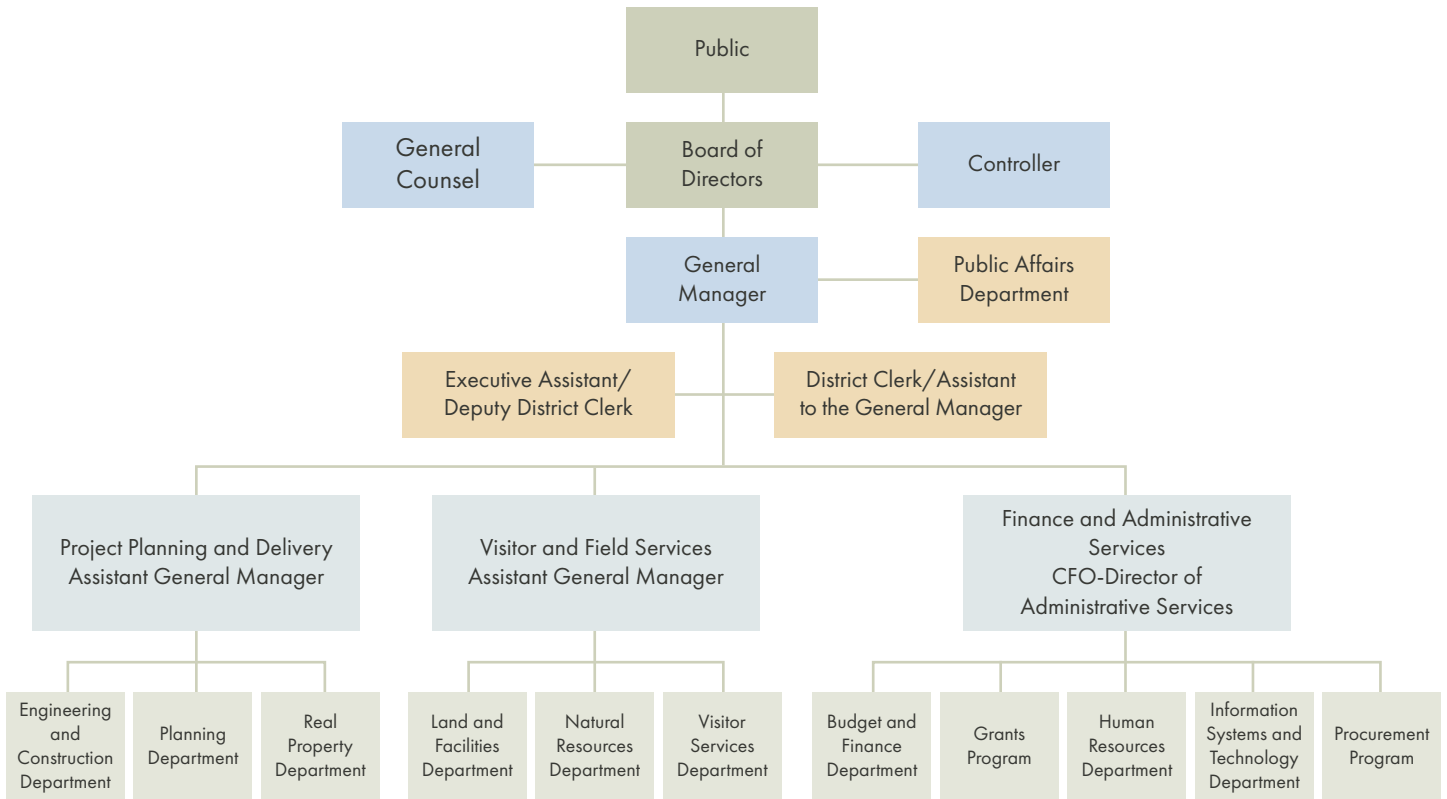
## Mission Statement

*To acquire and preserve a regional greenbelt of open space land in perpetuity, protect and restore the natural environment, and provide opportunities for ecologically sensitive public enjoyment and education.*

## Coastside Protection Mission Statement

*To acquire and preserve in perpetuity open space land and agricultural land of regional significance, protect and restore the natural environment, preserve rural character, encourage viable agricultural use of land resources, and provide opportunities for ecologically sensitive public enjoyment and education.*

## Organizational Chart



## Midpen At-A-Glance



Founded in 1972



Over 70,000  
Acres Preserved



Over 255 Miles  
of Trails



27 Preserves



219 FTEs



Over 2 Million  
Visitors Per Year



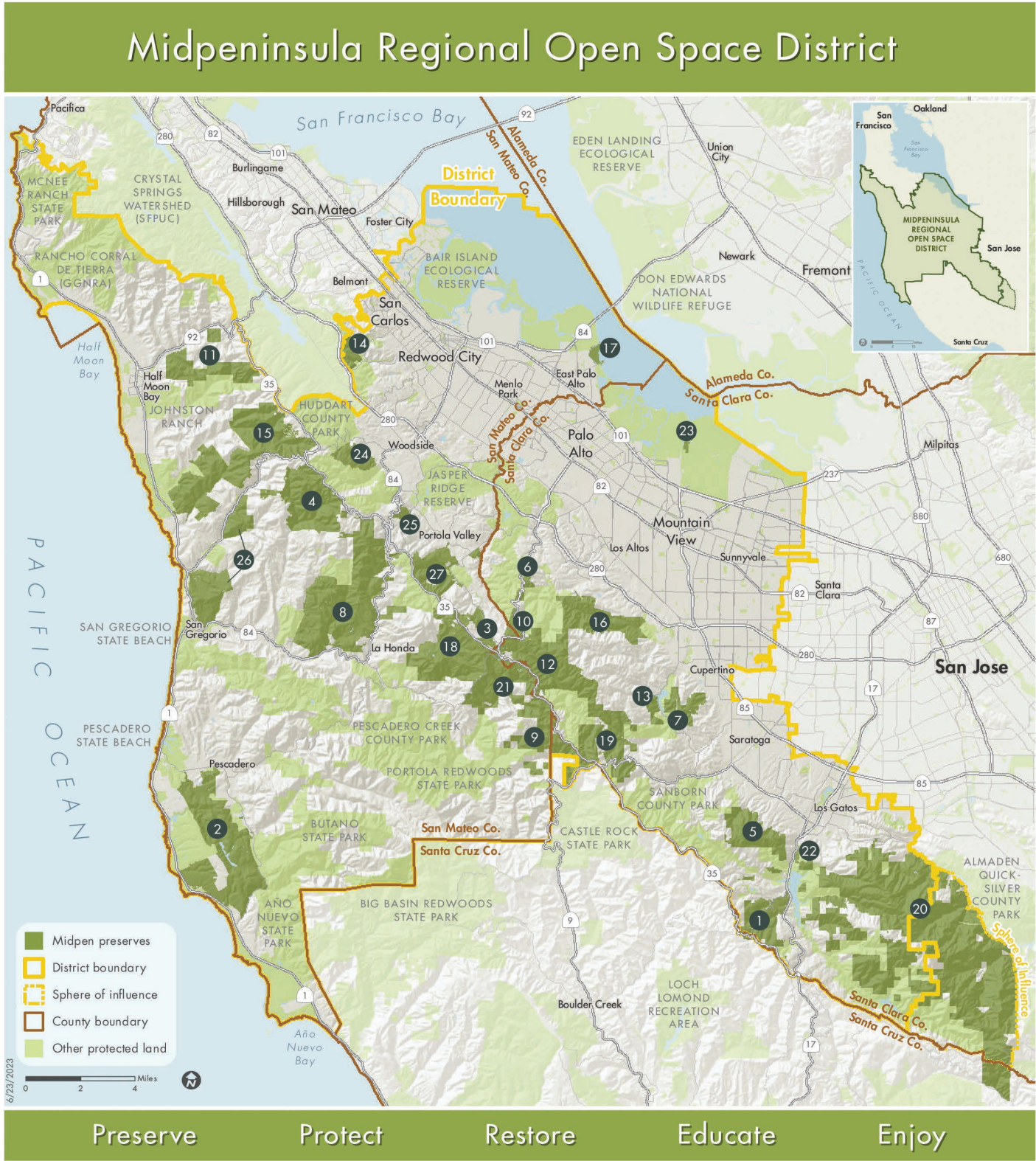
\$94.1 Million  
Budget



Over 750,000  
Residents



Regional Map



- |                            |                     |                            |  |                  |
|----------------------------|---------------------|----------------------------|--|------------------|
| 1 Bear Creek Redwoods      | 7 Fremont Older     | 13 Picchetti Ranch         | 19 Saratoga Gap                        | 25 Thornewood    |
| 2 Cloverdale Ranch         | 8 La Honda Creek    | 14 Pulgas Ridge            | 20 Sierra Azul                         | 26 Tunitas Creek |
| 3 Coal Creek               | 9 Long Ridge        | 15 Purisima Creek Redwoods | 21 Skyline Ridge                       | 27 Windy Hill    |
| 4 El Corte de Madera Creek | 10 Los Trancos      | 16 Rancho San Antonio      | 22 St. Joseph's Hill                   |                  |
| 5 El Sereno                | 11 Miramontes Ridge | 17 Ravenswood              | 23 Stevens Creek Shoreline Nature Area |                  |
| 6 Foothills                | 12 Monte Bello      | 18 Russian Ridge           | 24 Teague Hill                         |                  |

## Achievement Award



Government Finance Officers Association

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

Presented to

**Midpeninsula Regional Open Space District  
California**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO



*Financial Section*



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Midpeninsula Regional Open Space District  
Los Altos, California

### Report on the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the governmental activities and each major fund for Midpeninsula Regional Open Space District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District'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 of the District, as of June 30, 2025, and the respective changes in financial position and 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements 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 the 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 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 District'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 GAAS and GAGAS, 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 District'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 District'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.

***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, 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 District'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 Information***

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory, budgetary comparison information for the capital projects funds and the debt service fund, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025 on our consideration of the District'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 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 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 District's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Maze & Associates". The script is cursive and fluid, with the ampersand being a simple loop.

Pleasant Hill, California  
November 17, 2025





*Management's Discussion and Analysis*

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## Midpeninsula Regional Open Space District

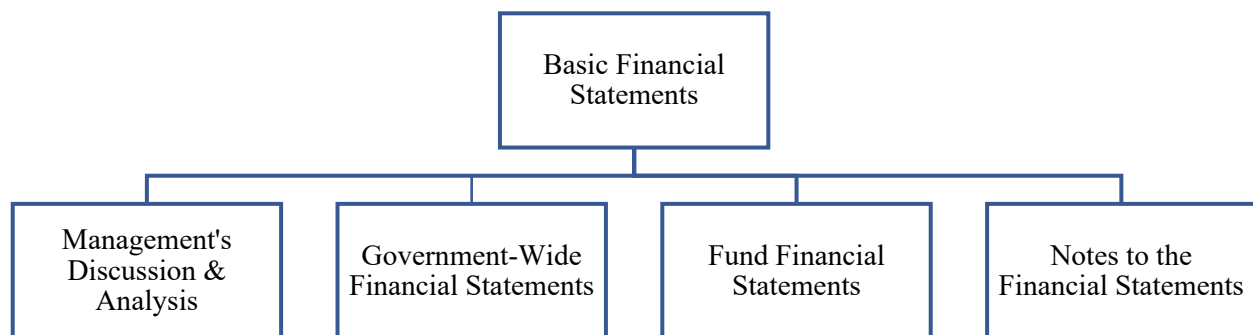
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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### INTRODUCTION

The purpose of the Management's Discussion and Analysis (MD&A) is to present a discussion and analysis of the District's financial performance during the year ended on June 30, 2025. This report will (1) focus on significant financial issues, (2) provide an overview of the District's financial activity, (3) identify changes in the District's financial position, (4) identify any individual fund issues or concerns, and (5) provide descriptions of significant asset and debt activity. This information, presented in conjunction with the annual Basic Financial Statements, is intended to provide a comprehensive understanding of the District's operations and financial standing.

### Required Components of the Annual Financial Report



### OVERVIEW AND USE OF THE FINANCIAL STATEMENTS

This annual report consists of a series of basic financial statements and notes. The statements are organized so the reader can understand the District as an entire operating entity by providing an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities are comprised of government-wide financial statements and provides information about the activities of the District as a whole, presenting both an aggregate view of the District's finances as well as a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements reflect how services were financed in the short-term as well as what remains for future spending. The Basic Financial Statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The full annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, the Management's Discussion and Analysis. The three sections together provide a comprehensive financial overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, government-wide and fund statements.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

## Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.
- Notes to the financial statements provide more detailed data and provide explanations to some of the information in the statements. The required supplementary information section provides further explanations and additional support for the financial statements.

### GOVERNMENT-WIDE FINANCIAL STATEMENTS - STATEMENT OF NET POSITION AND THE STATEMENT OF ACTIVITIES

The view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year 2024-2025". The Statement of Net Position and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting practices used by most private-sector companies. This basis of accounting takes into account all of the current year revenues and expenses regardless of when cash is received or paid.

These two statements report the District's net position and changes in net position. This change in net position is important because it tells the reader that, for the District as a whole, whether the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the District's property tax base, current property tax laws in California restricting revenue growth, facility conditions and other factors.

In the Statement of Net Position and the Statement of Activities, the District reports governmental activities which reflect the District's programs and services. The District does not have any business type activities.

### FINANCIAL HIGHLIGHTS

The overall economy in Silicon Valley continued to grow but at a slower pace than previous years, the District experienced growth in the assessed valuation of both secured and unsecured property within its boundaries. The 2024-25 assessed valuation reports showed District-wide assessed values increasing by 5.2% (5.5% in Santa Clara and 4.6% in San Mateo) over the prior year. The District received 67% of its tax revenue from Santa Clara County and 33% from San Mateo County.

Other financial highlights included:

- Tax revenue related to the GO bonds amounted to \$6.0 million.
- Purchases of \$11.7 million in capital assets funded through bonds, taxes and grants.
- The District recorded deferred outflows of resources of \$14.6 million and deferred inflows of resources of \$6.5 million as required by GASB 68 and GASB 75 for pension and other postemployment benefit accounting and reporting. Deferred outflows of resources are technically not assets but increase the Statement of Net Position similar to an asset and deferred inflows of resources are technically not liabilities but decrease the Statement of Net Position similar to liabilities. See Note 1 in the notes to financial statements for a definition.

**Midpeninsula Regional Open Space District**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

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- The District's Section 115 irrevocable trust for pension liabilities held with the Public Agency Retirement Services (PARS) had a value of \$14.5 million at year end, an increase of 12% from the previous year.
- The District's net other postemployment benefits plan asset was \$239,334.

The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the 2025 fiscal year by \$543.9 million. Of this total net position, \$394 million, or 72%, was the District's net investment in capital assets (capital assets net of related debt).

**REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS****Fund Financial Statements**

Fund financial reports provide detailed information about the District's major funds. The District uses one operating fund, the General Fund, to account for a multitude of financial transactions, two capital project funds to account for capital projects, and one debt service fund to account for debt service payments.

**Governmental Funds**

The General Fund is a governmental fund type and is reported using modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

## Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

### THE DISTRICT AS A WHOLE

The Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as compared to last period:

Table 1 - Summary of Statement of Net Position						
	2025		2024		Change	Percentage Change
<b>Assets</b>						
Current Assets	\$	159,930,211	\$	113,938,549	\$ 45,991,662	40.37%
Other Noncurrent Assets		5,979,984		6,045,766	(65,782)	-1.09%
Capital Assets		617,895,004		603,306,118	14,588,886	2.42%
Total Assets	\$	783,805,199	\$	723,290,433	\$ 60,514,766	8.37%
Total Deferred Outflows of Resources	\$	14,614,009	\$	16,796,915	\$ (2,182,906)	-13.00%
<b>Liabilities</b>						
Current Liabilities	\$	18,224,515	\$	15,217,576	\$ 3,006,939	19.76%
Noncurrent Liabilities		229,837,018		199,930,344	29,906,674	14.96%
Total Liabilities	\$	248,061,533	\$	215,147,920	\$ 32,913,613	15.30%
Total Deferred Inflows of Resources	\$	6,471,331	\$	8,436,025	\$ (1,964,694)	-23.29%
<b>Net Position</b>						
Net Investment in Capital Assets	\$	393,936,794	\$	448,182,473	\$ (54,245,679)	-12.10%
Restricted		7,127,835		6,509,805	618,030	9.49%
Unrestricted		142,821,715		61,811,125	81,010,590	131.06%
Total Net Position	\$	543,886,344	\$	516,503,403	\$ 27,382,941	5.30%

Total net position increased by \$27.4 million, as revenues exceeded expenses. Current assets increased mainly due to an increase in cash and investments of \$46 million, primarily driven by the new Measure AA bond issuance of \$37.4 million tax-exempt general obligation Green Bonds. Capital assets increased by \$14.6 million mostly from the purchase and donation of land and related infrastructure. Principal payments on outstanding bonds and promissory notes, and the new Measure AA bond issuance of \$37.4 million were the main reason for the \$29.9 million increase in noncurrent liabilities.

# Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

Table 2 shows the changes in net position for 2025 as compared to period 2024.

Table 2 - Summary of Changes in Net Position				
	2025	2024	Change	Percentage Change
<b>Revenues</b>				
Program revenues	\$ 6,313,302	\$ 7,198,481	\$ (885,179)	-12.30%
General revenues:				
Property taxes	77,505,514	72,304,115	5,201,399	7.19%
Investment earnings (losses)	7,294,263	5,227,791	2,066,472	39.53%
Miscellaneous	1,385,693	(843,556)	2,229,249	264.27%
<b>Total Revenues</b>	<b>92,498,772</b>	<b>83,886,831</b>	<b>8,611,941</b>	<b>10.27%</b>
<b>Program Expenses</b>				
Land preservation	57,540,749	50,362,882	7,177,867	14.25%
Interest	7,575,082	6,449,073	1,126,009	17.46%
<b>Total Expenses</b>	<b>65,115,831</b>	<b>56,811,955</b>	<b>8,303,876</b>	<b>14.62%</b>
<b>Change in Net Position</b>	<b>27,382,941</b>	<b>27,074,876</b>	<b>308,065</b>	<b>1.14%</b>
<b>Adjustments to Beginning Net Position</b>	<b>-</b>	<b>259,608</b>	<b>(259,608)</b>	
<b>Beginning Net Position</b>	<b>516,503,403</b>	<b>489,168,919</b>	<b>27,334,484</b>	<b>5.59%</b>
<b>Ending Net Position</b>	<b>\$ 543,886,344</b>	<b>\$ 516,503,403</b>	<b>\$ 27,382,941</b>	<b>5.30%</b>

There was a surplus change in net position of \$27.4 million, as revenues exceeded expenses. Program revenues decreased by \$0.89 million mostly due to a decrease in capital grants and contributions. Property taxes increased because property values in Santa Clara and San Mateo Counties increased by approximately 5.2%. Expenses increased mostly because of an increase in the number of positions and increased land preservation activities.

## Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

### THE DISTRICT'S FUND BALANCE

Table 3 provides an analysis of the District's fund balances and the total change in fund balances from the prior year.

Table 3 - Summary of Fund Balance (All Governmental Funds)					
	2025				
	General	Measure AA			Percentage
	Fund	Capital	Total	2024	Change
		Projects Fund			
Nonspendable for prepaid expenditure	\$ -	\$ -	\$ -	\$ 776,660	-100%
Nonspendable for leases receivable	5,689,844	-	5,689,844	773,648	635%
Restricted for debt service	-	-	4,917,461	4,803,059	2%
Restricted for Measure AA Projects	-	23,105,028	23,105,028	-	100%
Restricted for Hawthorn maintenance	1,971,040	-	1,971,040	1,706,746	15%
Restricted for pension	13,994,775	-	13,994,775	12,469,694	12%
Committed for infrastructure	33,425,087	-	33,425,087	26,825,087	25%
Committed for equipment replacement	4,000,000	-	4,000,000	4,000,000	0%
Committed for capital maintenance	11,559,535	-	11,559,535	11,559,535	0%
Committed for future acquisitions					
and capital projects	18,662,386	-	18,662,386	18,662,386	0%
Assigned for ongoing projects	2,891,390	-	2,891,390	2,891,390	0%
Unassigned	36,145,576	-	34,608,216	25,149,031	38%
Total Fund Balance	\$ 128,339,633	\$ 23,105,028	\$ 154,824,762	\$ 109,617,236	41%

The nonspendable for 2025 are being presented differently than in prior years. Nonspendable for prepaid expenditures is now reported under Assets. Leases receivable is now reported using the gross ending receivable instead of the Net Book Value (NBV) in prior year. This change reflects a correction in classification and reporting methodology and does not impact total fund balance. The fund balances restricted for Measure AA Capital Projects fund increased by 100% due to the new debt issuance. In accordance with the District's thirty-year strategic plan, the Board of Directors committed \$6.6 million in 2025 for infrastructure. The District has been setting aside funds in this reserve for the remodel and expansion of the Skyline Field Office and the build out of the newly acquired Coastal Field Office, which was purchased with funds from the Committed for future acquisitions and capital projects, hence the decrease of 29%. See Note 1 in the notes to the basic financial statements of the audit report for a description of each commitment.



## Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

### GENERAL FUND BUDGETING HIGHLIGHTS

The District's budget is prepared according to California law using the modified accrual basis of accounting. During the course of 2025, the District revised its General Fund budget, which resulted in a decrease in budgeted expenditures of \$666,007 from the original to final budget. The budgeted revenue was revised from \$78.8 million to \$79.3 million due to a decrease in grant revenues. A summary of the original and final budget is presented below:

Table 4 - Summary of Original to Final Budgets					
	Original Budget	Final Budget	Change	Actuals	Final Budget vs. Actuals
<b>Revenues</b>					
Property taxes	\$ 71,061,000	\$ 71,461,000	\$ 400,000	\$ 71,498,918	\$ 37,918
Grant revenues	1,754,500	747,286	(1,007,214)	1,828,036	1,080,750
Property management	2,406,833	2,406,833	-	2,738,037	331,204
Investment earnings	3,485,000	3,485,000	-	5,843,371	2,358,371
Other revenues	100,000	1,205,000	1,105,000	1,248,042	43,042
<b>Total Revenues</b>	<b>78,807,333</b>	<b>79,305,119</b>	<b>497,786</b>	<b>83,156,404</b>	<b>3,851,285</b>
<b>Expenditures</b>					
Salaries and employee benefits	37,272,908	37,341,501	68,593	35,283,231	2,058,270
Services and supplies	14,092,207	13,357,607	(734,600)	13,442,686	(85,079)
<b>Total Expenses</b>	<b>51,365,115</b>	<b>50,699,108</b>	<b>(666,007)</b>	<b>48,725,917</b>	<b>1,973,191</b>
<b>Excess of Revenues over Expenditures</b>	<b>27,442,218</b>	<b>28,606,011</b>	<b>(168,221)</b>	<b>34,430,487</b>	<b>5,824,476</b>
<b>Sale of Property</b>	-	-	-	172,965	(172,965)
<b>Issuance of Debt</b>	-	-	-	0	-
<b>Transfers in (out)</b>	-	-	-	(11,077,996)	(11,077,996)
<b>Net Change in Fund Balance</b>	<b>\$ 27,442,218</b>	<b>\$ 28,606,011</b>	<b>\$ (168,221)</b>	<b>\$ 23,525,456</b>	<b>\$ (5,253,520)</b>

Total revenue was \$3.9 million more than the final budget. Grant revenues and investment income were the main cause of the revenue surplus. Overall expenditures were \$2.0 million below the final budget. Salaries and employee benefits were \$2.1 million below budget due to vacancies and turnover.

### CAPITAL ASSETS

Table 5 shows 2025 capital asset balances as compared to 2024.

Table 5 - Summary of Capital Assets Net of Depreciation					
	2025	2024	Change	Percentage Change	
Land	\$ 492,006,496	\$ 483,432,576	\$ 8,573,920	1.77%	
Construction-in-Progress	35,600,509	32,082,350	3,518,159	10.97%	
Structure and Improvements	58,591,036	58,201,670	389,366	0.67%	
Infrastructure	57,995,756	53,769,944	4,225,812	7.86%	
Equipment	5,038,904	3,985,670	1,053,234	26.43%	
Vehicles	6,599,236	6,226,288	372,948	5.99%	
<b>Total Capital Assets - Net</b>	<b>\$ 655,831,937</b>	<b>\$ 637,698,498</b>	<b>\$ 18,133,439</b>	<b>2.84%</b>	

## Midpeninsula Regional Open Space District

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2025

Additional details and information on capital asset activity are described in the notes to the financial statements, note 6.

### LONG TERM LIABILITIES

Table 6 summarizes the changes in long-term liabilities from 2025 to 2024.

Table 6 - Summary of Long-term Liabilities					
	2025	2024	Change	Percentage Change	
Promissory Notes	\$ 31,329,309	\$ 32,338,066	\$ (1,008,757)	-3.12%	
Bonds	183,954,257	152,912,221	31,042,036	20.30%	
Net Pension Liability	19,522,752	19,732,636	(209,884)	-1.06%	
Net OPEB Liability (Asset)	(239,334)	135,872	(375,206)	-276.15%	
Compensated Absences	5,085,075	3,076,176	2,008,899	65.31%	
Total Long-term Liabilities	\$ 239,652,059	\$ 208,194,971	\$ 31,457,088	15.11%	

Additional detail and information on long-term liabilities activity is described in the notes to the financial statements, note 7.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Board of Directors adopted the District's budget for fiscal year 2025-2026 on June 11, 2025. This budget assumes \$95.1 million in revenues and a growth in general fund property tax income of 4.8% over the prior year's adopted budget. This budget funds \$21.7 million of capital spending, of which \$8.8 million is expected to qualify for reimbursement from Measure AA GO bond funds. General Fund operating expenditure is budgeted at \$55.9 million, a 9.1% increase over the prior year's adopted budget. Debt service is budgeted at \$16.3 million, with \$7.3 million related to the Measure AA general obligation bonds. If all revenues, expenditures (including debt service) occur as budgeted, the District's overall cash balances would increase by approximately \$0.3 million.

### CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, participants, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Office, Midpeninsula Regional Open Space District, 5050 El Camino Real, Los Altos, California 94022.



*Basic Financial Statements*

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## GOVERNMENT-WIDE STATEMENTS

### Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities summarize the entire District's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the District's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis. The effect of all of the District's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between District funds have been eliminated.

The Statement of Net Position reports the difference between the District's total assets and the District's total liabilities, including all the District's capital assets and all its long-term debt. The Statement of Net Position presents information in a way that focuses the reader on the composition of the District's net position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the District's Governmental Activities in a single column. The District's Governmental Activities include the activities of its General Fund, along with all its Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

The Statement of Activities reports increases and decreases in the District's net position. It is also prepared on the full accrual basis, which means it includes all the District's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the District's expenses first, listed by program. Program revenues – that is, revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental program. The District's general revenues are then listed in the Governmental Activities and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the District and the Midpeninsula Regional Open Space District Financing Authority. This entity is legally separate but is a component unit of the District because it is controlled by the District, which is financially accountable for the Authority's activities.

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# Midpeninsula Regional Open Space District

## Statement of Net Position

June 30, 2025

<b>Assets</b>	
Current assets:	
Cash and investments	\$ 157,639,486
Accounts receivable:	
Interest	464,952
Other	1,410,477
Other current assets	415,296
Total current assets	<u>159,930,211</u>
Noncurrent assets:	
Leases receivable	5,689,844
Notes receivable	50,806
Net OPEB asset	239,334
Non-depreciable capital assets	527,607,005
Capital assets, net of depreciation	90,287,999
Total noncurrent assets	<u>623,874,988</u>
Total Assets	<u><u>\$ 783,805,199</u></u>
<b>Deferred Outflows of Resources</b>	
OPEB related	\$ 790,762
Pension related	8,395,720
Deferred loss on early retirement of long-term debt	5,427,527
Total Deferred Outflows of Resources	<u><u>\$ 14,614,009</u></u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 3,872,470
Deposits payable	174,820
Payroll and other liabilities	1,850,312
Accrued interest	2,272,538
Current portion of long-term liabilities	10,054,375
Total current liabilities	<u>18,224,515</u>
Noncurrent liabilities:	
Long-term liabilities - net of current portion	229,837,018
Total Liabilities	<u><u>\$ 248,061,533</u></u>
<b>Deferred Inflows of Resources</b>	
Leases receivable deferrals	\$ 4,863,800
OPEB adjustments	919,527
Pension adjustments	688,004
Total Deferred Inflows of Resources	<u><u>\$ 6,471,331</u></u>
<b>Net Position</b>	
Net investment in capital assets	\$ 393,936,794
Restricted for:	
Debt service	4,917,461
Hawthorne maintenance	1,971,040
OPEB	239,334
subtotal restricted	<u>7,127,835</u>
Unrestricted	142,821,715
Total Net Position	<u><u>\$ 543,886,344</u></u>

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

# Midpeninsula Regional Open Space District

## Statement of Activities

For the Fiscal Year Ended June 30, 2025

		Program Revenues		Net (Expense)
			Capital	Revenue and
	Expenses	Charges for	Grants and	Changes in
		Services	Contributions	Net Position
Governmental activities:				
Land preservation	\$ 57,540,749	\$ 2,767,305	\$ 3,545,997	\$ (51,227,447)
Interest	7,575,082	-	-	(7,575,082)
Total governmental activities	<u>\$ 65,115,831</u>	<u>\$ 2,767,305</u>	<u>\$ 3,545,997</u>	<u>(58,802,529)</u>
General revenues and special item:				
Property taxes				77,505,514
Investment earnings (losses)				7,294,263
Other revenues				<u>1,248,042</u>
Total general revenues				86,047,819
Gain (loss) on disposal of capital assets				<u>137,651</u>
Total general revenues and special item				<u>86,185,470</u>
Change in net position				27,382,941
Net position beginning				<u>516,503,403</u>
Net position ending				<u>\$ 543,886,344</u>

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



## FUND FINANCIAL STATEMENTS

### MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the District.

Fund Title	Fund Description
General Fund	The fund is the general operating fund of the District. It is used to account for all financial resources. The major revenue sources for this fund are property taxes, grant revenues and interest income. Expenditures are made for land preservation and other operating expenditures.
Measure AA Capital Projects Fund	This fund is used to account for resources from bond proceeds and expenditures for capital projects related to the Measure AA GO Bond.
GF Capital Projects Fund	This fund is used to account for expenditures for capital projects not related to any other capital projects funds.
Debt Service Fund	This fund is used to account for accumulation of resources for, and the payment of long-term debt principal, interest and related costs. Resources are provided by General Fund transfers and interest income on unspent funds.

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# Midpeninsula Regional Open Space District

Balance Sheet  
Governmental Funds  
June 30, 2025

	General Fund	Measure AA Capital Projects Fund	GF Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 127,303,156	\$ 25,478,343	\$ -	\$ 4,857,987	\$ 157,639,486
Receivables:					
Interest	440,477	-	-	24,475	464,952
Other	997,035	24,905	353,538	34,999	1,410,477
Other current assets	415,296	-	-	-	415,296
Due from other funds	1,940,878	-	-	-	1,940,878
Leases receivable	5,689,844	-	-	-	5,689,844
Notes receivable	50,806	-	-	-	50,806
Total Assets	<u>\$ 136,837,492</u>	<u>\$ 25,503,248</u>	<u>\$ 353,538</u>	<u>\$ 4,917,461</u>	<u>\$ 167,611,739</u>
<b>Liabilities</b>					
Liabilities:					
Accounts payable	\$ 1,597,434	\$ 728,213	\$ 1,546,823	\$ -	\$ 3,872,470
Deposits payable	174,820	-	-	-	174,820
Due to other funds	-	1,596,803	344,075	-	1,940,878
Payroll and other liabilities	1,777,108	73,204	-	-	1,850,312
Total Liabilities	<u>3,549,362</u>	<u>2,398,220</u>	<u>1,890,898</u>	<u>-</u>	<u>7,838,480</u>
<b>Deferred Inflows of Resources</b>					
Leases receivable	4,863,800	-	-	-	4,863,800
Unavailable revenues	84,697	-	-	-	84,697
	<u>4,948,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,948,497</u>
<b>Fund Balance</b>					
Nonspendable:					
Leases receivable	5,689,844	-	-	-	5,689,844
Restricted for:					
Debt service	-	-	-	4,917,461	4,917,461
Measure AA capital projects	-	23,105,028	-	-	23,105,028
Hawthorn maintenance	1,971,040	-	-	-	1,971,040
Pension	13,497,055	-	-	-	13,497,055
OPEB	497,720	-	-	-	497,720
Committed for:					
Infrastructure	33,425,087	-	-	-	33,425,087
Equipment replacement	4,000,000	-	-	-	4,000,000
Capital maintenance	11,559,535	-	-	-	11,559,535
Future acquisitions and capital projects	18,662,386	-	-	-	18,662,386
Assigned for:					
Ongoing Projects	2,891,390	-	-	-	2,891,390
Unassigned	36,145,576	-	(1,537,360)	-	34,608,216
Total Fund Balance	<u>128,339,633</u>	<u>23,105,028</u>	<u>(1,537,360)</u>	<u>4,917,461</u>	<u>154,824,762</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 136,837,492</u>	<u>\$ 25,503,248</u>	<u>\$ 353,538</u>	<u>\$ 4,917,461</u>	<u>\$ 167,611,739</u>

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

# Midpeninsula Regional Open Space District

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2025

Total fund balance - governmental funds		\$ 154,824,762
Amounts reported in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Capital assets at cost	\$ 655,831,937	
Accumulated depreciation	<u>(37,936,933)</u>	617,895,004
Principal on notes receivables are recorded as unearned revenue in the funds, which upon collection is a current financial resource. In the government-wide financial statements, repayment of the principal amount does not generate revenue in the statement of activities; therefore, unearned revenue is not recorded.		
		84,697
Net OPEB assets are not available to pay for current period expenditures and, therefore, are not recognized in the governmental funds statements.		
		239,334
The difference between OPEB plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position.		
		(128,765)
The difference between pension plan assumptions and estimates versus actuals are not included in the plan's actuarial study until the next fiscal year and are reported as deferred outflows or inflows of resources in the statement of net position.		
		7,707,716
Interest payable on long-term debt does not require the use of current financial resources and, therefore, is not reported in the governmental funds.		
		(2,272,538)
Discounts and premiums related to bond issues are recorded as other financing sources and uses in the fund financial statements but are recorded as assets or liabilities and amortized over the life of the bond in the statement of net position:		
Premium		(19,790,257)
Deferred loss on early retirement of long-term debt is recorded in the Statement of Net Position as a deferred outflow of resources and amortized on a straight line basis over the original life of the defeased bond.		
		5,427,527
Long-term liabilities are not due and payable in the current year and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consists of:		
Bonds	(167,700,000)	
Promissory notes	(27,693,309)	
Forgivable loan	(100,000)	
Net pension liability	(19,522,752)	
Compensated absences	<u>(5,085,075)</u>	<u>(220,101,136)</u>
Total net position - governmental activities		<u>\$ 543,886,344</u>

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

**Midpeninsula Regional Open Space District**  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2025

	General Fund	Measure AA Capital Projects Fund	GF Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues:					
Property taxes	\$ 71,498,918	\$ -	\$ -	\$ 6,006,596	\$ 77,505,514
Grant revenue	1,828,036	222,530	1,485,340	10,091	3,545,997
Property management	2,738,037	-	-	-	2,738,037
Investment earnings	5,843,371	1,280,712	-	170,180	7,294,263
Other revenues	1,248,042	-	-	-	1,248,042
Total revenues	83,156,404	1,503,242	1,485,340	6,186,867	92,331,853
Expenditures:					
Current:					
Land preservation:					
Salaries and employee benefits	35,283,231	609,793	-	-	35,893,024
Services and supplies	13,442,686	-	-	-	13,442,686
Capital outlay	-	11,675,646	9,684,531	-	21,360,177
Debt service:					
Principal	-	-	-	8,940,000	8,940,000
Interest	-	-	-	7,490,693	7,490,693
Total expenditures	48,725,917	12,285,439	9,684,531	16,430,693	87,126,580
Excess (deficiency) of revenues over (under) expenditures	34,430,487	(10,782,197)	(8,199,191)	(10,243,826)	5,205,273
Other financing sources (uses):					
Transfers in	4,487,063	-	6,661,831	7,958,940	19,107,834
Transfers (out)	(15,565,059)	(3,542,775)	-	-	(19,107,834)
Sale of property	172,965	-	-	-	172,965
Proceeds from debt issuance	-	37,430,000	-	-	37,430,000
Proceeds from debt premium	-	-	-	2,399,288	2,399,288
Total other financing sources (uses)	(10,905,031)	33,887,225	6,661,831	10,358,228	40,002,253
Net changes in fund balance	23,525,456	23,105,028	(1,537,360)	114,402	45,207,526
Fund balance beginning	104,814,177	-	-	4,803,059	109,617,236
Fund balance beginning	104,814,177	-	-	4,803,059	109,617,236
Fund balance ending	\$ 128,339,633	\$ 23,105,028	\$ (1,537,360)	\$ 4,917,461	\$ 154,824,762

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

# Midpeninsula Regional Open Space District

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities For the year ended June 30, 2025

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Total net change in fund balance - governmental funds	\$ 45,207,526
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Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital asset additions	\$ 19,258,532	
Depreciation expense	<u>(4,634,332)</u>	14,624,200

Governmental funds do not report gains and losses on disposal of capital assets. However, in the government-wide statement of activities and changes in net position, the net book value of the capital assets, net any proceeds, is accounted for as a special item.	(35,314)
---	----------

Repayment of notes receivable is reported as revenue in the governmental funds because financial resources were received and available during the fiscal year. In the statement of net position, the payment reduces the principal balance of notes receivable and does not generate revenue in the statement of activities.	29,268
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Accreted interest on capital appreciation bonds is not recorded in the governmental funds but is required to be recorded under the accrual basis of accounting in the government wide financial statements.	(657,984)
---	-----------

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt and related items is as follows:

New bonds issued	(37,430,000)
New bonds premium	(2,399,288)
Debt service principal payments	8,940,000

Deferred loss on early retirement of long-term debt is amortized over the life of the debt in the statement of activities. Amortization expense is not reported in the governmental funds.	(525,848)
--	-----------

Prepaid issuance costs, discounts and premiums related to bond issues are recorded as other financing sources and uses in the fund financial statements but are recorded as assets or liabilities and amortized over the life of the bond in the statement of net position:

Amortization of issuance costs and premiums - net	(214,315)
---	-----------

In the Statement of Activities, compensated absences are measured by the amount earned during the year. In governmental funds, however, expenditures for those items are measured by the amount of financial resources used (essentially the amounts paid). This year, vacation earned exceeded the amounts used.	(2,008,899)
---	-------------

In governmental funds, actual contributions to Pension and OPEB plans are reported as expenditures in the year incurred. However, in the government-wide statement of activities, only the current year pension and OPEB expense as noted in the plans' valuation reports is reported as an expense, as adjusted for deferred inflows and outflows of resources.	539,837
--	---------

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	<u>1,313,758</u>
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Change in net position of governmental activities	<u><u>\$ 27,382,941</u></u>
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The notes to the financial statements are an integral part of this statement.



*Notes to Financial Statements*



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## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

#### A. General

The Midpeninsula Regional Open Space District (the District) was formed in 1972 to acquire and preserve public open space land in northern and western portions of Santa Clara County. In June 1976, the southern and eastern portions of San Mateo County were annexed to the District. The District annexed a small portion of the northern tip of Santa Cruz County in 1992. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in San Mateo County, from the southern borders of Pacifica to the San Mateo/Santa Cruz County line.

#### B. Accounting Principles

The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

#### C. Reporting Entity

As required by generally accepted accounting principles, these basic financial statements present the Midpeninsula Regional Open Space District and its component unit. The component unit discussed in the following paragraph is included in the District's reporting entity because of the significance of their operational or financial relationships with the District.

**Blended Component Unit.** The District and the County of Santa Clara entered into a joint exercise of powers agreement dated May 1, 1996, creating the Midpeninsula Regional Open Space District Financing Authority (the Authority), pursuant to the California Government Code. The District is financially accountable for the Authority, as it appoints a voting majority of the governing board; is able to impose its will in the Authority; and the Authority provides specific financial benefits to, and imposes specific financial burdens on, the District. The Authority was formed for the sole purpose of providing financing assistance to the District to fund the acquisition of land to preserve and use as open space. As such, the Authority is an integral part of the District, and accordingly, all of the Authority's activity is blended within the accompanying debt service fund.

#### D. Basis of Presentation

##### **Government-wide Financial Statements:**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position.

The government-wide statements are prepared using the economic resources measurement focus. This approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include the reconciliation with brief explanations to better identify the relationship between the government wide statements and the statements for the governmental funds.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

June 30, 2025

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The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### **Fund Financial Statements:**

Fund financial statements report detailed information about the District. The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

#### **E. Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

#### **Revenues - Exchange and Non-exchange Transactions:**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal period in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal period or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal period. For the District, "available" means collectible within the current period or within 60 days after period-end.

Non-exchange transactions, in which the District receives value *without* directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal period for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal period in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the period when the resources are to be used or the fiscal period when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### **Deferred Outflows/Deferred Inflows:**

A deferred outflow of resources is defined as a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

When applicable, unamortized portions of the gain and loss on refunding debt are reported as deferred inflows and deferred outflows of resources, respectively. Deferred outflows and inflows of resources are reported for the changes related to benefit plans. In addition, when an asset is recorded in governmental fund financial statements but the revenue is not available, a deferred inflow of resources is reported until such time as the revenue becomes available.

### **Unearned Revenue:**

Unearned revenue arises when assets (such as cash) are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements (such as qualified expenditures) are met are recorded as liabilities from unearned revenue.

### **Unavailable Revenue:**

In the governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have been recorded as deferred inflows of resources as unavailable revenue.

### **Expenses/Expenditures:**

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

## **F. Fund Accounting**

The accounts of the District are organized into four funds with a separate set of self-balancing accounts that comprise of the District's assets, deferred outflows, liabilities, deferred inflows, fund balance, revenues, and expenditures. The District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
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The District reported all of its funds as major governmental funds in the accompanying financial statements:

**General Fund.** The General Fund is the general operating fund of the District. It is used to account for all financial resources. The major revenue sources for this fund are property taxes, grant revenues and interest income. Expenditures are made for land preservation and other operating expenditures.

**Measure AA Capital Projects Fund.** The Measure AA Capital Projects Fund is used to account for resources from bond proceeds and expenditures for capital projects related to the Measure AA GO Bond.

**GF Capital Projects Fund.** GF Capital Projects Fund is used to account for expenditures for capital projects not related to any other capital projects funds.

**Debt Service Fund.** The Debt Service Fund is used to account for accumulation of resources for, and the payment of long-term debt principal, interest and related costs. Resources are provided by tax revenue, General Fund transfers, and interest income on unspent funds.

### G. Budgets and Budgetary Accounting

The District's Board of Directors adopts an annual operating budget for the District by major fund, on or before June 30, for the ensuing fiscal period. The Board of Directors may amend the budget by resolution during the fiscal period. The legal level of control, the level at which expenditures may not legally exceed the budget, is at the category level.

### H. Assets, Liabilities, and Equity

#### 1. Cash and Cash Equivalents

The District's cash deposits are considered to be cash on hand and cash in banks. Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

#### 2. Investments

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

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Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

#### 3. Prepaid Items

The District has the option of reporting expenditures in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

#### 4. Leases Receivable

The District's leases receivable are measured at the present value of lease payments expected to be received during the lease terms. The present value, net of accumulated amortization, is reported as deferred inflows of resources. Deferred inflows of resources are recorded at the initiation of the leases in an amount equal to the initial recording of the leases receivable, plus incentive payments received. Amounts recorded as deferred inflows of resources from the leases are amortized on a straight-line basis over the term of the lease.

#### 5. Capital Assets

Capital assets, which include land, buildings and improvements, furniture, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are valued at cost when historical records are available and at an estimated historical cost when no historical records exist. Donated capital assets are valued at their acquisition value at the time of acquisition plus ancillary charges, if any. Donated works of art and similar items and capital assets received in service concession arrangements are reported at acquisition value. The District utilizes a capitalization threshold of \$1 for land, \$25,000 for equipment, fixtures and vehicles, \$50,000 for infrastructure, improvements, buildings and structures.

Projects under construction are recorded at cost as construction in progress and transferred to the appropriate asset account when substantially complete. Costs of major improvements and rehabilitation of buildings are capitalized. Repair and maintenance costs are charged to expense when incurred. Equipment disposed of, or no longer required for its existing use, is removed from the records at actual or estimated historical cost, net of accumulated depreciation.

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the university has determined is reasonably certain of being exercised, then the lease asset is amortized over the useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying IT asset. All capital assets, except land and construction in progress, are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures/Improvements	50
Public Access Infrastructure	20 - 50
Equipment/Fixtures	5 - 20
Vehicles	5
Software	5 - 10

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

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### 6. Compensated Absences

In accordance with the District's memorandum of understanding with various employee groups, employees accrue fifteen days of vacation during the first nine years of service, twenty days between service years 10 and fourteen, twenty-one days between service years fifteen and nineteen, twenty-three days between service years twenty and twenty-four, and twenty-five days after twenty-five years of service. An employee may accumulate vacation time earned to a maximum of two times the amount of his/her annual vacation accrual.

Full-time employees accrue twelve days of sick leave: annually from the date of employment. An employee may accumulate sick leave time earned on an unlimited basis. Upon resignation, separation from service, or retirement from District employment, workers in good standing with ten or more years of District employment shall receive a cash payment of the equivalent cash value of accrued sick leave as follows:

Years of Employment	Percentage of equivalent cash value of accrued sick leave
10-15	20%
16-20	25%
21 or more	30%

An employee hired before June 30, 2006, who retires from the District shall receive a cash payment of the percentage of equivalent cash value of accrued sick leave based on years of employment as described above, and apply the remainder of the equivalent cash value toward his/her cost of retiree medical plan premiums and/or other qualified medical expenses. Upon retirement, the amount qualified and designated for retiree medical costs shall be deposited in the Retiree Health Savings (RHS) plan, set up by the District. The cost for maintaining the retiree's RHS account and the annual fee for the reimbursement process of qualified medical expenses will be paid for by the retiree.

An employee hired on or after July 1, 2006, who retires from the District may elect to receive only a cash payment of the percentage of equivalent cash value of accrued sick leave based on years of employment as described above. In all cases the equivalent cash value of accrued sick leave will be based on current rate of pay as of the date of separation from District employment.

The District accrues for all salary-related items in the government-wide statements for which they are liable to make a payment directly and incrementally associated with payments made for compensated absences on termination. Compensated absences are liquidated by the fund that has recorded the related liability.

### 7. Long-Term/Noncurrent Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.



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Notes to the Basic Financial Statements

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### 8. Debt Discount and Issuance Costs

Debt discounts, premiums, and prepaid issuance costs are capitalized as an offset to long-term debt and amortized using the straight-line method over the life of the related debt. Issuance costs for the District's tax-exempt commercial paper short-term borrowings are expensed as incurred.

### 9. Subscription Based Information Technology Arrangements

The District recognizes subscription liabilities with an initial, individual value of \$100,000 or more. The District uses its estimated incremental borrowing rate to measure subscription liabilities unless it can readily determine the interest rate in the arrangement. The District's estimated incremental borrowing rate is calculated as described above. The District's estimated incremental borrowing rate is based on its most recent public debt issuance.

### 10. Fund Balance Classifications

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies governmental fund balances as follows:

- *Nonspendable* fund balance includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* fund balances include amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at period-end. Committed fund balances were imposed by the District's Board of Directors resolution. Any changes to committed fund balance requires the approval of two-thirds of the Board.

Committed fund balances were imposed by the District's Board of Directors as follows:

- Infrastructure: \$33,425,087; projected minimum requirement for expansion of field and office facilities over the next five years.
- Equipment Replacement: \$4,000,000; projected requirement for equipment and vehicle replacement based on the amount of accumulated depreciation recorded on capital assets in service.
- Capital maintenance: \$11,559,535; amounts committed to reserve for future capital repairs and maintenance.
- Future acquisitions and capital projects: \$18,662,386; amounts committed to reserve for future capital acquisitions.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

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- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance may be assigned by the General Manager, pursuant to Board Policy 3.07, if authorized by the Board of Directors to make such designations. At June 30, 2025, the District had assigned \$2,891,390 in fund balance for ongoing projects.
- *Unassigned* fund balance includes positive amounts within the general fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

The District uses restricted/committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

#### 11. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. In addition, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also are included in the net investment in capital assets component of net position. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

*Unrestricted net position* reflect amounts that are not subject to any donor-imposed restrictions. This class also includes restricted contributions whose donor-imposed restrictions were met during the fiscal period. A deficit unrestricted net position may result when significant cash balances restricted for capital projects exist. Once the projects are completed, the restriction on these assets are released and converted to capital assets.

#### 12. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Midpeninsula Regional Open Space District

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GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB Statement No. 68) requires that the reported results pertain to liability and asset information within certain defined timeframes. For this report, the following time frames were used:

Valuation Date (VD) .....	June 30, 2023
Measurement Date (MD) .....	June 30, 2024
Measurement Period (MP) .....	July 1, 2023 to June 30, 2024

#### 13. Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the District's Retiree Benefits Plan (the OPEB Plan) and additions to/deductions are based on the when they are due and payable in accordance with the benefit terms for the measurement period included in the OPEB plan's actuarial reports. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

#### 14. Property Taxes

The District receives property tax revenue from Santa Clara and San Mateo Counties (the Counties). The Counties are responsible for assessing, collecting and distributing property taxes in accordance with state law. Secured property taxes are recorded as revenue when apportioned, in the fiscal period of the levy. The counties apportion secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year. Taxes are levied annually on July 1st, and one-half are due by November 1st and one-half by February 1st. Taxes are delinquent after December 10th and April 10th, respectively. Supplemental property taxes are levied on a pro-rata basis when changes in assessed valuation occur due to the completion of construction or sales transactions. Liens on real property are established on January 15th for the ensuing fiscal period.

On June 30, 1993, the Board of Supervisors adopted the "Teeter" method of property tax allocation. This method allocates property taxes based on the total property tax billed. At year-end, the Counties advances cash to each taxing jurisdiction equal to its current year delinquent taxes. Once the delinquent taxes are collected, the revenue from penalties and interest remains with each County and is used to pay the interest cost of borrowing the cash used for the advances.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### 15. Accounting Estimates

The presentation 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 reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

### **I. Implementation of New Accounting Pronouncements**

#### **GASB 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 requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

The pronouncement became effective in the fiscal year 2025 but did not have a material impact on the financial statements.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### **GASB Statement No. 102, *Certain Risk Disclosures***

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. This statement did not have a material impact on the financial statements.

### **J. Upcoming Accounting and Reporting Changes**

The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

#### **GASB Statement No. 103, *Financial Reporting Model Improvements***

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 establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

#### **GASB Statement No. 104, *Disclosure of Certain Capital Assets***

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 requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

# Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

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## NOTE 2 - CASH AND INVESTMENTS

### A. Summary of Cash and Investments

The following summarizes deposits as of June 30, 2025:

Cash and Investments	Available for Operations	Restricted	Total
Cash Deposits:			
Cash in Banks	\$ 491,084	\$ 123,639	\$ 614,723
Cash with Fiscal Agent PARS	-	13,994,775	13,994,775
Petty Cash	2,517	-	2,517
<b>Total Cash Deposits</b>	<b>493,601</b>	<b>14,118,414</b>	<b>14,612,015</b>
Investments:			
California Local Agency Investment Fund	10,792,691	-	10,792,691
CalTRUST	-	1,808,553	1,808,553
Brokerage Accounts/Cash with Fiscal Agents	58,375,044	25,719,735	84,094,779
Santa Clara County Pool	41,714,853	4,616,595	46,331,448
<b>Total Investments</b>	<b>110,882,588</b>	<b>32,144,883</b>	<b>143,027,471</b>
<b>Total Cash and Investments</b>	<b>\$ 111,376,189</b>	<b>\$ 46,263,297</b>	<b>\$ 157,639,486</b>

### B. Cash in Banks

Cash balances in banks are insured up to \$250,000 per insured bank by the Federal Deposit Insurance Corporation ("FDIC"). The District's accounts are held with various banks. As of June 30, 2025, the District's bank balances exceeded FDIC coverage by \$120,902.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

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#### C. Fair Value Measurements

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

The District has the following investments with recurring fair value measurements as of June 30, 2025:

Investment Type	Rating	Fair Value	Input Level	Maturities			Concentrations
				12 Months or Less	13 - 24 Months	25 - 60 Months	
Money Market Accounts	n/a	\$ 7,189,393	n/a	\$ 7,189,393	\$ -	\$ -	5.03%
Mutual Funds	n/a	4,853,999	Level 2	4,853,999	-	-	3.39%
Municipal Bonds	AAA/A-	35,687,011	Level 2	6,423,237	18,903,172	10,360,602	24.95%
Corp/Gov Bonds	AAA/A-	36,364,376	Level 1	11,221,823	14,619,692	10,522,861	25.42%
LAIF	n/a	10,792,691	Level 2	10,792,691	-	-	7.55%
CalTrust	A/f	1,808,553	Level 2	-	-	1,808,553	1.26%
Santa Clara County Pool	n/a	46,331,448	Level 2	27,683,040	7,774,417	10,873,991	32.39%
Total Investments		<u>\$ 143,027,471</u>		<u>\$ 68,164,183</u>	<u>\$ 41,297,281</u>	<u>\$ 33,566,007</u>	<u>100.00%</u>

#### D. Cash in Santa Clara County Treasury

Santa Clara County is a fiscal agent of the District. The fair value of the District's investment in the county pool is reported at amounts based on the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized costs basis. Santa Clara County investment pool funds were available for withdrawal on demand and had an average maturity date of less than one year. All cash and investments are stated at fair value. Pooled investment earnings are allocated monthly based on the average cash and investment balances of the various funds of the County.

#### E. California Local Agency Investment Fund

The District is a participant in the Local Agency investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments had an average maturity date of less than one year.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### **F. Investment Trust of California**

The District is a participant in the Investment Trust of California (CalTRUST) which is a California joint powers authority that has been established by its members pursuant to an agreement. The California Government Code provides that Public Agencies may purchase shares of beneficial interest issues by a joint powers authority, such as CalTRUST, organized pursuant to the Section 6500 of the Act. The District reports its investment in CalTRUST at the fair value amount provided by CalTRUST. The District participates in the Medium-Term Fund with CalTRUST. The balance in this Medium-Term Fund is available for withdrawal once a week (on Wednesdays), and is based on the net asset value per share on the Wednesday of each week. Included in CalTRUST's investment portfolio for the Medium-Term Fund are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, these investments had an average maturity date of 1 to 3.5 years.

### **G. Investments Authorized by Debt Agreements**

The District must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are used if the District fails to meet its obligations under these debt issues.

### **H. Restricted for Debt Service**

As of June 30, 2025, the District had \$4,616,595 held by the County during the period which was pledged to the payment or security of its outstanding bonds. All transactions associated with debt service were administered by the Bank or County.

### **I. Restricted for Hawthorne Property Maintenance**

On November 10, 2011, the District received the gift of the 79-acre Hawthorne property, in Portola Valley, California, and an endowment of \$2,018,445 to manage the property in perpetuity. The cash balance restricted for this purpose at June 30, 2025 was \$1,971,040.

### **J. Restricted for Measure AA Bond Projects**

As of June 30, 2025, the District had \$25,478,343 held by Zions bank as trustee, pledged to specific projects related to the acquisition of property to protect and preserve natural open space lands, constructions of public access improvements and recreation and capital enhancements to open space lands to restore disturbed natural areas back to their original condition and function.

### **K. Restricted for Historic Picchetti Reserve**

As of June 30, 2025, the District had \$123,639 held with Wells Fargo, pledged for upkeep on the Picchetti Ranch brick winery building and farm complex.



## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

### L. Restricted Cash with Fiscal Agent

For the year ended June 30, 2025, the District had a balance of \$13,994,775 in a Public Agency Retirement Services (PARS) Pension Rate Stabilization Program (PRSP) 115 irrevocable trust for pensions. Participating agencies maintain oversight of investment management and control over the risk tolerance level. Assets in the plan can be accessed to offset unexpected rate increases or be used as a rainy-day fund related to their pension plan (CalPERS). These assets are not dedicated to providing plan benefits to plan participants and are not directly used to pay benefits until such time as the District transfers the funds from the PARS trust to the pension plan (CalPERS). The trust restricts the use of the assets to be used solely for pension related expenses.

### M. Policies and Practices

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded.

The table below also identifies certain provisions of the California Government Code or the District's Investment Policy where it is more restrictive:

<u>Authorized Investment Type</u>	<u>Maximum Remainin Maturity</u>	<u>Maximum Percentage Portfolio</u>	<u>Maximum Investment in one Issuer</u>
Medium Term Notes	5 years	30%	No Limit
Money Market and Mutual Funds	N/A	20%	10%
U.S. Treasury Obligations	5 years	No Limit	No Limit
Federal Agency Securities	5 years	No Limit	No Limit
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No Limit
Repurchase Agreements	1 year	No Limit	No Limit
Reverse Repurchase Agreements	92 days	20%	No Limit
Local Agency Investment Fund	N/A	\$40 million per account	No Limit

#### 1. 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 the changes in market interest rates. The District manages its exposure to interest rate risk by investing in the Santa Clara County investment pool and LAIF, which had fair values of approximately \$11.4 billion and \$178 billion, respectively as of June 30, 2025, and diversifying its investments, as noted above, through the utilization of brokers.

#### 2. Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the County's investment pool is governed by the County's general investment policy. The County's investments in 2025 included U.S. government securities or obligations explicitly guaranteed by the U.S. government that are not considered to have credit risk exposure. See the schedule above for a summary of the District's ratings by investment type.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

### 3. Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, 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 a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

### 4. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investor's holdings in a single issuer. The District's investment in the County's commingled pool is diversified by the County Treasurer by limiting the percentage of the portfolio that can be invested in any one issuer's name. Investments in U.S. Treasuries, U.S. Agency securities explicitly backed by the U.S., and mutual and pooled funds are not subject to this limitation. More than 5% of the County's commingled pooled investments are invested with the Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal Farm Credit Bank.

## NOTE 3 - INTERFUND TRANSACTIONS

### A. Interfund Receivables and Payables

Interfund transactions are reported as loans or transfers. The District utilizes interfund transactions to account for funding received by the General Fund which is then distributed to the other funds for special uses, such as payment of debt or capital project and to supplement other funding sources. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation.

The following interfund loans were outstanding at fiscal year end June 30, 2025:

<b>Fund</b>	<b>Due from Other Funds</b>	<b>Due to Other Funds</b>
General Fund	\$ 1,940,878	\$ -
Measure AA Capital Projects Fund	-	1,596,803
GF Capital Projects Fund	-	344,075
Total	<u>\$ 1,940,878</u>	<u>\$ 1,940,878</u>

# Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

At June 30, 2025, interfund transfers consisted of the following:

<b>Fund</b>	<b>Transfer In</b>	<b>Transfer Out</b>	
General Fund	\$ 4,487,063	\$ 15,565,059	(A)
Measure AA Capital Projects Fund	-	3,542,775	(B)
GF Capital Projects Fund	6,661,831	-	(B)
Debt Service Fund	7,958,940	-	(C)
Total	<u>\$ 19,107,834</u>	<u>\$ 19,107,834</u>	

(A) To cover fund deficits

(B) To repay prior year support from General Fund

(C) To Cover debt service payments

## NOTE 4 - LEASES RECEIVABLE

The following summarizes the District's leases receivable and related deferred inflows of resources as of June 30, 2025:

<b>Description</b>	<b>FAA Tower</b>	<b>Crown Castle Tower</b>	<b>C&amp;C Tower</b>	<b>Communication and Control Tower</b>	<b>Verizon Tower</b>
Lease inception	10/1/2008	10/1/2000	9/1/2009	7/1/2021	7/1/2018
Lease end	9/30/2033	9/30/2025	8/31/2029	6/30/2046	6/30/2043
Min Annual Payment	\$ 42,900	\$ 77,094	\$ 42,000	\$ 64,824	\$ 61,319
Rate	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Leases Receivable</b>					
Beg. Balance	\$ 338,576	\$ 98,098	\$ 198,247	\$ 1,362,940	\$ 1,235,947
Additions/Adjustments	-	-	-	-	-
Deletions	-	-	-	-	-
Principal Payments	(31,553)	(77,977)	(35,629)	(19,374)	(20,846)
Ending Balance	<u>\$ 307,023</u>	<u>\$ 20,121</u>	<u>\$ 162,618</u>	<u>\$ 1,343,566</u>	<u>\$ 1,215,101</u>
<b>Deferred Inflows of Resources</b>					
Beg. Balance	\$ 232,108	\$ 47,496	\$ 155,799	\$ 1,241,060	\$ 992,470
Additions/Adjustments	-	-	-	-	-
Deletions	-	-	-	-	-
Amortization	(25,321)	(37,997)	(30,155)	(56,412)	(52,235)
Ending Balance	<u>\$ 206,787</u>	<u>\$ 9,499</u>	<u>\$ 125,644</u>	<u>\$ 1,184,648</u>	<u>\$ 940,235</u>

Continued

# Midpeninsula Regional Open Space District

## Notes to the Basic Financial Statements

June 30, 2025

Description	AT&T Tower	Picchetti Winery	Skyline Christmas Tree	Driscoll Grazing	Korea Investment
Lease inception	2/10/2005	11/1/2007	7/1/2021	7/1/2021	9/1/2022
Lease end	2/10/2026	10/31/2027	6/30/2041	6/30/2026	8/31/2022
Min Annual Payment	\$ 61,605	\$ 75,218	\$ 50,000	\$ 32,000	\$ 188,882
Rate	3.5%	3.5%	3.5%	3.5%	3.5%
<b>Leases Receivable</b>					
Beg. Balance	\$ 36,134	\$ 251,556	\$ 632,996	\$ 61,725	\$ 600,628
Additions/Adjustments	-	-	-	-	-
Deletions	-	-	-	-	-
Principal Payments	(36,134)	(69,773)	(28,296)	(30,323)	(176,329)
Ending Balance	\$ -	\$ 181,783	\$ 604,700	\$ 31,402	\$ 424,299
<b>Deferred Inflows of Resources</b>					
Beg. Balance	19,510	148,920	607,124	58,805	568,163
Additions/Adjustments	-	-	-	-	-
Deletions	-	-	-	-	-
Amortization	(19,510)	(44,676)	(35,713)	(29,403)	(179,420)
Ending Balance	\$ -	\$ 104,244	\$ 571,411	\$ 29,402	\$ 388,743
					Continued
Description	One80 Intermediaries	Tenyx	Mintegral	Toss	Total
Lease inception	3/1/2023	10/1/2023	12/1/2023	3/1/2025	
Lease end	6/30/2028	7/31/2025	11/30/2025	6/30/2030	
Min Annual Payment	\$ 129,336	\$ 126,228	\$ 102,641	\$ 177,716	\$ -
Rate	3.5%	3.5%	3.5%	3.5%	
<b>Leases Receivable</b>					
Beg. Balance	\$ 518,955	\$ 192,267	\$ 247,953	\$ -	\$ 5,776,022
Additions/Adjustments	-	-	-	899,422	899,422
Deletions	-	-	-	-	-
Principal Payments	(116,982)	(177,183)	(173,094)	7,893	(985,600)
Ending Balance	\$ 401,973	\$ 15,084	\$ 74,859	\$ 907,315	\$ 5,689,844
<b>Deferred Inflows of Resources</b>					
Beg. Balance	\$ 498,056	\$ 188,200	\$ 244,663	\$ -	\$ 5,002,374
Additions/Adjustments	-	-	-	899,424	899,424
Deletions	-	-	-	-	-
Amortization	(124,514)	(173,724)	(172,704)	(56,214)	(1,037,998)
Ending Balance	\$ 373,542	\$ 14,476	\$ 71,959	\$ 843,210	\$ 4,863,800
					Concluded

### NOTE 5 - NOTES RECEIVABLE

On December 17, 1997, the District sold the title to and possession of a 50-year fee determinable estate 10-acre parcel near the Skyline Ridge Open Space Preserve. The District financed the purchase in the amount of \$288,800 over 25 years at a rate of 10% per annum. Monthly principal and interest payments of \$2,634 are due on the 1st of each month and late if not paid by the 10th, with the final payment scheduled December 1, 2022. The outstanding balance at June 30, 2025 was \$50,806.

# Midpeninsula Regional Open Space District

## Notes to the Basic Financial Statements

June 30, 2025

### NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the period ended June 30, 2025 is shown below:

Capital Assets	Balance June 30, 2024	Additions	Deletions/ Adjustments	Balance June 30, 2025
<b>Non-depreciable:</b>				
Land	\$ 483,432,576	\$ 8,573,920	\$ -	\$ 492,006,496
Construction in Progress	32,082,350	16,783,158	(13,264,999)	35,600,509
<b>Total Non-Depreciable</b>	<b>515,514,926</b>	<b>25,357,078</b>	<b>(13,264,999)</b>	<b>527,607,005</b>
<b>Depreciable:</b>				
Structure and Improvements	58,201,670	389,366	-	58,591,036
Infrastructure	53,769,944	4,225,812	-	57,995,756
Equipment	3,985,670	1,209,531	(156,297)	5,038,904
Vehicles	6,226,288	1,341,744	(968,796)	6,599,236
<b>Total Depreciable</b>	<b>122,183,572</b>	<b>7,166,453</b>	<b>(1,125,093)</b>	<b>128,224,932</b>
<b>Less Accumulated Depreciation for:</b>				
Structure and Improvements	(12,648,863)	(1,839,180)	-	(14,488,043)
Infrastructure	(13,581,754)	(1,928,956)	-	(15,510,710)
Equipment	(2,649,144)	(381,021)	146,529	(2,883,636)
Vehicles	(5,512,619)	(485,175)	943,250	(5,054,544)
<b>Total Accumulated Depreciation</b>	<b>(34,392,380)</b>	<b>(4,634,332)</b>	<b>1,089,779</b>	<b>(37,936,933)</b>
<b>Total Depreciable Capital Assets - Net</b>	<b>87,791,192</b>	<b>2,532,121</b>	<b>(35,314)</b>	<b>90,287,999</b>
<b>Total Capital Assets - Net</b>	<b>\$ 603,306,118</b>	<b>\$ 27,889,199</b>	<b>\$ (13,300,313)</b>	<b>\$ 617,895,004</b>

### NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of the changes in long-term liabilities for the period ended June 30, 2025:

Long-term Liabilities	Balance July 1, 2024	Additions	Deductions	Balance June 30, 2025	Due within one year
<b>Promissory Notes (Direct Borrowings):</b>					
Principal	\$ 15,930,000	\$ -	\$ 1,225,000	\$ 14,705,000	\$ 1,300,000
Capital Appreciation	6,580,603	-	-	6,580,603	-
Accreted interest	5,749,722	657,984	-	6,407,706	-
Unamortized Premium	3,977,741	-	441,741	3,536,000	-
Forgivable Loan	100,000	-	-	100,000	-
<b>Subtotal Promissory Notes</b>	<b>32,338,066</b>	<b>657,984</b>	<b>1,666,741</b>	<b>31,329,309</b>	<b>1,300,000</b>
<b>Bonds:</b>					
Principal	137,985,000	37,430,000	7,715,000	167,700,000	7,610,000
Unamortized Bond Premium	14,927,221	2,399,288	1,072,252	16,254,257	-
<b>Subtotal Bonds</b>	<b>152,912,221</b>	<b>39,829,288</b>	<b>8,787,252</b>	<b>183,954,257</b>	<b>7,610,000</b>
<b>Subtotal long-term debt</b>	<b>185,250,287</b>	<b>40,487,272</b>	<b>10,453,993</b>	<b>215,283,566</b>	<b>8,910,000</b>
Net Pension Liability	19,732,636	-	209,884	19,522,752	-
Net OPEB Liability (Asset)	135,872	-	375,206	(239,334)	-
Compensated Absences	3,076,176 *	2,008,899	-	5,085,075	1,144,375
<b>Total Long-term Liabilities</b>	<b>\$ 208,194,971</b>	<b>\$ 42,496,171</b>	<b>\$ 11,039,083</b>	<b>\$ 239,652,059</b>	<b>\$ 10,054,375</b>

\* Net change

Compensated absences, other postemployment benefits and pension liabilities are paid by the fund for which the employee worked, which included General Fund and MAA Capital Projects Funds.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### A. Promissory Notes

#### *2012 Refunding Promissory Notes*

On January 19, 2012, the District advance refunded \$34,652,643 in 1999 lease revenue bonds by issuing \$31,264,707 in promissory notes. The 2012 notes bear interest rates ranging from 2.00% to 6.04%. The notes are a blend of current interest and capital appreciation notes maturing through 2042. The net proceeds of \$33,295,663 (after payment of \$278,683 in underwriting fees, insurance, and other issuance costs and a premium of \$2,309,638) were used to purchase U.S government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999 Series bonds. As a result, the 1999 Series bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt in the financial statements. The 2012 Refunding Promissory Notes were partially defeased during fiscal year 2018 with issuance of the 2017 Refunding Bond as noted below. The notes are secured by limited ad valorem property taxes levied upon all taxable property in the District.

#### *Forgivable Loan*

The District entered into a partnership agreement with San Mateo County for a forgivable ten-year, no-interest Farmworker Housing Pilot Program Phase III loan for \$100,000.

#### *2015 Refunding Promissory Notes*

On January 22, 2015, the District advance refunded \$29,986,962 in 2004 Revenue Bonds by issuing \$28,578,500 in promissory notes. The 2015 notes bear interest rates ranging from 2.00% to 5.00%. The notes are current interest notes maturing through 2035. The net proceeds of \$28,325,491 (after payment of \$253,009 in underwriting fees, insurance, and other issuance costs and a premium of \$4,948,500) were used to purchase U.S government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 Revenue Bonds. As a result, the 2004 Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt in the financial statements. The notes are secured by limited ad valorem property taxes levied upon all taxable property in the District.

### B. Revenue and General Obligation Bonds

#### *2015A and 2015B General Obligation Bonds*

On July 29, 2015, the District issued \$40,000,000 of 2015A general obligation bonds and \$5,000,000 of 2015B federally taxable general obligation bonds to finance certain projects authorized by voters. The bonds bear interest from 1.5% to 5% and are due semi-annually on March 1 and September 1. The bonds were issued at a premium of \$2,559,224 with an underwriter's discount of \$107,599 and issuance costs of \$170,000. The bonds are secured by ad valorem property taxes levied by the District. There is no remedy to the District for default beyond the security provided in the indenture and debt reserves established. The 2015B bonds were fully repaid.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### ***2016A and 2016B Refunding Green Bonds***

On September 8, 2016, the District issued \$54,490,000 of 2016 Refunding Series A and \$2,920,000 of 2016 Refunding Series B Green Bonds for the purpose of refunding its outstanding obligations under the 2007 Series A Revenue Refunding Bonds and prepay a portion of its obligations under the 2011 Lease Revenue Bonds. As a result, the 2007 Series A Revenue Refunding Bonds and the 2011 Lease Revenue Bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide financial statement of net position. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,032,161, which is reported as a deferred outflow on the government-wide statement of net position. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through fiscal year 2036 using the straight-line method. The District completed the refunding to obtain an economic gain (difference between the present value of the old and the new debt service payments) of \$12,694,440.

The 2016 Refunding Green Bonds Series A bears interest from 2.0% to 5.0% and the Series B bears interest of 0.73%. Interest for both Series A and B are due semi-annually on March 1 and September 1. Principal payments for Series A began September 2017 and are due annually thereafter until September 2036. Series B has only one principal payment in September 2017. The bonds are secured by the District's share of the general 1% ad valorem property tax levied in the District. There is no remedy to the District for default beyond the security provided in the indenture and debt reserves established.

### ***2017 Series A Refunding Green Bonds***

On December 13, 2017, the District issued \$25,025,000 of 2017 Refunding Green Bonds for the purpose of partially refunding its outstanding obligations under the 2012 Refunding Promissory Notes. The proceeds of the 2017 Refunding Green Bonds, together with \$676,232 of other District funds, were used to defease and redeem \$11,605,000 principal amount of the District's outstanding 2012 Current Interest Notes and \$8,894,106 initial principal of the District's outstanding 2012 Capital Appreciation Notes, collectively, the 2012 Refunding Promissory Notes. The amounts defeased have been removed from the government-wide financial statement of net position.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$4,113,597, which is reported as a deferred outflow on the government-wide statement of net position. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through fiscal year 2033 using the straight-line method. The District completed the refunding to obtain an economic gain (difference between the present value of the old and the new debt service payments) of \$8,882,524. The 2017 Refunding Green Bonds bears interest from 3.125% to 5.0%. Interest is due semi-annually on March 1 and September 1. Principal payments begin September 2025 and are due annually thereafter until September 2037. The bonds are secured by the District's share of the general 1% ad valorem property tax levied in the District. There is no remedy to the District for default beyond the security provided in the indenture and debt reserves established.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

June 30, 2025

#### **2018 General Obligation Bonds**

On February 1, 2018, the District issued \$50,000,000 of 2018 general obligation bonds to finance 25 projects specified in Measure AA. The bonds bear interest from 2% to 5% and are due semi-annually on March 1 and September 1. The bonds were issued at a premium of \$3,691,291 with issuance costs of \$455,462. The bonds are secured by the District's share of the general 1% ad valorem property tax levied in the District. There is no remedy to the District for default beyond the security provided in the indenture and debt reserves established.

#### **2024 General Obligation Bonds**

On July 9, 2024, the District issued \$37,430,000 of 2024 general obligation bonds to finance 25 projects specified in Measure AA. The bonds bear an interest rate of 5% and are due semi-annually on March 1 and September 1. The bonds were issued at a premium of \$2,399,288 with issuance costs of \$430,000. The bonds are secured by the District's share of the general 1% ad valorem property tax levied in the District. There is no remedy to the District for default beyond the security provided in the indenture and debt reserves established.

The following schedule summarizes the District's outstanding promissory notes and bonds as of June 30, 2025:

Long Term Debt	Original Issue	Beginning Balance	Additions	Retirements	Ending Balance
<b>Promissory Notes (Direct Borrowings):</b>					
2012 Refunding Note Cap Apprec.	\$ 15,474,708	\$ 6,580,603	\$ -	\$ -	\$ 6,580,603
2015 Refunding Note	23,630,000	15,930,000	-	1,225,000	14,705,000
<b>Subtotal Promissory Notes</b>	<b>39,104,708</b>	<b>22,510,603</b>	<b>-</b>	<b>1,225,000</b>	<b>21,285,603</b>
<b>Bonds:</b>					
2015A General Obligation Bonds	40,000,000	37,680,000	-	1,080,000	36,600,000
2016 Refunding Bonds	57,410,000	32,260,000	-	4,505,000	27,755,000
2017 Refunding Bonds	25,025,000	25,025,000	-	-	25,025,000
2018 General Obligation Bonds	50,000,000	43,020,000	-	990,000	42,030,000
2024 General Obligation Bonds	37,430,000	-	37,430,000	1,140,000	36,290,000
<b>Subtotal Bonds</b>	<b>209,865,000</b>	<b>137,985,000</b>	<b>37,430,000</b>	<b>7,715,000</b>	<b>167,700,000</b>
<b>Accreted Interest:</b>					
2012 Refunding Note	-	5,749,722	657,984	-	6,407,706
<b>Subtotal Accreted Interest</b>	<b>-</b>	<b>5,749,722</b>	<b>657,984</b>	<b>-</b>	<b>6,407,706</b>
<b>Unamortized Bond Premium</b>	<b>-</b>	<b>18,904,962</b>	<b>2,399,288</b>	<b>1,513,993</b>	<b>19,790,257</b>
<b>Total Long Term Debt</b>	<b>\$ 248,969,708</b>	<b>\$ 185,150,287</b>	<b>\$ 40,487,272</b>	<b>\$ 10,453,993</b>	<b>\$ 215,183,566</b>



# Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

The promissory notes future debt service requirements as of June 30, 2025 were as follows:

Year Ending June 30	Principal	Remaining Accretion	Interest	Total
2026	\$ 1,300,000	\$ 693,085	\$ 702,750	\$ 2,695,835
2027	1,360,000	730,160	636,250	2,726,410
2028	1,440,000	769,116	566,250	2,775,366
2029	1,500,000	810,052	492,750	2,802,802
2030	1,907,418	830,881	416,875	3,155,174
2031-2035	13,778,185	1,713,360	927,250	16,418,795
Total Debt Service	<u>\$ 21,285,603</u>	<u>\$ 5,546,654</u>	<u>\$ 3,742,125</u>	<u>\$ 30,574,382</u>

The bonds future debt service requirements as of June 30, 2025 were as follows:

Year Ending June 30	Principal	Remaining Accretion	Interest	Total
2026	\$ 7,610,000	\$ -	\$ 6,983,438	\$ 14,593,438
2027	7,770,000	-	6,602,438	14,372,438
2028	7,920,000	-	6,213,938	14,133,938
2029	7,920,000	-	5,821,688	13,741,688
2030	7,335,000	-	5,457,163	12,792,163
2031-2035	28,610,000	-	23,811,263	52,421,263
2036-2040	43,060,000	-	15,865,025	58,925,025
2041-2045	28,425,000	-	9,452,350	37,877,350
2046-2050	22,860,000	-	3,780,400	26,640,400
2051-2055	6,190,000	-	825,400	7,015,400
Total Debt Service	<u>\$ 167,700,000</u>	<u>\$ -</u>	<u>\$ 84,813,100</u>	<u>\$ 252,513,100</u>

Amortization of the deferred loss on early retirement of long-term debt for the fiscal period ended June 30, 2025 was as follows:

Beginning Balance	\$ 5,739,060
Amortization	(525,848)
Ending Balance	<u>\$ 5,213,212</u>

## NOTE 8 - RENTAL INCOME

The District rents certain land and structures to other entities under operating leases with terms generally on a month-to-month basis. Rental income of \$2,112,424 was received during the period ended June 30, 2025. See note 4 for additional information related to leases, leases receivable and rental income.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

### NOTE 9 - CALPERS PENSION PLAN

#### Pension Plan

##### *General Information about the Pension Plans*

#### A. Plan Description

The District provides benefits to eligible employees through cost-sharing multiple employer defined benefit pension plans (the Plan(s)) administered by the California Public Employees' Retirement System (CalPERS). Members of the Plan include all permanent employees working full-time. Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

#### B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Tier 1	PEPRA
Benefit formula	2 - 2.5% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly ben. as a % of eligible comp.	2% to 2.5%	2%
Required employee contribution rates	8%	7.75%
Required employer contribution rates	14.13%	7.87%
Required UAL Contribution	\$1,479,941	\$28,575

#### C. Employees Covered

As of the June 30, 2023 actuarial valuation date and the June 30, 2024 measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Active	176
Transferred	67
Separated	103
Retired	104
Total	<u>450</u>

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### D. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

For the year ended June 30, 2025, the District's total contributions to the Plan were \$4,146,358.

### E. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	<b>Proportionate Share of Net Pension Liability/(Asset)</b>
Miscellaneous	\$ 19,522,752

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 1899, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024 using standard procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions into the pension plan relative to the projected contributions of all participating employers, as actuarially determined. The District's proportionate share of the net pension liability for the Plan as of fiscal years June 30, 1899 and 2025 was as follows:

	<b>Miscellaneous</b>
Proportion - June 30, 2024	0.39462%
Proportion - June 30, 2025	0.40365%
Change - Increase/(Decrease)	<u>0.00903%</u>

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$5,123,168.

# Midpeninsula Regional Open Space District

## Notes to the Basic Financial Statements

June 30, 2025

At fiscal year June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ 501,775	\$ -
Differences between Expected and Actual Experience	1,687,921	(65,861)
Differences between Projected and Actual Investment Earnings	1,123,901	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	(372,980)
Change in Employer's Proportion	935,765	(249,163)
Pension Contributions Made Subsequent to Measurement Date	4,146,358	-
<b>Total</b>	<b>\$ 8,395,720</b>	<b>\$ (688,004)</b>

The District reported \$4,146,358 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2026	\$ 1,485,955
2027	2,475,753
2028	459,622
2029	(859,972)
2030	-
<b>Total</b>	<b>\$ 3,561,358</b>

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

June 30, 2025

#### Actuarial Assumptions

The total pension liabilities in the June 30, 2024 measurement date were based on the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.90% (2)
Mortality	Derived using CalPERS' membership data for all funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) Varies by entry age and service

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

#### F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

## Midpeninsula Regional Open Space District

### Notes to the Basic Financial Statements

June 30, 2025

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Long-Term Expected Real Return (a)(b)</u>
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	<u>100.00%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

#### **G. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$ 34,930,535
Current	6.90%
Net Pension Liability	\$ 19,522,752
1% Increase	7.90%
Net Pension Liability	\$ 6,839,879

#### **H. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

#### **I. PARS Section 115 Trust**

During fiscal year 2017-18, the District established a Section 115 Trust Fund for Pension Costs with Public Agency Retirement Services (PARS). The amount in this trust is not included as part of the District's net pension liability calculation.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

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### NOTE 10 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

#### A. Plan Description

The District joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. See eligibility requirements below. Retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan. The OPEB plan's audited financial statements are available at <https://www.calpers.ca.gov>.

#### B. Benefits Provided

The following is a summary of the plan benefits provided:

Eligibility:	Retire directly from the District under CalPER (age 50 and 5 years of service) Continue participation in PEMHCA
Retiree Medical Benefit:	District pays retiree medical premiums up to: - \$400/ month effective 7/1/2021 Must be at least equal to statutory PEMHCA minimum
PEMHCA Administrative Fee:	District pays CalPERS administrative fees
Surviving Spouse Continuation:	Retiree benefits continues to surviving spouse if the retiree elects survivor annuity under CalPERS retirement plan
Minimum Age:	Retirement under CalPERS

#### C. Employees Covered by Benefit Terms

At June 30, 2023, the plan valuation date, the benefit terms covered the following employees:

Active plan members	176
Inactive plan members	36
<b>Total employees</b>	<u><u>212</u></u>

#### D. Contributions

The District makes contributions based on an actuarially determined rate and are approved by the authority of the District's Board. Total contributions during the year were \$442,990. Total contributions included in the measurement period were \$419,281. The actuarially determined contribution for the measurement period was \$402,397. The District's contributions were 1.57% of covered payroll during the measurement period June 30, 2023 (reporting period June 30, 2025). Employees are not required to contribute to the plan.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

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### E. Actuarial Assumptions

The following summarized the actuarial assumptions for the OPEB plan included in this fiscal year:

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2025
Actuarial Cost Method:	Entry age normal, level percentage of payroll
Amortization Period:	4.8-years average remaining period
Asset Valuation Method:	Investment gains and losses spread over 5-year rolling period
Actuarial Assumptions:	
Discount Rate	6.15%
General Inflation	2.50%
Salary Increases	3.00%
Medical Trend	10.0% for 2025 fluctuating to an ultimate rate of 3.9% in 2075
PEMHCA Minimum Increases	4.00%
Mortality, Retirement, Disability, Termination	CalPERS 2021 Experience Study
Mortality Improvement	Macleod Watts Scale 2022 applied generationally from 2017

The projection of cash flows used to determine the discount rate assumed that the District contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set to be equal to the long-term expected rate of return which was applied to all periods of projected benefit payments to determine the total OPEB liability (asset).

### F. Long-Term Expected Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.



# Midpeninsula Regional Open Space District

## Notes to the Basic Financial Statements

June 30, 2025

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Long-Term Expected Rate of Return
Global Equity	49%	7.10%
Fixed Income	23%	5.00%
TIPS	5%	6.40%
Commodities	3%	3.80%
REITs	20%	4.40%
<b>Total</b>	<b>100%</b>	

The Overall Expected Long-Term Rate of Return is 6.60%

### G. Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of June 30, 2023 (measurement date), and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2023 (valuation date) for the fiscal year ended June 30, 2025 (reporting date). The following summarizes the changes in the net OPEB liability during the year ended June 30, 2025:

Fiscal Year Ended June 30, 2025	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balance at June 30, 2024</b>	<b>\$ 7,505,581</b>	<b>\$ 7,369,709</b>	<b>\$ 135,872</b>
Service cost	383,519	-	383,519
Interest in Total OPEB Liability	475,304	-	475,304
Employer contributions	-	419,281	(419,281)
Balance of diff between actual and exp experience	-	-	-
Balance of changes in assumptions	-	-	-
Actual investment income	-	817,078	(817,078)
Administrative expenses	-	(2,330)	2,330
Benefit payments	(321,156)	(321,156)	-
<b>Net changes</b>	<b>537,667</b>	<b>912,873</b>	<b>(375,206)</b>
<b>Balance at June 30, 2025</b>	<b>\$ 8,043,248</b>	<b>\$ 8,282,582</b>	<b>\$ (239,334)</b>
Covered Employee Payroll	\$ 25,556,628		
Total OPEB Liability as a % of Covered Employee Payroll	31.47%		
Plan Fid. Net Position as a % of Total OPEB Liability	102.98%		
Service Cost as a % of Covered Employee Payroll	1.50%		
Net OPEB Liability as a % of Covered Employee Payroll	-0.94%		

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

### H. Deferred Inflows and Outflows of Resources

At June 30, 2025 the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 275,907	\$ (227,158)
Difference between actual and expected earnings	71,865	-
Change in assumptions	-	(692,369)
OPEB contribution subsequent to measurement date	442,990	-
<b>Totals</b>	<u>\$ 790,762</u>	<u>\$ (919,527)</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$442,990 resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2026	\$ (96,144)
2027	119,727
2028	(169,882)
2029	(168,960)
2030	(85,993)
Thereafter	(170,503)
<b>Total</b>	<u>\$ (571,755)</u>

### I. OPEB Expense

The following summarizes the OPEB expense by source during the year ended June 30, 2025:

Service cost	\$ 383,519
Interest in TOL	475,304
Expected investment income	(456,183)
Adjustments	-
Difference between actual and expected experience	(56,974)
Difference between actual and expected earnings	(18,938)
Change in assumptions	-
Administrative expenses	2,330
<b>OPEB Expense</b>	<u>\$ 329,058</u>

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

The following summarizes changes in the net OPEB liability (asset) as reconciled to OPEB expense during the year ended June 30, 2025:

Net OPEB asset ending	\$ (239,334)
Net OPEB liability beginning	(135,872)
Change in net OPEB liability	(375,206)
Changes in deferred outflows	319,909
Changes in deferred inflows	(58,635)
Employer contributions and implicit subsidy	442,990
<b>OPEB Expense</b>	<b>\$ 329,058</b>

### J. Sensitivity to Changes in the Discount Rate

The net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher, is as follows:

	<b>Discount Rate</b>		
	<b>(1% Decrease )</b>	<b>6.15%</b>	<b>(1% Increase )</b>
Net OPEB Liability (Asset)	\$ 823,950	\$ (239,334)	\$ (1,124,947)

### K. Sensitivity to Changes in the Healthcare Cost Trend Rates

The net OPEB liability (asset) of the District, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates, is as follows:

	<b>Trend Rate</b>		
	<b>(1% Decrease )</b>	<b>4.00%</b>	<b>(1% Increase )</b>
Net OPEB Liability (Asset)	\$ (1,283,925)	\$ (239,334)	\$ 1,058,025

### NOTE 11 - JOINT VENTURES (JOINT POWERS AGREEMENTS)

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Prior to July 1, 2002, the District managed and financed these risks by purchasing commercial insurance. On July 1, 2002, the District joined the California Joint Powers Insurance Authority (California JPIA). California JPIA is composed of 119 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et seq. The purpose of California JPIA is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. California JPIA's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

During the past three fiscal periods, none of the programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior period

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements

June 30, 2025

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### A. Self-Insurance Programs of the California Joint Powers Insurance Authority

#### *General and Automobile Liability*

The District pays a primary deposit to cover estimated losses for a fiscal year (claims year) through the California JPIA's Primary Liability Program. General liability (GL) coverage includes bodily injury, personal injury, or property damage to a third party resulting from a member activity. The GL program also provides automobile liability coverage. Claims valued from \$0 to \$750,000 are used to determine each member's proportionate share of losses. The pool retains and shares costs of claims, on a per-occurrence basis, up to \$3,000,000 - at which point excess and reinsurance attach and pay for costs in excess of \$3,000,000 up to the \$50,000,000 per occurrence limit.

#### *Workers' Compensation*

The District also participates in the Worker's Compensation program administered by the California JPIA. Pool deposits and retrospective adjustments are valued in a manner similar to the General Liability pool. The total target funding estimate for a given coverage year is determined by third-party actuarial analysis, and a portion of that funding estimate is allocated to each member based on the member's share of payroll and share of losses. Claims valued from \$0 to \$200,000 are used to determine each member's proportionate share of losses. The pool retains and shares costs of claims, on a per-occurrence basis, up to \$1,000,000 - at which point excess and reinsurance attach and pay for costs in excess of \$1,000,000 up to statutory limits.

#### **Purchased Insurance**

##### *Environmental Insurance*

The District participates in the Pollution and Remediation Legal Liability Program, which is available through California JPIA. The policy provides coverage for both first- and third-party damages, including certain types of cleanups; fuel spill or hazmat incidents; member listed non-owned disposal sites; above ground and underground storage tanks; and for sudden and gradual pollution at or from property, streets, sanitary sewer trunk lines and storm drain outfalls owned by the District. Coverage is on a claims-made basis. There is a \$250,000 deductible. California JPIA has a limit of \$50,000,000 for the three-year coverage period. The current coverage period is July 2025 through July 1, 2026. Each member of California JPIA has a \$20,000,000 aggregate limit during the three-year period. The current coverage period is July 2025 through July 1, 2026.

##### *Property Insurance*

The District participates in the All-Risk property program of California JPIA which includes all-risk coverage for real and personal property (such as scheduled buildings, office furniture, equipment, vehicles, etc). This insurance is underwritten by several insurance companies. Property is currently insured according to a schedule of covered property submitted by the District to California JPIA. The All-Risk deductible is \$5,000 per occurrence; \$2,500 for non-emergency vehicles. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

## Midpeninsula Regional Open Space District

Notes to the Basic Financial Statements  
June 30, 2025

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### ***Boiler & Machinery Insurance***

The District participates in the optional coverage for boiler and machinery, which is purchased separately under the property program. Coverage is for physical damage for sudden and accidental breakdown of boilers and machinery, and electrical injury. There is a \$5,000 per accident or occurrence deductible.

### ***Crime Insurance***

The District participates in the crime program of California JPIA in the amount of \$1,000,000 per claim, with a \$5,000 per occurrence deductible. Insurance provides coverage for employee dishonesty, failure to faithfully perform duties, forgery, counterfeiting, theft, robbery, burglary, and computer fraud. Premiums are paid annually and are not subject to retroactive adjustments.

### ***Special Event Tenant User Liability Insurance***

The District participates in the special events program of California JPIA which provides liability insurance when District premises are used for special events. The insurance premium is paid by the tenant user to the District according to a schedule. The District then pays the insurance arranged through California JPIA. There is no deductible and the District is added as additional insured. Liability limits are purchased in \$1,000,000 or \$2,000,000 per occurrence increments.

### ***Vendors/Contractors Program***

General liability coverage with or without professional liability is offered through California JPIA to vendors/contractors who otherwise could not meet the District's minimum insurance requirement: \$1,000,000 per occurrence, \$1,000,000 in aggregate.

### ***Cyber Liability Program***

The cyber liability program is partially covered under the liability program, and partially held through a stand-alone coverage program. Cyber liability provides coverage for both first- and third-party claims. First party coverage includes privacy, regulatory claims, security breach response, business income loss, digital asset restoration costs, and cyber-extortion threats, while third-party coverage includes privacy liability, network security liability, and multimedia liability. Members work directly with the reinsurer to investigate and respond to claims. There is a \$1,000,000 per occurrence limit of coverage, \$1,000,000 aggregate limit per policy period per member, and a \$10,000,000 aggregate limit of coverage for all members per policy period. There is a \$100,000 deductible per claim.

## **NOTE 12 - COMMITMENTS AND CONTINGENCIES**

### **A. Litigation**

The District may be exposed to various claims and litigation during the normal course of business. However, management believes there were no matters that would have a material adverse effect on the District's financial position or results of operations as of June 30, 2025.

**Midpeninsula Regional Open Space District**

Notes to the Basic Financial Statements

June 30, 2025

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**B. Commitments**

As of June 30, 2025, the District had remaining commitments of \$19,137,860 towards construction and other contracts from original contract balances of \$52,857,387. These commitments are not liabilities of the District's until services or goods have been rendered/received. The expected date of completion is between June 2025 and December 2099.



*Required Supplementary Information*

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**REQUIRED SUPPLEMENTARY INFORMATION****BUDGETARY SCHEDULES**

This schedule presents a comparison of the original budget, final budget and actual revenues and expenditures for General Fund. The schedule presents the difference between the final budget and actuals.

**PENSION SCHEDULES**

These schedules present information that shows the District's proportionate share of the pension liability in the cost sharing pools, actuarial information, and contributions. The proportionate share information is useful in determining the District's liability on relation to all other entities in the pool.

**POSTEMPLOYMENT BENEFIT SCHEDULES**

These schedules present information that shows the District's total other postemployment benefits (OPEB), plan fiduciary net position, and contributions related to retiree healthcare benefits provided by the District.

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**Midpeninsula Regional Open Space District**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual (GAAP)  
General Fund  
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
Property taxes	\$ 71,061,000	\$ 71,461,000	\$ 71,498,918	\$ 37,918
Grant revenue	1,754,500	747,286	1,828,036	1,080,750
Property management	2,406,833	2,406,833	2,738,037	331,204
Investment earnings	3,485,000	3,485,000	5,843,371	2,358,371
Other revenues	100,000	1,205,000	1,248,042	43,042
Total revenues	78,807,333	79,305,119	83,156,404	3,851,285
Expenditures:				
Current				
Salaries and employee benefits	37,272,908	37,341,501	35,283,231	2,058,270
Services and supplies	14,092,207	13,357,607	13,442,686	(85,079)
Total expenditures	51,365,115	50,699,108	48,725,917	1,973,191
Excess (deficiency) of revenues over (under) expenditures	27,442,218	28,606,011	34,430,487	5,824,476
Other financing sources (uses):				
Proceeds from bond issuances	-	-	-	-
Transfers in	-	-	4,487,063	4,487,063
Transfers out	-	-	(15,565,059)	(15,565,059)
Sale of property	-	-	172,965	172,965
Total other financing sources (uses)	-	-	(10,905,031)	(10,905,031)
Net change in fund balance	27,442,218	28,606,011	23,525,456	(5,080,555)
Fund balance beginning	104,814,177	104,814,177	104,814,177	-
Fund balance ending	\$ 132,256,395	\$ 133,420,188	\$ 128,339,633	\$ (5,080,555)

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

## Midpeninsula Regional Open Space District

### Schedule of Pension Plan Contributions

June 30, 2025

#### Miscellaneous Plan

Fiscal Year Ended	2016	2017	2018	2019	2020
Contractually Required Contributions	\$ 1,358,520	\$ 1,514,352	\$ 1,763,650	\$ 1,358,184	\$ 1,534,253
Contributions in Relation to Contractually Required Contributions	4,788,977	2,529,862	1,783,789	1,358,206	1,534,253
Contribution Deficiency (Excess)	<u>\$ (3,430,457)</u>	<u>\$ (1,015,510)</u>	<u>\$ (20,139)</u>	<u>\$ (22)</u>	<u>\$ -</u>
Covered Payroll	\$ 9,862,578	\$ 11,834,150	\$ 12,802,887	\$ 15,311,826	\$ 15,435,511
Contributions as a % of Covered Payroll	48.56%	21.38%	13.93%	8.87%	9.94%

#### Miscellaneous Plan

Fiscal Year Ended	2021	2022	2023	2024	2025
Contractually Required Contributions	\$ 1,791,425	\$ 1,894,807	\$ 1,939,314	\$ 2,304,593	\$ 4,146,358
Contributions in Relation to Contractually Required Contributions	1,791,425	1,894,807	1,939,314	2,304,593	4,146,358
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 16,402,829	\$ 17,775,634	\$ 18,518,714	\$ 21,959,491	\$ 24,660,337
Contributions as a % of Covered Payroll	10.92%	10.66%	10.47%	10.49%	16.81%

#### Notes to Schedule:

Valuation Date: June 30, 2023

Assumptions Used: Entry Age Method used for Actuarial Cost Method  
 Level Percentage of Payroll and Direct Rate Smoothing  
 Remaining Amortization Period no more than 29 years  
 Inflation Assumed at 2.30%  
 Investment Rate of Returns set at 6.90%

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.9% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**Midpeninsula Regional Open Space District**  
Schedule of Net Pension Liability Proportionate Shares  
June 30, 2025

<b>Miscellaneous Plan</b>					
Fiscal Year Ended	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Proportion of Net Pension Liability	0.41627%	0.29137%	0.27962%	0.27629%	0.29538%
Proportionate Share of Net Pension Liability	\$ 11,420,126	\$ 10,121,906	\$ 11,022,824	\$ 10,412,478	\$ 11,828,627
Covered Payroll	\$ 8,994,979	\$ 9,862,578	\$ 11,834,150	\$ 12,802,887	\$ 15,311,826
Proportionate Share of NPL as a % of Covered Payroll	126.96%	102.63%	93.14%	81.33%	77.25%
Plan's Fiduciary Net Position as a % of the TPL	79.23%	80.93%	82.04%	84.37%	83.84%
<b>Miscellaneous Plan</b>					
Fiscal Year Ended	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Proportion of Net Pension Liability	0.31934%	0.18789%	0.37153%	0.39462%	0.40365%
Proportionate Share of Net Pension Liability	\$ 13,470,046	\$ 3,567,574	\$ 17,384,921	\$ 19,732,636	\$ 19,522,752
Covered Payroll	\$ 15,435,511	\$ 16,402,829	\$ 17,775,634	\$ 18,518,714	\$ 21,959,491
Proportionate Share of NPL as a % of Covered Payroll	87.27%	21.75%	97.80%	106.56%	88.90%
Plan's Fiduciary Net Position as a % of the TPL	83.28%	95.88%	82.13%	81.20%	82.90%

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.9% in FY2023.

The CalPERS mortality assumptions was adjusted in fiscal year 2023.

**Midpeninsula Regional Open Space District**  
Schedule of Contributions for Postemployment Benefits  
June 30, 2025

<b>Fiscal Year Ended</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Actuarially determined contribution (ADC)	\$ 609,000	\$ 624,000	\$ 643,000	\$ 686,000	\$ 707,000	\$ 399,000	\$ 418,000	\$ 402,397
Less: actual contribution in relation to ADC	(412,000)	(670,768)	(638,539)	(789,326)	(832,763)	(312,906)	(533,906)	(442,990)
Contribution deficiency (excess)	<u>\$ 197,000</u>	<u>\$ (46,768)</u>	<u>\$ 4,461</u>	<u>\$ 4,461</u>	<u>\$ (125,763)</u>	<u>\$ 86,094</u>	<u>\$ (115,906)</u>	<u>\$ (40,593)</u>
Covered employee payroll	\$ 12,802,887	\$ 13,550,000	\$ 16,838,000	\$ 18,617,066	\$ 19,523,601	\$ 21,959,491	\$ 22,830,326	\$ 25,556,628
Contributions as a % of covered employee payroll	3.22%	4.95%	3.79%	4.24%	4.27%	1.42%	2.34%	1.73%

**Assumptions and Methods**

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2025
Actuarial Cost Method:	Entry age normal, level percentage of payroll
Amortization Period:	4.8-year average remaining period
Asset Valuation Method:	Investment gains and losses spread over 5-year rolling period
Actuarial Assumptions:	
Discount Rate	6.25%
General Inflation	2.50%
Payroll Increases	2.75%
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
	Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
	Medicare (Kaiser) - 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076.
PEMHCA Minimum Increases	4.00%
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Mortality Improvement	CalPERS 2000-2019 experience study
Healthcare Participation for Future Retirees	CalPERS 2000-2019 experience study

**Other Notes**

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

There were no changes in benefit terms or trend rates.

PPACA excise tax was repealed 12/20/19. Since this is after the June 30, 2019 measurement date, the excise tax is included in the June 30, 2019 Total OPEB Liability (TOL).

Mortality improvement scale was updated to Scale MP-2019 from MP-2017 in fiscal year 2020.

Mortality improvement scale was updated to Scale MP-2021 from MP-2019 in fiscal year 2022.

The discount rate decreased from 7.0% to 6.5% in FY 2019, increased to 6.75% in FY 2019 and decreased to 6.25% in FY 2022.

In FY 2022, the general inflation rate decreased to 2.5% from 2.75%.

In FY 2022, the salary increases rate decreased to 2.75% from 3%.

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

## Midpeninsula Regional Open Space District

Schedule of Changes in Net OPEB Liability  
June 30, 2025

Fiscal Year Ended	2018	2019	2020	2021	2022	2023	2024	2025
<b>Total OPEB liability</b>								
Service cost	\$ 313,000	\$ 321,153	\$ 330,788	\$ 390,204	\$ 396,887	\$ 380,515	\$ 390,979	\$ 383,519
Interest	326,000	361,203	397,289	426,406	461,666	424,248	456,678	475,304
Diff. expected and actual experience	-	-	(156,450)	-	(260,022)	-	343,449	-
Changes of assumptions	-	-	(30,520)	(88,493)	(374,135)	-	(444,939)	-
Benefit payments	(113,000)	(162,000)	(152,768)	(185,539)	(239,326)	(279,786)	(312,906)	(321,156)
Net change in Total OPEB Liability	526,000	520,356	388,339	542,578	(14,930)	524,977	433,261	537,667
Total OPEB Liability - beginning	4,585,000	5,111,000	5,631,356	6,019,695	6,562,273	6,547,343	7,072,320	7,505,581
Total OPEB Liability - ending	\$ 5,111,000	\$ 5,631,356	\$ 6,019,695	\$ 6,562,273	\$ 6,547,343	\$ 7,072,320	\$ 7,505,581	\$ 8,043,248
<b>Plan fiduciary net position</b>								
Employer contributions	\$ 513,000	\$ 412,000	\$ 670,768	\$ 638,539	\$ 789,326	\$ 832,763	\$ 533,906	\$ 419,281
Net investment income	287,000	259,143	232,579	212,944	1,432,096	(993,556)	431,416	817,078
Benefit payments	(113,000)	(162,000)	(152,768)	(185,539)	(239,326)	(279,786)	(312,906)	(321,156)
Administrative expense	(1,000)	(6,064)	(807)	(2,274)	(1,975)	(2,818)	(1,952)	(2,330)
Net change in plan fiduciary net position	686,000	503,079	749,772	663,670	1,980,121	(443,397)	650,464	912,873
Plan fiduciary net position - beginning	2,580,000	3,266,000	3,769,079	4,518,851	5,182,521	7,162,642	6,719,245	7,369,709
Plan fiduciary net position - ending	\$ 3,266,000	\$ 3,769,079	\$ 4,518,851	\$ 5,182,521	\$ 7,162,642	\$ 6,719,245	\$ 7,369,709	\$ 8,282,582
Net OPEB liability (asset)	\$ 1,845,000	\$ 1,862,277	\$ 1,500,844	\$ 1,379,752	\$ (615,299)	\$ 353,075	\$ 135,872	\$ (239,334)
Plan fiduciary net position as a % of the total OPEB liability	63.90%	66.93%	75.07%	78.97%	109.40%	95.01%	98.19%	-2.98%
Covered Employee Payroll	\$ 11,834,150	\$ 12,802,887	\$ 13,550,000	\$ 16,838,000	\$ 18,617,066	\$ 19,523,601	\$ 21,959,491	\$ 25,556,628
NOL as a % of covered employee payroll	15.59%	14.55%	11.08%	8.19%	-3.31%	1.81%	0.62%	-0.94%
TOL as a % of covered employee payroll	43.19%	43.99%	44.43%	38.97%	35.17%	36.22%	34.18%	31.47%

*Other Notes*

GASB 75 requires a schedule of contributions for the last ten fiscal years, or for as many years as are available if less than ten years are available. GASB 75 was adopted as of June 30, 2018.

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*Supplementary Information*

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**SUPPLEMENTARY INFORMATION****BUDGETARY SCHEDULES**

These schedules present comparisons of the original budget, final budget and actual revenues and expenditures for major capital project funds and debt service funds. These schedules presents the difference between the final budget and actuals.

**BOND PROGRAM EXPENDITURES**

This schedule presents the program expenditures for the Measure AA Bond Program for the current year and the in total since the inception of the program.

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**Midpeninsula Regional Open Space District**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual (GAAP)  
Measure AA Capital Projects Fund  
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual (GAAP Basis)	Variance with Final Budget Positive - (Negative)
	Original	Final		
Revenues:				
Grant revenue	\$ 6,271,121	\$ 525,000	\$ 222,530	\$ (302,470)
Investment earnings	1,021,000	1,021,000	1,280,712	259,712
Total revenues	7,292,121	1,546,000	1,503,242	(42,758)
Expenditures:				
Current				
Salaries and employee benefits	595,554	526,961	609,793	(82,832)
Capital outlay	6,727,490	16,133,010	11,675,646	4,457,364
Total expenditures	7,323,044	16,659,971	12,285,439	4,374,532
Excess (deficiency) of revenues over (under) expenditures	(30,923)	(15,113,971)	(10,782,197)	4,331,774
Other financing sources (uses):				
Transfers out	-	-	(3,542,775)	(3,542,775)
Proceeds from debt issuance	-	-	37,430,000	37,430,000
Total other financing sources (uses)	-	-	33,887,225	33,887,225
Net change in fund balance	(30,923)	(15,113,971)	23,105,028	38,218,999
Fund balance beginning	-	-	-	-
Fund balance ending	\$ (30,923)	\$ (15,113,971)	\$ 23,105,028	\$ 38,218,999

**Midpeninsula Regional Open Space District**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual (GAAP)  
GF Capital Projects Fund  
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
Grant revenue	\$ 500,000	\$ 1,018,500	\$ 1,485,340	\$ 466,840
Total revenues	500,000	1,018,500	1,485,340	466,840
Expenditures:				
Capital outlay	14,031,825	17,671,325	9,684,531	7,986,794
Total expenditures	14,031,825	17,671,325	9,684,531	7,986,794
Excess (deficiency) of revenues over (under) expenditures	(13,531,825)	(16,652,825)	(8,199,191)	8,453,634
Other financing sources (uses):				
Transfers in	-	-	6,661,831	6,661,831
Total other financing sources (uses)	-	-	6,661,831	6,661,831
Net change in fund balance	(13,531,825)	(16,652,825)	(1,537,360)	15,115,465
Fund balance beginning	-	-	-	-
Fund balance ending	\$ (13,531,825)	\$ (16,652,825)	\$ (1,537,360)	\$ 15,115,465

**Midpeninsula Regional Open Space District**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual (GAAP)  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive - (Negative)
	Original	Final	Actual (GAAP Basis)	
Revenues:				
Property taxes	\$ 6,640,000	\$ 6,640,000	\$ 6,006,596	\$ (633,404)
Grant revenue	-	-	10,091	10,091
Investment earnings	117,000	117,000	170,180	53,180
Total revenues	6,757,000	6,757,000	6,186,867	(570,133)
Expenditures:				
Debt service:				
Principal	9,105,000	6,791,000	8,940,000	(2,149,000)
Interest	7,651,163	7,651,163	7,490,693	160,470
Total expenditures	16,756,163	14,442,163	16,430,693	(1,988,530)
Excess (deficiency) of revenues over (under) expenditures	(9,999,163)	(7,685,163)	(10,243,826)	(2,558,663)
Other financing sources (uses):				
Transfers in	-	-	7,958,940	7,958,940
Proceeds from debt premium	-	-	2,399,288	2,399,288
Total other financing sources (uses)	-	-	10,358,228	10,358,228
Net change in fund balance	(9,999,163)	(7,685,163)	114,402	7,799,565
Fund balance beginning	4,803,059	4,803,059	4,803,059	-
Fund balance ending	\$ (5,196,104)	\$ (2,882,104)	\$ 4,917,461	\$ 7,799,565

## Midpeninsula Regional Open Space District

Measure AA Bond Program  
Schedule of Program Expenditures  
June 30, 2025

Project No.	Project Description	Adjustments*	Expenditures from July 1, 2024 through June 30, 2025	Expenditures from Inception through June 30, 2025
AA01	Miramontes Ridge - Gateway to San Mateo Coast	\$ -	\$ 59,509	\$ 5,515,492
AA02	Regional: Bayfront Habitat Protection & Public Access Partnerships	-	47,767	6,929,624
AA03	Purisima Creek Redwoods: Purisma-to Sea Trail, Watershed & Grazing	-	552,872	9,090,834
AA04	El Corte de Madera Creek: Bike Trail & Water Quality Projects	-	-	966,168
AA05	La Honda Creek - Upper Recreation Area	-	658,171	6,116,689
AA06	Hawthorn Public Access Improvements	-	71,489	489,462
AA07	Driscoll Ranch Public Access, Wildlife Protection & Grazing	-	409	12,820,287
AA08	La Honda/Russian Ridge: Upper San Gregorio Watershed	-	4,389,935	6,543,845
AA09	Russian Ridge: Public Recreation, Grazing & Wildlife Protection	-	-	796,787
AA10	Coal Creek: Reopen Alpine Road for Trail Use	-	25,751	3,456,797
AA11	Rancho San Antonio: Interpretive Improvements, Refurbishing	-	5,916	582,774
AA13	Cloverdale Ranch: Wildlife Protection, Grazing and Trail Connections	-	65,544	15,784,078
AA15	Regional: Redwood Protection & Salmon Fishery Conservation	(14,500)	(94)	6,405,243
AA16	Long Ridge: Trail, Conservation and Habitat Restoration Projects (Saratoga)	-	-	6,202
AA17	Regional: Complete Upper Stevens Creek Trail	-	-	2,386,442
AA18	South Bay Foothills: Saratoga-to-Sea Trail & Wildlife Corridor	-	-	1,164,187
AA19	El Sereno Dog Park & Connections	-	910,726	2,475,490
AA20	South Bay Foothills: Wildlife Passage/Ridge Trail Improvements	-	2,396,721	6,466,740
AA21	Bear Creek Redwoods: Public Recreation & Interpretive Projects	(144,047)	866,731	20,009,866
AA22	Sierra Azul: Cathedral Oaks Public Access & Conservation Projects	-	15,213	2,011,749
AA23	Sierra Azul: Mt Umunhum Public Access & Interpretation Projects	-	-	23,134,891
AA24	Sierra Azul: Rancho de Guadalupe Family Recreation	-	-	1,591,996
AA25	Sierra Azul: Loma Prieta Area Public Access, Regional Trails/Habitat Projects	-	1,956,665	4,355,333
	Cost of Bond Issuance	-	420,661	420,661
	Total MAA Bond Project Expenditures	(158,547)	12,443,986	139,521,637
	Reimbursements from Grants, Contributions, and Other Funds	-	(222,530)	(25,974,909)
	Interest Income Used	-	(420,661)	(420,661)
	Total MAA Bond Project Expenditures - Net Reimbursements	\$ (158,547)	\$ 11,800,795	\$ 113,126,067

\*Expenditures related to pre-acquisition costs from a prior year were removed as a land transaction under Portfolio 15 failed to materialize. An adjustment was also made to Portfolio 21 because a retainage payable was incorrectly booked as an expenditure and not cleared on the balance sheet.



## Midpeninsula Regional Open Space District

Notes to Supplementary Information  
June 30, 2025

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### NOTE 1 - BACKGROUND

Measure AA is a \$300 million general obligation bond approved in June 2014 by over two-thirds of Midpen voters. Proceeds from bonds, which will be sold in a series over approximately the next 20-30 years, will be used to:

- Protect natural open space lands
- Open preserves or areas of preserves that are currently closed
- Construct public access improvements such as new trails and staging areas
- Restore and enhance open space land, which includes forests, streams, watersheds, and coastal ranch areas.

On July 29, 2015, the District issued \$40,000,000 of 2015A general obligation bonds and \$5,000,000 of 2015B federally taxable general obligation bonds to finance certain projects authorized by voters. The bonds bear interest from 1.5% to 5% and are due semi-annually on March 1 and September 1. The bonds were issued at a premium of \$2,559,224 with an underwriter's discount of \$107,599 and issuance costs of \$170,000.

On February 1, 2018, the District issued \$50,000,000 of 2018 general obligation bonds to finance 25 projects specified in Measure AA. The bonds bear interest from 2% to 5% and are due semi-annually on March 1 and September 1. The bonds were issued at a premium of \$3,691,291 with an issuance costs of \$455,462.

Land acquisition is the first step to open space conservation. The Vision Plan identified 50,000 acres of open space land that, when conserved, would significantly improve wildlife conditions, wetlands, watersheds, creeks, sensitive plant communities and healthy outdoor recreation. As of June 30, 2025, the District has acquired and / or preserved over 1,700 acres of land with \$24 million in funding support from Measure AA Funds.

### NOTE 2 - OVERSIGHT COMMITTEE

The Oversight Committee is essential to implementing Measure AA and will consist of seven at-large members who reside within the District. The Committee convenes at least once a year and reviews annual Measure AA expenditures and Midpen's Annual Audit and Accountability report. Each year, the Committee's findings will be presented to the Board at a public meeting and will be posted on the District's website.

### NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basis of accounting utilized in preparation of this report may differ from accounting principles generally accepted in the United States of America. Accordingly, the accompanying program statement is not intended to present the financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America. Expenditures incurred with Measure AA Bond proceeds are recorded on a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when it is measurable and available. Similarly, expenses are recognized when they are incurred, not when they are paid.

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*Statistical Information*

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## STATISTICAL SECTION

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

### Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time:

1. Net Position
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

### Revenue Capacity

These schedules contain information in relation to the District's property tax assessments:

1. Assessed and Actual Value of Taxable Property
2. Direct and Overlapping Property Tax Rates
3. Principal Property Tax Payers
4. Property Tax Levies and Collections

### Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future:

1. Ratios of General Bonded Debt Outstanding
2. Ratios of Outstanding Debt by Type
3. Legal Debt Margin Information

### Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

### Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs:

1. Full-Time Equivalent Employees by Function
2. Capital Asset Statistics by Function
3. Operating Indicators by Function

### Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant year.

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## Midpeninsula Regional Open Space District

Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$ 276,395	\$ 308,601	\$ 312,121	\$ 351,152	\$ 371,186	\$ 382,788	\$ 409,656	\$ 435,083	\$ 448,182	\$ 393,937
Restricted	5,786	4,571	7,252	8,207	6,277	5,731	6,193	4,345	6,510	7,128
Unrestricted	39,280	23,831	29,415	8,015	14,617	26,926	30,666	49,741	61,811	142,822
Total Net Position	\$ 321,461	\$ 337,003	\$ 348,788	\$ 367,374	\$ 392,080	\$ 415,445	\$ 446,515	\$ 489,169	\$ 516,503	\$ 543,887

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.  
As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

## Midpeninsula Regional Open Space District

Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities										
Land preservation	\$ 26,080	\$ 21,783	\$ 28,910	\$ 34,304	\$ 32,482	\$ 38,861	\$ 31,358	\$ 45,382	\$ 50,363	\$ 57,541
Interest and fiscal charges	9,752	8,327	8,193	10,449	9,874	8,356	7,930	7,126	6,449	7,575
Depreciation	1,311	1,585	2,399	-	-	-	-	-	-	-
Total governmental activities expenses	37,143	31,695	39,502	44,753	42,356	47,217	39,288	52,508	56,812	65,116
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services	1,636	1,479	1,576	2,360	2,655	2,298	1,490	1,875	2,154	2,767
Grants and Contributions	1,194	651	1,613	1,082	3,293	2,881	3,884	12,685	5,044	3,546
Total governmental activities program revenues	2,830	2,130	3,189	3,442	5,948	5,179	5,374	14,560	7,198	6,313
Net (expense)/revenue - governmental activities	(34,313)	(29,565)	(36,313)	(41,311)	(36,408)	(42,038)	(33,914)	(37,948)	(49,614)	(58,803)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property taxes	44,980	43,861	47,798	54,395	57,251	62,476	64,410	69,719	72,304	77,506
Investment earnings	648	463	1,045	3,648	2,307	1,979	(896)	2,330	5,228	7,294
Miscellaneous	810	784	1,153	-	1,557	976	838	397	1,118	1,248
Special item - gain on disposal of capital assets	-	-	-	-	-	-	-	8,155	(1,962)	138
Total governmental activities	46,438	45,108	49,996	58,043	61,115	65,431	64,352	80,601	76,688	86,186
<b>Change in Net Position</b>										
Governmental activities	12,125	15,543	13,683	18,586	24,708	23,393	30,438	42,654	27,074	27,383
Prior period adjustments	(11,790)	-	(1,898)	-	-	(30)	633	-	260	-
Total Changes in Net Position	\$ 335	\$ 15,543	\$ 11,785	\$ 18,586	\$ 24,708	\$ 23,363	\$ 31,071	\$ 42,654	\$ 27,334	\$ 27,383

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.  
As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.



## Midpeninsula Regional Open Space District

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund										
Nonspendable	\$ -	\$ 55	\$ 36	\$ 186	\$ 206	\$ 291	\$ 840	\$ 1,131	\$ 1,550	5,690
Restricted	1,971	1,971	1,467	1,432	5,527	7,876	8,349	11,006	14,177	15,966
Committed	35,400	35,400	55,300	29,288	30,518	40,587	36,985	51,625	66,147	65,547
Assigned	-	-	-	1,400	710	2,891	1,266	1,266	2,891	2,891
Unassigned	16,848	23,872	16,306	16,515	19,979	17,974	19,263	22,227	20,049	38,246
Total General Fund	\$ 54,219	\$ 61,298	\$ 73,109	\$ 48,821	\$ 56,940	\$ 69,619	\$ 66,703	\$ 87,255	\$ 104,814	\$ 128,340
All other governmental funds										
Restricted	\$ 26,894	\$ 9,539	\$ 59,304	\$ 52,975	\$ 43,959	\$ 26,848	\$ 23,679	\$ 12,654	\$ 4,803	26,485
Total all other governmental funds	\$ 26,894	\$ 9,539	\$ 59,304	\$ 52,975	\$ 43,959	\$ 26,848	\$ 23,679	\$ 12,654	\$ 4,803	\$ 26,485

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

The District has implemented GASB 54 effective fiscal year ending March 31, 2011.

This Statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types.

The District opted not to change the previous years' data.

## Midpeninsula Regional Open Space District

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Property taxes	\$ 44,980	\$ 43,861	\$ 47,798	\$ 54,395	\$ 57,251	\$ 62,476	\$ 64,410	\$ 69,719	\$ 72,304	\$ 77,506
Grant income	1,194	651	1,613	1,082	3,293	2,881	3,884	12,685	5,044	3,546
Property management	1,636	1,479	1,576	2,360	2,655	2,298	1,490	1,875	2,154	2,738
Investment earnings	666	480	1,064	3,649	2,327	1,979	(896)	2,331	5,228	7,294
Other	644	609	348	641	262	978	842	401	1,127	1,248
Land donation	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>49,120</b>	<b>47,080</b>	<b>52,399</b>	<b>62,127</b>	<b>65,788</b>	<b>70,612</b>	<b>69,730</b>	<b>87,011</b>	<b>85,857</b>	<b>92,332</b>
<b>EXPENDITURES</b>										
Land Preservation	28,965	25,807	28,226	29,186	31,445	34,234	35,286	39,538	43,003	59,020
Capital outlay	18,901	19,961	16,440	45,356	20,101	24,140	25,116	24,573	19,376	11,676
Debt service:										
Principal and advance refunding escrow	4,367	5,193	6,392	6,480	9,115	8,395	8,120	16,390	7,395	8,940
Interest and fiscal charges	6,478	7,190	6,597	9,191	8,555	8,246	7,925	7,382	6,776	7,491
<b>TOTAL EXPENDITURES</b>	<b>58,711</b>	<b>58,152</b>	<b>57,655</b>	<b>90,213</b>	<b>69,216</b>	<b>75,015</b>	<b>76,447</b>	<b>87,883</b>	<b>76,550</b>	<b>87,127</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>(9,591)</b>	<b>(11,072)</b>	<b>(5,256)</b>	<b>(28,086)</b>	<b>(3,428)</b>	<b>(4,403)</b>	<b>(6,717)</b>	<b>(872)</b>	<b>9,307</b>	<b>5,205</b>
<b>OTHER FINANCING SOURCES AND USES</b>										
Transfers in	12,146	15,839	9,409	49,929	21,110	16,227	38,927	19,775	17,463	19,108
Transfers out	(12,146)	(15,839)	(9,409)	(49,929)	(21,110)	(16,227)	(38,927)	(19,775)	(17,463)	(19,108)
Payment to refunded bond escrow agent	-	(68,187)	(27,660)	-	-	-	-	-	-	-
Issuance of refunding debt	-	57,410	25,025	-	-	-	-	-	-	-
Issuance of debt	45,000	-	61,220	-	-	-	-	-	100	37,430
Premium from debt issuances	2,282	11,564	8,246	-	-	-	-	-	-	2,399
Sale of Property	-	-	-	-	-	-	-	10,400	41	173
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>47,282</b>	<b>787</b>	<b>66,831</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,400</b>	<b>141</b>	<b>40,002</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>\$ 37,691</b>	<b>\$ (10,285)</b>	<b>\$ 61,575</b>	<b>\$ (28,086)</b>	<b>\$ (3,428)</b>	<b>\$ (4,403)</b>	<b>\$ (6,717)</b>	<b>\$ 9,528</b>	<b>\$ 9,448</b>	<b>\$ 45,207</b>
<b>Capitalized capital outlay expenditures</b>	18,901	19,961	16,440	45,356	20,101	24,140	25,116	24,573	19,376	11,676
<b>Debt Service as a percentage of noncapital expenditures</b>	27.24%	32.43%	31.52%	34.94%	35.98%	32.71%	31.26%	37.55%	24.79%	21.78%

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

## Midpeninsula Regional Open Space District

Assessed and Actual Value of Taxable Property

Last Ten Fiscal Years

(amounts expressed in thousands)

<b>County of Santa Clara</b>						
Fiscal Year	Secured	State Board	Unsecured	Total before Rdv. Increment	Total after Rdv. Increment	Total Direct Tax Rate
2016	148,710,117	3,616	8,236,861	156,950,594	151,221,560	1.00%
2017	161,457,837	3,616	8,664,927	170,126,380	163,586,434	1.00%
2018	174,219,310	3,616	9,773,726	183,996,652	177,153,795	1.00%
2019	188,007,378	8,646	10,266,764	198,282,788	191,359,437	1.00%
2020	201,019,887	8,646	9,814,574	210,843,107	203,359,598	1.00%
2021	215,781,759	8,646	11,330,441	227,120,846	218,943,920	1.00%
2022	228,077,982	8,646	10,356,600	238,443,228	229,079,367	1.00%
2023	246,772,685	8,646	9,626,603	256,407,934	246,589,192	1.00%
2024	263,412,206	8,897	10,957,085	274,378,188	263,327,121	1.00%
2025	278,799,668	8,897	10,711,216	289,519,781	277,485,379	1.00%

<b>County of San Mateo</b>						
Fiscal Year	Secured	State Board	Unsecured	Total before Rdv. Increment	Total after Rdv. Increment	Total Direct Tax Rate
2016	66,177,633	3,086	2,363,781	68,544,500	63,519,108	1.00%
2017	72,017,698	3,085	2,640,434	74,661,217	68,354,025	1.00%
2018	78,506,564	3,085	2,996,701	81,506,350	73,565,159	1.00%
2019	85,236,395	2,658	2,756,478	87,995,531	79,176,299	1.00%
2020	99,187,975	3,219	2,894,481	102,085,675	92,428,172	1.00%
2021	106,601,125	3,117	2,841,197	109,445,439	98,825,038	1.00%
2022	112,134,905	3,117	2,887,059	115,025,081	103,840,320	1.00%
2023	121,491,885	3,116	3,087,846	124,582,847	112,202,838	1.00%
2024	128,464,464	3,116	3,411,054	131,878,633	118,724,019	1.00%
2025	134,786,266	3,747	3,207,329	137,997,342	124,539,863	1.00%

Source: California Municipal Statistics, Inc

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.  
As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

## Midpeninsula Regional Open Space District

Property Tax Rates

Direct and Overlapping<sup>1</sup> Property Tax Rates

Last Ten Fiscal Years

County of Santa Clara (Tax Rate Area 6-001) <sup>2</sup>					County of San Mateo (Tax Rate Area 9-001) <sup>3</sup>			
Fiscal Year	General Property Tax Levy	Other	Open Space District	Total	General Property Tax Levy	Other	Open Space District	Total
		Overlapping Governments				Overlapping Governments		
2016 <sup>4</sup>	1.00000	0.17807	0.00080	1.17887	1.00000	0.08420	0.00080	1.08500
2017	1.00000	0.17160	0.00060	1.17220	1.00000	0.10990	0.00060	1.11050
2018	1.00000	0.18133	0.00090	1.18223	1.00000	0.10300	0.00090	1.10390
2019	1.00000	0.17126	0.00180	1.17306	1.00000	0.09240	0.00180	1.09420
2020	1.00000	0.18202	0.00160	1.18362	1.00000	0.10020	0.00160	1.10180
2021	1.00000	0.17196	0.00150	1.17346	1.00000	0.08270	0.00150	1.08420
2022	1.00000	0.18382	0.00150	1.18532	1.00000	0.08630	0.00150	1.08780
2023	1.00000	0.18476	0.00130	1.18606	1.00000	0.07570	0.00130	1.07700
2024	1.00000	0.17507	0.00120	1.17627	1.00000	0.10720	0.00120	1.10840
2025	1.00000	0.16891	0.00130	1.17021	1.00000	0.10220	0.00130	1.10350

Source: FY 2023-24 Tax Rate Books for San Mateo and Santa Clara Counties

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

<sup>1</sup> Due to the District's size and that it is located in two counties (County of Santa Cruz excluded), there is no tax rate area that represents the typical total tax rate for the District. The above tax rate areas are the largest in terms of assessed valuation for each County's portion of the District.

<sup>2</sup> The 2020-21 assessed valuation of Tax Rate Area (TRA) 6-001 is \$34,784,837,029 which is 10.34% of the District's total assessed valuation.

<sup>3</sup> The 2020-21 assessed valuation of TRA 9-001 is \$18,856,576,299 which is 5.60% of the District's total assessed valuation.

<sup>4</sup> Fiscal Year 2015-16 was the first year in which ad valorem property taxes authorized by Measure AA were levied.

# Midpeninsula Regional Open Space District

Principal Property Tax Payers  
Current Year and Nine Years Ago  
(amounts expressed in thousands)

Taxpayer	Fiscal Year 2025				Fiscal Year 2016			
	Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation		Taxable Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
Google Inc.	\$ 11,107,233	1	2.69%		\$ 2,831,954	2	1.32%	
Board of Trustees, Leland Stanford Jr. University	9,292,505	2	2.25%		5,762,011	1	2.68%	
Campus Holdings Inc.	4,658,386	3	1.13%		1,511,150	3	0.70%	
Apple Computer Inc.	2,788,572	4	0.67%		1,043,951	5	0.49%	
Hibiscus Properties LLC	2,233,391	5	0.54%		*		*	
Planetary Ventures LLC	1,733,770	6	0.42%		*		*	
Sobrato Interests	1,312,880	7	0.32%		432,911	9	0.20%	
Facebook Inc.	1,250,474	8	0.30%		*		*	
Intuitive Surgical Inc.	1,238,083	9	0.30%		386,531	12	0.18%	
Applied Materials Inc.	1,092,399	10	0.26%		400,338	11	0.19%	
Lockheed Missiles and Space Co. Inc.	1,016,898	11	0.25%		1,254,108	4	0.58%	
LinkedIn Corporation	1,011,146	12	0.24%		*		*	
Richard T. Spieker, Trustee	847,096	13	0.20%		*		*	
Pathline Park LLC	845,455	14	0.20%		*		*	
CW SPE LLC	827,308	15	0.20%		*		*	
Baccarat Shoreline LLC	708,842	16	0.17%		*		*	
Menlo & Juniper Networks LLC	675,087	17	0.16%		515,359	8	0.24%	
Orion V Sac Village Office Property LLC	669,092	18	0.16%		*		*	
ARE-San Francis No.63 LLC	629,545	19	0.15%		*		*	
1345-1395 Crossman Owner LLC	577,726	20	0.14%		*		*	
Oracle Corporation	*		*		590,928	6	0.27%	
Network Appliance Inc.	*		*		577,319	7	0.27%	
Yahoo Inc	*		*		431,563	10	0.20%	
HCP Life Science REIT Inc.	*		*		347,804	13	0.16%	
Wells REIT II-University Circle LP	*		*		333,162	14	0.16%	
SPF Mathilda LLC	*		*		297,273	15	0.14%	
Irvin Company	*		*		287,002	16	0.13%	
MT SPE LLC	*		*		281,977	17	0.13%	
Westport Office Park LLC	*		*		272,556	18	0.13%	
BRE Properties Inc	*		*		260,299	19	0.12%	
DWF IV 1400-1500 Seaport Blvd. LLC	*		*		259,000	20	0.12%	
Total	\$ 44,515,888		10.75%		\$ 18,077,196		8.42%	

\* Information not available/not applicable

Source: California Municipal Statistics, Inc.

# Midpeninsula Regional Open Space District

Property Tax Levies and Collections  
Last Ten Fiscal Years

Fiscal Year	Levy <sup>1</sup>		Collections			
	Santa Clara County Taxes Levied	San Mateo County Taxes Levied	Santa Clara County Collections	% of County Levy	San Mateo County Collections	% of County Levy
2016	\$ 1,186,363	\$ 527,932	\$ 1,177,636	99.3%	\$ 524,982	99.4%
2017	968,301	431,711	962,730	99.4%	429,436	99.5%
2018	1,558,456	705,842	1,553,773	99.7%	701,923	99.4%
2019	3,365,744	1,532,834	3,348,991	99.5%	1,524,259	99.4%
2020	3,215,052	1,591,352	3,195,317	99.4%	1,577,126	99.1%
2021	3,234,509	1,594,389	3,213,174	99.3%	1,583,986	99.3%
2022	3,415,153	1,674,334	3,395,878	99.4%	1,672,767	99.9%
2023	3,223,331	1,580,479	3,198,622	99.2%	1,570,003	99.3%
2024	3,168,227	*	3,137,788	99.0%	*	*
2025	3,592,875	1,753,136	3,574,494	99.5%	1,740,152	99.3%

Source: California Municipal Statistics, Inc.

\* Information not available

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th. As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

<sup>1</sup> District's general obligation bond debt service levy. Prior years are not applicable. Levy began in FY2015-16

## Midpeninsula Regional Open Space District

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(amounts expressed in thousands, except per-capita amount)

Fiscal Year	General Obligation Bonds	Debt Service Monies Available	Total	Taxable Assessed Value	Percentage of Taxable AV <sup>1</sup>	Population	Per Capita <sup>2</sup>
2016	45,000	3,116	41,884	214,740,668	0.020%	2,693,783	15.55
2017	44,225	2,194	42,031	231,940,459	0.018%	2,708,436	15.52
2018	104,570	5,785	98,785	250,718,954	0.039%	2,728,970	36.20
2019	102,880	6,776	96,104	270,535,736	0.036%	2,728,517	35.22
2020	98,290	4,814	93,476	295,787,770	0.032%	2,733,030	34.20
2021	94,890	4,283	90,607	317,768,958	0.029%	2,699,416	33.57
2022	92,025	4,583	87,442	332,919,687	0.026%	2,635,604	33.18
2023	82,680	4,701	77,979	358,792,030	0.022%	2,631,381	29.63
2024	80,700	4,803	75,897	382,051,140	0.020%	2,644,763	28.70
2025	114,920	4,917	110,003	402,025,242	0.027%	2,670,596	41.19

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th. As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

<sup>1</sup> See the Schedule of Assessed and Actual Value of Taxable Property for property value data.

<sup>2</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

## Midpeninsula Regional Open Space District

### Legal Debt Margin Information

Last Ten Fiscal Years

(amounts expressed in thousands)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Assessed Valuation:</b>										
Assessed value subject to debt levy	\$ 214,740,668	\$ 231,940,459	\$ 250,718,954	\$ 270,535,736	\$ 295,787,770	\$ 317,768,958	\$ 332,919,688	\$ 358,792,030	\$ 382,051,140	\$ 402,025,242
Total assessed valuation	214,740,668	231,940,459	250,718,954	270,535,736	295,787,770	317,768,958	332,919,688	358,792,030	382,051,140	402,025,242
<b>Debt Applicable to Limitation:</b>										
Total debt	9,087	20,475	26,839	25,567	24,263	23,026	21,661	20,308	18,905	(19,790)
Less: amount available for repayment	3,116	2,194	5,785	6,776	4,814	4,283	4,283	4,701	4,803	4,917
Total debt applicable to limitation	5,971	18,281	21,054	18,791	19,449	18,743	17,378	15,607	14,102	(24,707)
<b>Legal Debt Margin:</b>										
Bonded debt limit (5% AV)	10,737,033	11,597,023	12,535,948	13,526,787	14,789,389	15,888,448	16,645,984	17,939,602	19,102,557	20,101,262
Debt applicable to limitation	5,971	18,281	21,054	18,791	19,449	18,743	17,378	15,607	14,102	(24,707)
Legal debt margin	<u>\$ 10,731,062</u>	<u>\$ 11,578,742</u>	<u>\$ 12,514,894</u>	<u>\$ 13,507,996</u>	<u>\$ 14,769,940</u>	<u>\$ 15,869,705</u>	<u>\$ 16,628,606</u>	<u>\$ 17,923,995</u>	<u>\$ 19,088,455</u>	<u>\$ 20,125,969</u>

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

Under California Government Code Section 61126 (b) the Midpeninsula Regional Open Space District shall not incur bonded indebtedness that exceeds 15% of the total assessed property value.



## Midpeninsula Regional Open Space District

Ratios of Outstanding Debt

Last Ten Fiscal Years

(amounts expressed in thousands, except per-capita amount)

Fiscal Year	General Obligation Bonds	Lease Revenue Bonds	Refunding Bonds	Bond Premiums	Notes Payable	Forgivable Loan	Total	Taxable Assessed Value (AV)	Percentage of Taxable AV	Percentage of Personal Income	Per Capita
2016	45,000	20,290	47,300	9,087	58,698	-	180,375	214,740,668	0.084%	0.092%	66.96
2017	44,225	1,080	57,410	20,475	58,761	-	181,951	231,940,459	0.078%	0.085%	67.18
2018	104,570	930	78,870	26,839	34,466	-	245,675	250,718,954	0.098%	0.105%	90.02
2019	102,880	750	75,460	25,567	33,749	-	238,406	270,535,736	0.088%	0.096%	87.78
2020	98,290	535	72,435	24,263	32,971	-	228,494	295,787,770	0.077%	0.086%	84.12
2021	94,890	285	69,060	23,026	32,134	-	219,395	317,768,958	0.069%	0.070%	82.90
2022	92,025	-	65,535	21,661	31,252	-	210,473	332,919,687	0.063%	0.068%	79.53
2023	82,680	-	61,530	20,308	28,806	-	210,473	358,792,030	0.059%	0.065%	79.99
2024	80,700	-	57,285	18,905	28,260	100	185,250	382,051,140	0.048%	*	70.04
2025	114,920	-	52,780	19,790	27,693	100	215,283	402,025,242	0.054%	*	80.61

\* Information not available

Source: Annual Financial Report

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

(1) Details regarding the District's outstanding debt can be found in the notes to the financial statements.

(2) Refer to the Demographics Statistics for personal income and population data.

# Midpeninsula Regional Open Space District

Computation of Direct and Overlapping Debt  
For the Year Ended June 30, 2025

2024-25 Assessed Valuation: \$427,517,123,225

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt <u>6/30/25</u>	<u>% Applicable (1)</u>	City's Share of <u>Debt 6/30/25</u>
Santa Clara County	\$1,217,905,000	41.628%	\$ 506,989,493
Foothill-De Anza Community College District	592,800,578	94.049	557,523,016
San Mateo Community College District	655,171,697	42.379	277,655,213
West Valley-Mission Community College District	631,255,000	28.341	178,903,980
Palo Alto Unified School District	384,840,483	100.	384,840,483
Fremont Union High School District	717,450,088	86.698	622,014,877
Sequoia Union High School District	449,512,000	91.765	412,494,687
Other High School Districts	1,683,235,761	Various	358,656,280
Belmont-Redwood Shores School District and School Facilities Improvement Districts Nos. 1 and 2	177,520,020	12.244-92.283	75,566,268
Cupertino Union School District	294,953,303	75.247	221,943,512
Los Altos School District	128,450,000	100.	128,450,000
Los Gatos Union School District	116,965,000	98.318	114,997,649
Menlo Park City School District	173,017,593	100.	173,017,593
San Carlos School District	140,271,219	96.710	135,656,296
Mountain View-Whisman School District	415,490,000	100.	415,490,000
Sunnyvale School District	363,305,820	100.	363,305,820
Other Unified and Elementary School Districts	2,911,216,622	Various	966,342,724
Cities	691,785,000	0.089-100.	77,377,810
El Camino Hospital District	98,789,066	98.197	97,007,899
Saratoga Fire Protection District	1,440,330	100.	1,440,330
<b>Midpeninsula Regional Open Space District</b>	<b>117,319,288</b>	<b>100.</b>	<b>117,319,288 (2)</b>
Community Facilities Districts	19,924,697	100.	19,924,697
Santa Clara Valley Water District Benefit Assessment District	24,940,000	41.628	10,382,023
1915 Act Bonds (Estimate)	17,273,286	100.	<u>17,273,286</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$6,234,573,224</b>

- (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the district's total taxable assessed value.
- (2) Includes unamortized premium of \$2,399,288.

(Continued.)

# Midpeninsula Regional Open Space District

Computation of Direct and Overlapping Debt  
For the Year Ended June 30, 2025

Page 2. Midpeninsula Regional Open Space District

	Total Debt 6/30/25	% Applicable (1)	City's Share of Debt 6/30/25
<b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Santa Clara County General Fund Obligations	\$1,002,458,930	41.628%	\$ 417,303,603
Santa Clara County Pension Obligation Bonds	317,654,990	41.628	132,233,419
San Mateo County General Fund Obligations	530,970,772	42.379	225,020,103
County Board of Education Certificates of Participation	17,402,417	41.628-42.379	7,284,307
West Valley-Mission Community College District General Fund Obligations	2,520,000	28.341	714,193
Union High School District General Fund Obligations	60,430,000	Various	2,866,962
Other Unified and Elementary School District General Fund Obligations	58,825,259	Various	36,337,526
City of Cupertino General Fund Obligations	11,915,000	93.004	11,081,427
City of Los Altos General Fund Obligations	8,142,666	100.	8,142,666
City of Palo Alto General Fund Obligations	138,550,000	100.	138,550,000
City of Redwood City General Fund Obligations	54,430,000	100.	54,430,000
City of Sunnyvale General Fund Obligations	126,165,000	99.995	126,158,692
Other City General Fund Obligations	613,331,582	Various	2,442,261
Fire Protection Districts Certificates of Participation	37,755,000	96.703-100.	36,882,119
Montara Water and Sanitary District Certificates of Participation	3,365,246	100.	3,365,246
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,185,295	42.379	1,349,896
<b>Midpeninsula Regional Open Space District General Fund Obligations</b>	<b>74,065,600</b>	<b>100.</b>	<b>74,065,600 (3)</b>
<b>Midpeninsula Regional Open Space District Forgivable Loan</b>	<b>100,000</b>	<b>100.</b>	<b>100,000</b>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$1,278,328,020
Less: Santa Clara County supported obligations			1,007,398
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$1,277,320,622
<b><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u></b>	<b>\$134,883,524</b>	<b>100. %</b>	<b>\$134,883,524</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$191,484,888</b>
TOTAL GROSS OVERLAPPING DEBT			\$7,456,299,880
TOTAL NET OVERLAPPING DEBT			\$7,455,292,482
GROSS COMBINED TOTAL DEBT			\$7,647,784,768 (4)
NET COMBINED TOTAL DEBT			\$7,646,777,370

- (1) The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the district divided by the district's total taxable assessed value.
- (3) Excludes accreted value of capital appreciation bonds.
- (4) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

**Ratios to 2024-25 Assessed Valuation:**

Direct Debt (\$117,319,288) .....	0.03%
Total Direct and Overlapping Tax and Assessment Debt.....	1.46%
<b>Total Direct Debt (\$191,484,888) .....</b>	<b>0.04%</b>
Gross Combined Total Debt .....	1.79%
Net Combined Total Debt.....	1.79%

**Ratios to Redevelopment Successor Agency Incremental Valuation (\$25,491,880,657):**

Total Overlapping Tax Increment Debt.....	0.53%
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# Midpeninsula Regional Open Space District

Demographic and Economic Statistics  
Last Ten Fiscal Years

## County of Santa Clara

Fiscal Year	Population <sup>1</sup> (January 1st)	Personal Income <sup>2</sup> (in millions)	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>	County Unemployment Rate <sup>5</sup>
2016	1,927,888	170,673	88,920	37.0	274,948	4.0%
2017	1,938,180	190,002	98,032	37.1	273,264	3.5%
2018	1,956,598	209,020	107,877	37.2	272,132	2.9%
2019	1,954,286	223,625	115,997	37.4	267,224	2.6%
2020	1,961,969	235,835	123,661	37.2	263,449	10.7%
2021	1,934,171	268,316	138,724	38.2	253,625	5.2%
2022	1,894,783	273,604	144,399	38.3	241,326	2.2%
2023	1,886,079	284,803	151,003	*	236,428	3.0%
2024	1,903,198	*	*	*	234,027	4.1%
2025	1,922,259	*	*	*	231,385	4.6%

## County of San Mateo

Calendar Year	Population <sup>1</sup> (January 1st)	Personal Income <sup>2</sup> (in millions)	Per Capita Personal Income <sup>2</sup>	Median Age <sup>3</sup>	School Enrollment <sup>4</sup>	County Unemployment Rate <sup>5</sup>
2016	765,895	81,448	106,115	39.5	95,502	3.3%
2017	770,256	89,149	115,556	39.9	95,620	2.9%
2018	772,372	96,226	124,705	39.9	95,155	2.5%
2019	774,231	99,157	129,043	39.9	94,234	2.2%
2020	771,061	107,775	141,348	39.8	93,554	10.8%
2021	751,596	128,260	173,524	40.8	90,315	5.0%
2022	740,821	118,716	162,863	41.4	86,442	2.1%
2023	745,302	125,534	172,828	41.5	84,836	3.1%
2024	741,565	*	*	*	84,180	3.5%
2025	748,337	*	*	*	83,855	4.1%

\* Information not available

### Data Sources

<sup>1</sup> State of California Department of Finance

<sup>2</sup> U.S. Department of Commerce Bureau of Economic Analysis (includes retroactive revisions)

<sup>3</sup> U.S. Census Bureau, American Community Survey

<sup>4</sup> State of California Department of Education

<sup>5</sup> State of California Employment Development Department, Labor Market Division (includes retroactive revisions)

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th. As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

# Midpeninsula Regional Open Space District

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Land:										
Number of preserves	26	26	26	26	26	26	26	27	27	27
Acreage:										
Santa Clara County	33,366.71	33,449.99	33,628.15	33,631.06	33,631.06	33,943.56	33,985.32	34,127.05	34,169.27	34,267.91
San Mateo County	29,452.58	29,643.96	29,664.41	29,854.41	30,636.85	31,010.37	31,010.37	40,610.10	40,774.47	41,053.06
Santa Cruz County	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18	2,004.18
less: easements and life										
estates held by other parties	(1,825.88)	(1,825.88)	(1,802.88)	(1,802.88)	(1,802.88)	(1,802.88)	(1,802.88)	(4,542.85)	(4,542.85)	(4,543.90)
Total	62,997.59	63,272.25	63,493.86	63,686.77	64,469.21	65,155.23	65,196.99	72,198.48	72,405.07	72,781.25
Facilities:										
Administrative office	1	1	1	1	1	1	1	1	1	1
Field/patrol offices	2	2	3	3	3	4	4	4	4	4
Visitor Center	2	2	2	2	2	1	1	1	1	1
Vehicles & Equipment:										
Patrol vehicles	37	42	36	34	33	36	36	38	40	42
Service vehicles	10	13	10	11	14	13	10	10	13	13
Maintenance vehicles	19	25	29	31	31	31	32	33	32	34
Administrative vehicles	n/a	n/a	13	13	15	15	15	15	16	16
Motorcycles/ATVs/Electric bicycles	13	13	27	27	32	21	25	27	29	29
Bulldozers/excavators/tractors	23	23	20	23	23	23	31	33	36	37
Dump trucks	5	5	4	6	11	11	11	11	6	7
Water Truck	2	2	2	2	2	2	2	2	2	2
Trailers	n/a	n/a	25	27	31	30	32	35	32	32
Chippers/mowers	5	5	5	5	5	3	3	6	6	6

Source: Midpeninsula Regional Open Space District

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

Beginning with FY2017-18 the District is using a new system for classifying and tracking vehicles and equipment.

# Midpeninsula Regional Open Space District

Principal Employers  
Most Current Year and Nine Years Ago

County of Santa Clara						
Employer	2023			2015		
	Number of Employees <sup>1</sup>	Rank	Percentage of Total Employment	Number of Employees <sup>1</sup>	Rank	Percentage of Total Employment
Google LLC	44,244	1	4.40%	11,000	6	1.25%
Tesla Motors Inc.	30,000	2	2.98%	*		*
Apple Inc.	25,000	3	2.49%	16,000	2	1.61%
Meta Platforms Inc.	22,515	4	2.24%	*		*
County of Santa Clara	21,590	5	2.15%	16,837	1	1.70%
Cisco Systems Inc.	18,500	6	1.84%	15,800	3	1.59%
Stanford University	16,963	7	1.69%	15,053	4	1.52%
Stanford Health Care	10,847	8	1.08%	7,689	7	0.77%
University of California Santa Cruz	8,671	9	0.86%	*		*
City of San Jose	8,134	10	0.81%	5,759	10	0.58%
Kaiser Permanente	*		*	13,500	5	1.36%
Lockheed Martin Space Systems Co.	*		*	7,000	8	0.71%
Intel Corporation	*		*	6,277	9	0.63%
Total	206,464		20.54%	114,915		11.72%

County of San Mateo						
Employer	2023			2016		
	Number of Employees <sup>2</sup>	Rank	Percentage of Total Employment	Number of Employees <sup>2</sup>	Rank	Percentage of Total Employment
Meta (Facebook, Inc.)	18,000	1	4.28%	6,068	4	1.40%
Genentech Inc.	9,000	2	2.14%	10,000	2	2.30%
County of San Mateo	5,959	3	1.42%	5,500	5	1.26%
Gilead Sciences, Inc.	4,307	4	1.02%	3,500	7	0.80%
Sutter Health	3,347	5	0.80%	*		*
Sony Interactive Entertainment	3,000	6	0.71%	*		*
YouTube	2,500	7	0.59%	*		*
Safeway Inc	2,117	8	0.50%	2,393	9	0.55%
Kaiser Permanente	2,100	9	0.50%	*		*
Electronic Arts Inc	1,600	10	0.38%	2,367	10	0.54%
United Airlines	*		*	10,500	1	2.41%
Oracle Corp.	*		*	6,750	3	1.55%
Visa USA/Visa International	*		*	3,500	6	0.80%
Mills-Peninsula Health Services	*		*	2,500	8	0.57%
Total	51,930		12.34%	53,078		12.18%

\* Information not available

Source:

<sup>1</sup> County of Santa Clara Finance Department FY 2023-24 ACFR, as latest available

<sup>2</sup> County of San Mateo Finance Department FY2023-24 ACFR, as latest available

## Midpeninsula Regional Open Space District

Full-time Equivalent District Government Employees by Function  
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Office of the General Manager	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Real Property	4.00	4.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
Plannning	13.00	10.50	10.50	10.50	10.50	10.50	10.50	10.50	12.50	14.00
Engineering & Construction	N/A	5.50	7.50	7.50	7.50	7.50	7.50	7.50	9.50	9.50
Public Affairs	12.00	8.00	7.00	6.00	8.00	7.00	7.00	7.00	7.00	7.00
Admininstration										
Reception	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	5.25	9.25	9.25	9.25	10.25	10.25	11.25	13.25	14.25	14.33
Human Resources	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	9.00	9.00
Information Technology <sup>1</sup>	5.50	7.50	7.00	8.00	8.00	8.00	8.00	8.00	9.00	13.00
Operations										
Administration	6.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrol	32.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Land/Facilities Maintenance	30.30	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Resource Management <sup>2</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Land & Facilities	N/A	49.30	55.30	56.30	57.30	57.30	59.30	62.30	69.50	68.70
Visitor Services	N/A	41.90	39.90	41.90	42.90	42.90	43.90	45.90	47.90	49.90
General Counsel	2.50	2.50	2.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Natural Resources <sup>2</sup>	10.00	11.00	10.00	10.00	11.00	11.00	11.50	12.50	12.50	13.00
Total	134.55	165.45	169.95	173.95	179.95	179.45	183.45	191.45	208.65	215.93

Source: Midpeninsula Regional Open Space District

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th. As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.

<sup>1</sup> In 2015, the GIS function was integrated into Information Technology from the Planning Department

<sup>2</sup> In 2012, the Resource Management function under the Operations Department became the Natural Resources Department

During 2015, the District underwent a complete reorganization which become effective during FY 2016-17. As part of the reorganization, the Planning Department was split with a new Engineering & Construction Department, a portion of Real Property and Operations became the new Land & Facilities Department, and part of Public Affairs and Operations/Patrol became the new Visitor Services Department.

## Midpeninsula Regional Open Space District

Operating Indicators by Function

Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Manager										
Board meetings	31	31	44	32	28	36	36	31	58	48
Resolutions adopted	61	40	46	47	43	45	45	43	37	34
Real Property										
Acres preserved										
Santa Clara County	107.50	83.28	178.18	2.11	-	312.50	41.76	102.30	40.83	104.18
San Mateo County	81.45	191.38	20.46	190.00	782.44	374.52	-	5,107.45	803.75	283.78
Visitor Services										
Stewardship volunteer hours	15,839	17,440	16,088	15,910	10,296	7,778	7,778	8,341	10,420	10,733
Interpretation/education docent hours	4,462	4,697	4,320	4,438	975	20	1,585	4,389	5,631	5,544
Website visits	429,891	487,215	589,280	524,387	782,003	788,683	570,880	553,067	589,766	676,533
Bicycle Accident	26	19	37	13	30	33	23	30	19	12
Equestrian Accident	2	-	-	1	3	4	5	-	-	2
Hiking/Running Accident	14	37	40	11	25	35	27	19	12	15
Other first aid	26	23	31	13	29	31	29	9	37	36
Search & rescue	3	4	2	2	4	2	2	7	9	4
Vehicle Accident	14	17	50	15	47	41	34	46	62	24
Fire	10	9	13	4	7	10	5	9	7	6
HazMat	6	1	3	1	1	1	-	-	2	-
Citation/Juvenile Contact Report	767	678	592	405	387	438	558	244	375	579
Parking Citation	645	836	870	375	1,027	1,144	953	635	579	773
Arrests	3	2	-	2	2	1	-	2	3	1
Day Permits	2,541	2,530	2,676	2,417	1,350	1,388	2,375	2,436	3,357	2,247
Multi-day permits	321	366	419	361	313	330	337	327	804	469
Camping permits	573	613	570	571	441	855	784	632	630	520

Source: Midpenninsula Regional Open Space District

Notes: Starting fiscal year (FY) 2015-16 the District changed from a fiscal year end date of March 31st to June 30th.

As a result, FY2015-16 is a fifteen (15) month period rather than a twelve (12) month period.





*Other Independent Auditor's Reports*

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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  
of the Midpeninsula Regional Open Space District  
Los Altos, California

We have audited, 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, the financial statements of the governmental activities and each major fund of Midpeninsula Regional Open Space District (the District) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 17, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 District'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses and significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District'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 or other matters that are required to be reported under *Government Auditing Standards*.

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

The image shows a handwritten signature in dark ink that reads "Maze & Associates". The script is cursive and fluid, with the ampersand being particularly stylized.

Pleasant Hill, California  
November 17, 2025

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Long Ridge Open Space Preserve (Karl Gohl)

**Cover Photos**

Top photo: Fremont Older Open Space Preserve (Konstantin Yurin)

Second row, left to right

Coal Creek Open Space Preserve (Frances Freyberg)

Fremont Older Open Space Preserve (Jack Gescheidt)

Sierra Azul Open Space Preserve (Carter Chang)



**Midpeninsula Regional Open Space District**

5050 El Camino Real

Los Altos, California 94022-1404

650-691-1200

[info@openspace.org](mailto:info@openspace.org)

[openspace.org](http://openspace.org)

RESOLUTION NO. 25-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING  
THE TRANSFER OF FUNDS FROM THE GENERAL FUND  
UNASSIGNED FUND BALANCE INTO THE COMMITTED FOR  
INFRASTRUCTURE FUND

---

**WHEREAS**, the Unassigned Fund Balance of the Midpeninsula Regional Open Space District (District) is \$34,608,216 as of June 30, 2025; and

**WHEREAS**, per Board Policy 3.07, *Fund Balance Policy*, the minimum required Unassigned Fund Balance is 30% of the Budgeted General Fund Revenues, which is equivalent to \$24,568,031 as of July 1, 2025, leaving available unassigned funds in the amount of \$10,040,185; and

**WHEREAS**, the General Manager recommends allocating unassigned funds from the General Fund Unassigned Fund Balance in order to increase the Committed for Infrastructure Reserve Fund for the construction of District facilities, including the new Coastal Field Office and a larger Skyline Field Office.

**NOW, THEREFORE**, the Board of Directors of the Midpeninsula Regional Open Space District does resolve as follows:

**SECTION ONE.** The following transfer is approved, and the General Manager or designee is authorized to implement said transfer during FY26 as follows: \$9,500,000 from the General Fund Unassigned Fund Balance to the Committed for Infrastructure Fund.

\* \* \* \* \*

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on December 10, 2025, at a regular meeting thereof, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**ATTEST:**

**APPROVED:**

---

Zoe Kersteen-Tucker, Secretary  
Board of Directors

---

Jed Cyr, President  
Board of Directors

**APPROVED AS TO FORM:**

---

Hilary Stevenson, General Counsel

I, the District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

---

Maria Soria, District Clerk