



Santa Clara County Open Space Authority

To: Open Space Authority Staff and Board of Directors

From: Jayne Brownlee

Date: June 24, 2010

RE: FINANCIAL STATEMENTS FOR THE THREE MONTHS AND FIRST QUARTER ENDED March 31, 2010

Statement of Revenues and Expenses

There are no unusual or unexpected expense or revenue items to note for the FY2009/2010 quarter ended March 31, 2010. The first of the two annual District 1 assessments revenue payments, \$2,176,930, was received from the County at the end of January.

Statement of Net Assets

Non-current assets increased \$204,762 during the quarter as the result of purchasing the Davis property, a total of 32 acres in the Western Watershed area, for \$175,000 and a Toyota Tundra truck for \$29,762. The second of two annual loan payments due and paid to the California Coastal Commission reduces the actual amount of loan due to \$666,668, excluding imputed interest costs recorded at year end. For the quarter ended and inception to date a total of \$26,108,725 has been distributed to The Garden City Group, Inc. including \$17,415,570 to pay claims, \$7,473,335 in legal expenses and \$1,219,820 in administration costs.

Investments

The Santa Clara County investment report as of March 31, 2010 has not been distributed as of the date of preparing this report.

Earlier projections suggested that the current low interest rate environment was expected to begin to change at the earliest by the end of this calendar year. It now appears that due to continuing high unemployment rates and the situation in Europe low interest rates will persist indefinitely. As the VTA Endowment Fund's certificates of deposits have matured proceeds have been invested at reduced interest rates, resulting in the current annualized yield of a low 2.2%. As shorter term investments provide lower rates of earnings compared with longer term investments, we are exploring opportunities to increase the funds yield by investing a portion of the fund in longer term investments.