



## Santa Clara County Open Space Authority

To: Open Space Authority Staff and Board of Directors

From: Jayne Brownlee

Date: July 8, 2010

RE: FINANCIAL STATEMENTS FOR THE NINE MONTHS AND THIRD QUARTER ENDED March 31, 2010

### Statement of Changes in Net Assets

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 Conservancy 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 in settlement of District 2 litigation including \$17,415,570 to pay claims, \$7,473,335 to the Silicon Valley Taxpayers' Association's legal counsel and \$1,219,820 in administration costs paid to The Garden City Group, Inc..

### Investments

The March 31, 2010 County of Santa Clara Treasury Investment Status statement reports an annualized yield of 1.03% as of the last month of the quarter. This reflects decreased earnings available as investments mature and are reinvested at prevailing lower earnings rates. 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. Due to continuing high unemployment rates and mounting European problems it now appears that low interest rates will persist for some time. However, the Treasury's investment officer has positioned the portfolio to take advantage of rising rates at any time.

As the VTA Endowment Fund's certificates of deposits have matured proceeds have also been re-invested at prevailing lower interest rates. This funds annualized yield as of the end of March was 2.2%. As shorter term investments currently provide lower rates of earnings compared with longer term investments, we are exploring opportunities to increase the funds yield by investing a portion of this fund in longer term maturities.