

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

**Annual Report  
For The Fiscal Year Ended  
June 30, 2010**



**DONNA DUNK**  
SONOMA COUNTY  
AUDITOR-CONTROLLER  
TREASURER-TAX COLLECTOR

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

**Basic Financial Statements  
For the Fiscal Year Ended  
June 30, 2010  
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Sonoma County Agricultural Preservation  
And Open Space District  
Citizens' Advisory Committee 2011

Douglas Hanford .....	First District Representative
Kristin Thigpen .....	First District Representative
Sue Conley .....	Second District Representative
Vacancy .....	Second District Representative
Vacancy .....	Third District Representative
Steve Rabinowitsh .....	Third District Representative
Bill Smith .....	Fourth District Representative
Dennis Murphy .....	Fourth District Representative
Jeff Holtzman .....	Fifth District Representative
John Nagle.....	Fifth District Representative
Janet Orchard .....	Mayors' and Council
Laurie Gallian .....	Mayors' and Council
Guy Wilson .....	Mayors' and Council
Suzanne Doyle .....	Environmental Representative
Cary Fargo .....	Real Estate Representative
Karen Bianchi Moreda.....	Agricultural Representative
Vacancy .....	Business Representative

Sonoma County Agricultural Preservation  
And Open Space District  
Fiscal Oversight Commission 2011

Michael J. Sangiacomo

Bob Anderson

Jean Kapolchok

Patty Fata

Todd Mendoza

Alternate:

Jeff Owen

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

As of 2011, the District's Board of Directors consisted of the following members:

<u>Directors</u>	<u>Office</u>	<u>Term Expires</u>
Valerie Brown.....		January 2013
David Rabbitt .....	Chair Pro Tem .....	January 2015
Shirlee Zane .....	Vice Chair .....	January 2013
Mike McGuire .....		January 2015
Efren Carrillo .....	Chair.....	January 2013

## Introduction

The Sonoma County Agricultural Preservation & Open Space District (“the District”) was created in 1990 by a vote of the Sonoma County electorate for a period of twenty years. The mission of the Sonoma County Agricultural Preservation and Open Space District (District) is to permanently preserve the diverse landscapes of Sonoma County for future generations, including working farms and ranches; greenbelts and community separators between and around urban areas, natural areas and wildlife habitat, and land for public access and passive recreation. In 2006, the electorate extended the District for an additional twenty years from 2011 until 2031. Since its inception, the District has protected over 82,000 acres on 178 properties at a cost of \$280 million; and today, ranks as one of the top open space and farmland conservation programs in the nation.

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

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

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

Because of the separate powers and revenue sources of the District, the District’s revenues, expenses and assets are held and accounted for separately from Sonoma County’s.<sup>4</sup> When

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

<sup>2</sup> See Government Code Section 26227.

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

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

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

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<sup>5</sup> For instance, see Public Resources Section 5540.

## **Financial Section**

**Auditor-Controller  
Treasurer-Tax Collector**  
**County of Sonoma**  
585 FISCAL DRIVE  
SUITE 100  
SANTA ROSA, CALIFORNIA  
95403-2819  
(707) 565-2631  
FAX (707) 565-3489

**DONNA DUNK**  
INTERIM AUDITOR-CONTROLLER  
TREASURER -TAX COLLECTOR

**PAM JOHNSTON**  
ASSISTANT  
TAX COLLECTOR/AUDITOR

**JONATHAN KADLEC**  
ASSISTANT  
TREASURER

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

**Auditor-Controller's Report**

We have audited the accompanying basic financial statements of the Sonoma County Agricultural Preservation and Open Space District, (the District), as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on the financial statements based on our audit.

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

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

In our opinion, except for the effects, if any, of the impairment to auditor independence, the basic financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2010, and the respective changes in its financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) on pages 2 through 7 and the budgetary comparison information on page 27 are not a required part of the basic financial statements but are supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Sonoma County Auditor-Controller*

July 26, 2011

## Management's Discussion and Analysis

As management of the Sonoma County Agriculture Preservation and Open Space District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the District's financial statements (pages 8-13) and the accompanying notes to the basic financial statements (pages 14-26).

### Financial Highlights

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$352,607,323 (net assets). The District reported unrestricted net assets of \$ 2,394,931.
- The District's total net assets increased by \$60,748,067. The majority of this increase was due to transfers towards land and easement purchases from the Open Space Special Tax Account (\$10,081,316), the Sonoma County Open Space Authority (\$19,600,486), along with contributions (\$24,665,102) and federal grants (\$6,850,000) related to the acquisition of the Jenner conservation easement.
- During FY 2007-08 the County of Sonoma issued Measure F Sales Tax Revenue bonds. The net proceeds from these bonds totaled \$84,365,614, of which \$37,486,332 was used for the retirement of debt related to prior year land purchases. As of June 30, 2010, the District has exhausted all bond proceeds.
- As of the close of the current fiscal year, the District's governmental fund reported an ending fund balance of \$3,276,587, an increase of \$305,446 in comparison with the prior fiscal year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., unused vacation leave).

The government-wide financial statements can be found on pages 8-9 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are governmental funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 14-26 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$352,607,323 at the close of the most recent fiscal year.

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

### Net Assets

	2010	2009	Increase (Decrease)
Current and other assets	\$ 4,058,590	\$ 3,151,047	\$ 907,543
Capital assets	349,614,649	289,048,448	60,566,201
Total assets	353,673,239	292,199,495	61,473,744
Long-term liabilities outstanding	303,913	255,227	48,686
Other liabilities outstanding	762,003	159,906	602,097
Total liabilities	1,065,916	415,133	650,783
Net assets:			
Invested in capital assets, net of related debt	349,614,649	289,028,448	60,586,201
Restricted	597,743	592,441	5,302
Unrestricted	2,394,931	2,238,367	156,564
Total net assets	\$ 352,607,323	\$ 291,859,256	\$ 60,748,067

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

**Governmental activities.** Governmental activities increased the District's net assets by \$60,748,067. The majority of this increase is due to contributions towards easement acquisition received from: the Sonoma County Open Space Authority (\$19,600,486), Sonoma County (\$10,081,316), federal grants (\$6,850,000) and contributions from other entities (\$24,665,102).

<b>Changes in Net Assets</b>			
	<u>2010</u>	<u>2009</u>	<u>Increase (Decrease)</u>
<b>Revenues:</b>			
<b>Program Revenues:</b>			
Open space preservation	\$ 55,936,515	\$ 7,398,557	\$ 48,537,958
<b>General Revenues:</b>			
Investment income and other	<u>74,044</u>	<u>150,038</u>	<u>(75,994)</u>
Total revenues	<u>56,010,559</u>	<u>7,548,595</u>	<u>48,461,964</u>
<b>Expenses:</b>			
<b>Program Expenses:</b>			
Open space preservation	<u>5,344,727</u>	<u>4,931,207</u>	<u>413,520</u>
Total expenses	<u>5,344,727</u>	<u>4,931,207</u>	<u>413,520</u>
<b>Other financing sources (uses)</b>			
Transfers in – Open Space Special Tax Account	10,081,316	17,535,514	(7,454,198)
Transfers in - miscellaneous	9,438	13,410	(3,972)
Transfers out - primary government	<u>(8,519)</u>	<u>(9,492)</u>	<u>973</u>
	10,082,235	17,539,432	(7,457,197)
Increase (decrease) in net assets	60,748,067	20,156,820	40,591,247
Net assets - beginning of the year	<u>291,859,256</u>	<u>271,702,436</u>	<u>20,156,820</u>
Net assets - end of the year	<u>\$ 352,607,323</u>	<u>\$ 291,859,256</u>	<u>\$ 60,748,067</u>

### **Financial Analysis of the Government's Funds**

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

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

The general fund is the chief operating fund of the District. As of the end of the current fiscal year, the District's governmental funds reported an ending fund balance of \$3,276,587, an increase of \$305,446 in comparison with the prior year. \$1,397,346 of this amount represents unreserved fund balance. The remainder of the District's fund balance, \$1,879,241, is reserved for future financing commitments.

## **General Fund Budgetary Highlights**

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

- \$67,100 for improvements to Plum Ranch Road and Cleland Ranch Road
- \$281,360 towards the North Slope Mountain Trail Project
- \$2,420,000 towards a matching grant with the city of Santa Rosa for the Burbank Avenue Property.
- \$330,000 towards the Laguna Trails project.
- \$1,320,000 towards the Bayer project.
- \$500,000 towards the development of a Taylor Mountain Regional Park and Open Space Preserve Master Plan.
- \$503,150 towards a matching grant with the city of Healdsburg for Giorgi Park

## **Capital Asset and Debt Administration**

**Capital assets.** The District's investment in capital assets, as of June 30, 2010, amounts to \$ 349,614,649. This investment in capital assets includes land and easements, construction in progress, buildings and improvements, and pre-acquisition costs. The total increase in the District's investment in capital assets for the current fiscal year was \$60,586,201.

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

- During the year, over 7,000 acres of land was protected in perpetuity through the acquisition of 9 conservation easements, including the multi-partner effort to acquire 5,360 acres of the Jenner Headlands, the largest conservation acquisition in Sonoma County.

Additional information on the District's capital assets can be found in Note II.C on page 22 of this report.

**Debt administration.** The debt service on the 2007 Series A and B Measure F sales tax revenue bond issuance will begin in fiscal year 2011-2012. As required by Measure F, the County issued this debt and administers the debts service using Measure F sales tax proceeds.

## **Economic Factors and Next Year's Budgets and Rates**

- Beginning in 2011, as required by Measure F, the quarter cent sales tax will be levied by the County rather than the Sonoma County Open Space Authority. Additionally, the Authority will reorganize as the Sonoma County Open Space Fiscal Oversight Commission to provide independent fiscal oversight of the District's operations.
- Primary funding for the District comes from the voter approved one quarter percent sales tax imposed by the Open Space Authority. The tax was initially imposed for a period of 20 years ending the first quarter of 2011. In November 2006 the voters passed Measure F, the initiative which extends the tax for another 20 years ending the first quarter of 2031.

- Anticipated decrease in sales tax revenues would affect funding available for acquisition of interests in land and intergovernmental revenue received from the Open Space Authority.

All of these factors were considered in preparing the District's budget for the fiscal year ending June 30, 2011.

### **Request for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sonoma County Agricultural Preservation and Open Space District, 747 Mendocino Avenue, Suite 100, Santa Rosa, CA 95401-4850.

**Sonoma County Agricultural Preservation and Open Space District**  
**Statement of Net Assets**  
**June 30, 2010**

<b>Assets</b>	
Cash and investments	\$ 2,203,368
Restricted cash	597,743
Accounts receivable	136,087
Due from other governments	1,121,392
Capital assets (net of accumulated depreciation)	
Land	122,380,142
Intangible assets - easements	226,198,437
Land and easements - preacquisition costs	341,069
Construction in progress	<u>695,001</u>
Total assets	<u>353,673,239</u>
 <b>Liabilities</b>	
Accounts payable	762,003
Non-current liabilities:	
Compensated absences	283,913
Pollution remediation	<u>20,000</u>
Total liabilities	<u>1,065,916</u>
 <b>Net Assets</b>	
Invested in capital assets, net of related debt	349,614,649
Restricted for:	
Cooper's Grove capital improvements	84,632
Lawson Property capital improvements	112,843
Saddle Mountain capital improvements	111,637
Clover Springs capital improvements	288,631
Unrestricted	<u>2,394,931</u>
Total net assets	<u>\$ 352,607,323</u>

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

**Sonoma County Agricultural Preservation and Open Space District**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2010**

**Program Expenses**

Open Space Preservation	
Salaries and employee benefits	\$ 2,902,403
<sup>1</sup> Costs applied	(266,764)
Services and supplies	2,311,325
Contribution to other governments	<u>397,763</u>
Total program expenses	<u>5,344,727</u>

**Program Revenues**

Intergovernmental	
Operations	4,400,000
Contributions from Open Space Authority - Land and Easements	19,600,486
Contributions - Jenner	24,665,102
Grants - Federal	6,850,000
Grants - State	233,671
Rental Income	<u>187,256</u>
Total program revenues	<u>55,936,515</u>
Net program revenues (expenses)	<u>50,591,788</u>

**General Revenues**

Investment earnings	18,814
Miscellaneous	<u>55,230</u>
Total general revenues	<u>74,044</u>

**Other financing sources (uses)**

Transfers in – Open Space Special Tax Account	10,081,316
Transfers in - miscellaneous	9,438
Transfers out	<u>(8,519)</u>
Total other financing sources (uses)	<u>10,082,235</u>

Change in net assets	60,748,067
Net assets - beginning of year	<u>291,859,256</u>
Net assets - end of year	<u>\$ 352,607,323</u>

<sup>1</sup> See note disclosure on II-F

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

**Sonoma County Agricultural Preservation and Open Space District**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2010**

**Assets**

Cash and investments	\$ 2,203,368
Restricted cash	597,743
Accounts receivable	136,087
Due from other governments	<u>1,121,392</u>
Total assets	<u><u>\$ 4,058,590</u></u>

**Liabilities and Fund Balance**

Liabilities:

Accounts payable	\$ 762,003
Pollution remediation liability	<u>20,000</u>
Total liabilities	<u>782,003</u>

Fund balance:

Reserved for:

Cooper's Grove capital improvements	84,632
Lawson Property capital improvements	112,843
Saddle Mountain capital improvements	111,637
Clover Springs capital improvements	288,631
Encumbrances	1,281,498
Unreserved, undesignated	<u>1,397,346</u>
Total fund balance	<u>3,276,587</u>
Total liabilities and fund balance	<u><u>\$ 4,058,590</u></u>

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

**Sonoma County Agricultural Preservation and Open Space District**  
**Reconciliation of Balance Sheet to Statement of Net Assets**  
**June 30, 2010**

Fund balances - total governmental funds	\$ 3,276,587
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds	349,614,649
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Compensated absences	<u>(283,913)</u>
Net assets of governmental activities (page 9)	<u>\$ 352,607,323</u>

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

**Sonoma County Agricultural Preservation and Open Space District**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**Governmental Fund**  
**For the fiscal year ended June 30, 2010**

**Revenues**

Intergovernmental Revenue	
<del>Operations</del> (2900) Authority	\$ 4,400,000
<del>Other</del>	19,600,486
Grants	
State	233,671
Federal	6,850,000
Rental income	187,256
Investment earnings	18,814
Miscellaneous	55,230
	<hr/>
Total revenues	31,345,457

**Expenditures**

Current:	
Salaries and employee benefits	2,853,717
<sup>1</sup> Costs applied	(266,764)
Services and supplies	2,307,783
Contribution to other government	362,393
Capital outlay	36,076,117
	<hr/>
Total expenditures	41,333,246
	<hr/>
Excess (deficiency) of revenue over (under) expenditures	(9,987,789)

**Other financing sources**

Sale of capital asset	211,000
Transfers in – Open Space Special Tax Account	10,081,316
Transfers in - miscellaneous	9,438
Transfers out	(8,519)
	<hr/>
Total other financing sources	10,293,235

Net change in fund balances	305,446
Fund balance - beginning of year	<hr/> 2,971,141
Fund balance - end of year	\$ <u><u>3,276,587</u></u>

<sup>1</sup> See note disclosure on II-F

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

**Sonoma County Agricultural Preservation and Open Space District  
Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balance of Governmental Fund  
to the Statement of Activities  
For the fiscal year ended June 30, 2010**

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

Net change in fund balances - total governmental funds (page 12)	\$	305,446
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Expenditure for capital assets		60,845,377
<p>Sale of fixed assets increases fund balance within governmental funds due to an increase in cash received from the sale. However, in the statement of activities the gain in cash is offset with a reduction in fixed assets resulting in no effect to net assets.</p>		
		(211,000)
<p>Some expenses reported in the statement of activities do not require the use of current resources and therefore are not reported as expenditures in governmental funds:</p>		
Retirement of pre-acquisition costs		(107,700)
Removal of capital asset incorrectly recorded in prior year		(35,370)
<p>Change in compensated absences reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.</p>		
		(48,686)
		<hr style="width: 100%;"/>
Change in net assets of governmental activities	\$	60,748,067

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

**Sonoma County Agricultural Preservation  
and Open Space District  
Notes to the Basic Financial Statements  
June 30, 2010**

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

The District has adopted an acquisition plan and has a staff of twenty-four permanent positions. As of June 30, 2010 the District has protected approximately 82,000 acres through conservation or open space easements.

**Sonoma County Agricultural Preservation  
and Open Space District  
Notes to the Basic Financial Statements  
June 30, 2010**

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims judgments are recorded only when payment is due.

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

**Sonoma County Agricultural Preservation  
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**D. Assets, Liabilities, and Net Assets or Equity**

**1. Deposits and Investments**

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

**2. Capital Assets**

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

**3. Compensated Absences**

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

**4. Net Assets**

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

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

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

**5. Fund Balance**

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

**6. Use of Estimates**

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

**E. Implementation of Governmental Accounting Standards Board Statements**

Effective July 1, 2009 the District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, issued in June 2007. This statement establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies in the accounting and financial reporting of such assets among state and local governments. This statement also provides authoritative guidance that specifically addresses the nature of the intangible assets including internally generated intangible assets.

The District is reporting intangible assets on its financial statements for the fiscal year ended June 30, 2010. The District identified various easements totaling approximately 2,600 acres dating back to 1991 that were conveyed to the District as required per a 1991 Board Resolution regarding easements acquired by the county pursuant to the County's land use policies. The District did not incur any expenses related to these easements. The District has determined that the valuation of these easements would not be a prudent or efficient use of District resources and has elected to not retroactively report these easements.

**Sonoma County Agricultural Preservation  
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Intangible assets – easements representing easements for which the District did incur an expense in the amount of \$174,924,391 were reclassified from Land and easements where they were previously reported.

**F. Future Governmental Accounting Standards**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, issued in February 2009. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB Statement No. 54 improves the financial reporting by providing fund balance categories and classifications that will be more easily understood. The reserve component of fund balance will be eliminated and replaced with a restricted classification to enhance the consistency between information reported in the government-wide and the governmental fund financial statements to avoid confusion about the relationship between reserved fund balance and restricted net assets. The fund balance disclosures will give users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated. GASB Statement No. 54 is effective for financial statements for years beginning after June 15, 2010.

The impact on the basic financial statements of the District of these pronouncements which have not yet been adopted is unknown at this time.

**II. Detailed Notes**

**A. Deposits and Investments**

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

The amount of cash at June 30, 2010 is as follows:

Cash and investment in County Treasury	\$ 2,203,218
Petty Cash	150
Restricted Cash	<u>597,743</u>
Total	<u><u>2,801,111</u></u>

**Sonoma County Agricultural Preservation  
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Investment in the Sonoma County Treasurer's Investment Pool

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

Investment Guidelines

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

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

Interest Rate Risk

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

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As of June 30, 2010, approximately 65 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 6 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

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

Custodial Credit Risk

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

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

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

**Sonoma County Agricultural Preservation  
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Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 2010 Sonoma County CAFR.

**B. Restricted Assets**

\$597,743 of the District's net assets have legally enforceable limitations on their use, and are related to donations received by the District towards capital improvements.

Restricted for:

Cooper's Grove capital improvements	\$ 84,632
Clover Springs capital improvements	288,631
Lawson Property capital improvements	112,843
Saddle Mountain capital improvements	<u>111,637</u>
	<u>\$ 597,743</u>

**Sonoma County Agricultural Preservation  
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**C. Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Transfers & Adjustments	Ending Balance
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 288,496,512	\$ 8,477,944	\$ (211,000)	\$ (174,383,314)	\$ 122,380,142
Intangible assets - easements	-	51,274,046		174,924,391	226,198,437
Land and easements- preacquisition costs	551,936	437,910	(107,700)	(541,077)	341,069
Construction in progress	39,524	655,477	-		695,001
Total capital assets not being depreciated	<u>289,087,972</u>	<u>60,845,377</u>	<u>(318,700)</u>	<u>-</u>	<u>349,614,649</u>
Capital assets being depreciated:					
Buildings & improvements	35,370	-	-	(35,370)	-
Equipment	-	-	-	-	-
Total capital assets being depreciated	<u>35,370</u>	<u>-</u>	<u>-</u>	<u>(35,370)</u>	<u>-</u>
Less accumulated depreciation for:					
Buildings & improvements	-	-	-	-	-
Equipment	-	-	-	-	-
Total accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets being depreciated, net	<u>35,370</u>	<u>-</u>	<u>-</u>	<u>(35,370)</u>	<u>-</u>
Total capital assets, net	<u>\$ 289,123,342</u>	<u>\$ 60,845,377</u>	<u>\$ (318,700)</u>	<u>\$ (35,370)</u>	<u>\$ 349,614,649</u>

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

**Sonoma County Agricultural Preservation  
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Notes to the Basic Financial Statements  
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**D. Long-term Debt**

Changes in long-term debt

Long term liability activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Compensated absences	\$ 235,227	\$ 48,686	\$ -	\$ 283,913	\$ -
Pollution remediation	20,000	-	-	20,000	-
Total long-term liabilities	<u>\$ 255,227</u>	<u>\$ 48,686</u>	<u>\$ -</u>	<u>\$ 303,913</u>	<u>\$ -</u>

**E. Intergovernmental Revenue**

For the fiscal year ended 2009-10, the District received intergovernmental revenue from the Open Space Authority in the amount of \$24,000,486. This total is comprised of \$19,600,486 in financing towards the purchase of capital assets, and \$4,400,000 for the administration of the acquisition program.

The District also received transfers in from the Open Space Special Tax Account in the amount of \$10,081,316 towards the purchase of land and easements.

The District also received \$7,083,671 from other federal and state governmental agencies towards the purchase of land and easements.

**F. Costs applied**

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

**G. Pollution Remediation Obligation**

In 2007, the District purchased agricultural land at 8000 Highway One in Jenner, California. Preliminary environmental sampling found hazardous materials in the soil surrounding a sheep dipping area on the property. As the owner, the District is responsible for clean-up costs. Additional environmental evaluation is required to determine the extent of the contamination, the steps to be taken for remediation, and the associated costs. The estimate for the environmental sampling is \$20,000.

**Sonoma County Agricultural Preservation  
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Notes to the Basic Financial Statements  
June 30, 2010**

**III. Other Information**

**A. Risk Management**

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

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

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

**B. Employee Retirement Plan**

Plan Description

All full-time employees participate in a cost sharing multiple-employer Defined Benefit Pension Plan (DBPP) and a Post-employment Healthcare Plan (PHP) administered by the Sonoma County Employees' Retirement Association (SCERA). The County of Sonoma is the primary government (employer) for the multiple-employer plans. The SCERA was organized on January 1, 1946, under the provision of the 1937 County Employees Retirement Act, and is financially independent of the County of Sonoma.

DBPP members include all permanent full-time employees of a participating employer who have been appointed to a permanent position of at least half time. The

**Sonoma County Agricultural Preservation  
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June 30, 2010**

plan provides benefits as defined by the law upon retirement, death, or disability of members.

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

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

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

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

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

**Sonoma County Agricultural Preservation  
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Notes to the Basic Financial Statements  
June 30, 2010**

Funding Policy

Contribution rates for the employers and their covered employees are adopted by the Board of Supervisors upon recommendation by the SCERA Board of Retirement. Pension plan members are required to contribute 7% to 14% of their annual covered salary, depending upon their age of entry into the system. The employer is required to contribute an amount necessary to finance the coverage of their employees through periodic contributions at actuarially determined rates. Contributions to the DBPP for the fiscal years ended June 30, 2010, 2009 and 2008 were \$554,767, \$408,903 and \$294,376 respectively.

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

**C. Auditor Independence**

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

**Required Supplementary Information**

**Sonoma County Agricultural Preservation and Open Space District**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Governmental**  
**Fund**  
**For the Fiscal Year Ended**  
**June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Contributions from other governments:				
Operations	\$ 5,200,000	\$ 5,200,000	\$ 4,400,000	\$ (800,000)
Land	20,067,000	25,140,150	19,600,486	(5,539,664)
Grants - State	-	281,360	233,671	(47,689)
Grants - Federal	-	-	6,850,000	6,850,000
Rental income	-	-	187,256	187,256
Investment earnings	75,000	75,000	18,814	(56,186)
Miscellaneous	-	-	55,230	55,230
Total revenues	<u>25,342,000</u>	<u>30,696,510</u>	<u>31,345,457</u>	<u>648,947</u>
<b>Expenditures</b>				
Current:				
Salaries and employee benefits	3,201,594	3,201,594	2,853,717	347,877
Costs applied	-	-	(266,764)	266,764
Services and supplies	3,748,703	3,748,703	2,813,266	935,437
Other charges	-	-	-	-
Contribution to other government	275,000	275,000	362,393	(87,393)
Capital outlay				
Land and easements	29,556,379	33,296,379	35,422,280	(2,125,901)
Buildings and improvements	879,775	2,561,385	1,429,852	1,131,533
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>37,661,451</u>	<u>43,083,061</u>	<u>42,614,744</u>	<u>468,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,319,451)</u>	<u>(12,386,551)</u>	<u>(11,269,287)</u>	<u>1,117,264</u>
<b>Other financing sources</b>				
Sale of capital asset	-	-	211,000	
Transfers in – Open Space Special Tax Account	10,300,000	10,300,000	10,081,316	218,684
Transfers in - miscellaneous	10,600	10,600	9,438	1,162
Transfers out	(8,519)	(8,519)	(8,519)	-
Total other financing sources	<u>10,302,081</u>	<u>10,302,081</u>	<u>10,293,235</u>	<u>219,846</u>
Net change in fund balances, budgetary basis	<u>\$ (2,017,370)</u>	<u>\$ (2,084,470)</u>	(976,052)	<u>\$ 897,418</u>
Budget adjustments				
Encumbrances			1,281,498	
Net change in fund balance, GAAP basis			<u>\$ 305,446</u>	

The notes to the required supplementary information are an integral part of this schedule.

**Sonoma County Agricultural Preservation  
and Open Space District  
Notes to Required Supplementary Information  
June 30, 2010**

**I. Stewardship, Compliance, And Accountability**

**A. Budgetary Information**

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

**B. Encumbrances**

The District has unexpended encumbrances of \$1,281,498 at June 30, 2010. These encumbrances represent commitments by the District for services related to the acquisition of land and easements and the stewardship of District owned properties.

## **Other Supplementary Information**

**Sonoma County Agricultural Preservation  
and Open Space District  
Schedule of Interests in Land  
June 30, 2010**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>		<u>Total Cost</u>
5/14/1992	Marty Conservation Easement	Meacham Hill, Penngrove Olsen Lane (-06) Orchard Lane (-08)	\$	503,639.00
<b>TOTAL FY 91-92</b>			<b>\$</b>	<b>503,639.00</b>
3/8/1993	Cloudy Bend Conservation Easement	5070 Lakeville Hwy., Petaluma Note: Coastal Conservancy granted \$350,000	\$	102,607.50
5/25/1993	Sebastopol Conservation Easement	Portion of Railroad Right-of-Way, Sebastopol		21,313.75
<b>TOTAL FY 92-93</b>			<b>\$</b>	<b>123,921.25</b>
7/27/1993	Doerksen Conservation Easement	7125 St. Helena Road Santa Rosa, CA	\$	109,936.25
8/31/1993	Alba Lane	4260 Alba Lane Santa Rosa, CA		300,707.90
9/14/1993	White Conservation Easement	4205 Coffey Lane 188 E. Fulton Road Santa Rosa, CA		454,494.25
9/14/1993	St. Francis Conservation Easement	Hwy 12 at Adobe Canyon Road Kenwood, CA		886,327.11
9/14/1993	Vasila Conservation Easement	6018 Bloomfield Road Petaluma, CA		128,158.49
9/21/1993	Brown	374 Horn Avenue		197,865.52

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Schedule of Interests in Land  
June 30, 2010**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
	Conservation Easement	Santa Rosa, CA	
10/19/1993	Burns	2505 & 2245 Spring Hill Road	431,371.80
	Conservation Easement	West Petaluma, CA	
4/12/1994	St. Luke's	4111 Old Redwood Hwy. Santa Rosa, CA	342,602.58
6/14/1994	Cotati Highlands Conservation Easement	1300 W. Sierra Avenue 10 Summit Grade Road 8795 & 8800 Pine Lane 333 & 335 Pine Grove Road Stony Point Road, Cotati, CA	2,089,204.35
06/14/0994	Dougan Conservation Easement	5510 Bloomfield Road Petaluma, CA	<u>355,432.90</u>
<b>TOTAL FY 93-94</b>			<b>\$ <u>5,296,101.15</u></b>
8/22/1994	Lorenzini Property	22477 Koftinow Drive Timber Cove, CA	\$ 520,058.72
9/1/1994	De Loach Property	10540 Los Amigos Road Healdsburg, CA	540,448.31
9/1/1994	Ziedrich Property	10536 Los Amigos Road Healdsburg, CA	144,332.50
9/2/1994	San Francisco Archdiocese	4547 Whistler Avenue Santa Rosa, CA	150,883.48
9/15/1994	Ratchford Property	Fitch Mountain Healdsburg, CA	1,042,247.84

**Sonoma County Agricultural Preservation  
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Schedule of Interests in Land  
June 30, 2010**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
12/16/1994	Pieter Myers	19999 Coleman Valley Occidental, CA	108,273.75
12/30/1994	Maacama Valley Partners National Audubon Society	Juncture of Alexander Valley & Knights Valley vicinity of Pine Flat Road	722,972.50
2/2/1995	Fox Healdsburg Ridge	Poppy Hill & El Arroyo Healdsburg, CA	154,938.53
2/2/1995	Diggers Bend	Poppy Hill & El Arroyo Healdsburg, CA	305,304.99
4/28/1995	Stony Point Ranch	6700 Gravenstein Hwy Cotati, CA	485,867.56
5/23/1995	Haroutunian	200 Scenic Avenue Rohnert Park, CA	185,811.01
5/31/1995	Graton Right of Way	Occidental Road to Grey Street near Graton, from Graton Road to Green Valley Road, and from point south of Ross Station to Key Lane	174,356.00
6/15/1995	Carinalli	2900 Llano Road Santa Rosa, CA	768,149.66
6/30/1995	Lang Property	3115 Porter Creek Road Santa Rosa, CA	1,259,634.28
<b>TOTAL FY 94-95</b>			<b>\$ 6,563,279.13</b>
9/7/1995	Silberstein	5531 Kay Drive	\$ 204,853.49

**Sonoma County Agricultural Preservation  
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Schedule of Interests in Land  
June 30, 2010**

<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
	Conservation Easement	Santa Rosa, CA	
9/15/1995	Dutton	8610, 8611 Oak Grove Avenue	325,361.33
	Conservation Easement	Graton, CA	
9/22/1995	Freiberg	2400 Sobre Vista Road	959,704.37
	Conservation Easement	Sonoma, CA	
9/22/1995	Henshaw	2400 Sobre Vista Road	314,798.00
	Conservation Easement	Sonoma, CA	
11/15/1995	Silacci	4170 Lakeville Hwy	503,777.62
	Conservation Easement	Petaluma, CA	
12/12/1995	Nicholas Turkey Farms	2676 Napa Road	1,412,600.78
	Conservation Easement	Sonoma, CA	
1/3/1996	Santa Angelina Ranch/ McMicking Conservation	12629 Hwy 128 Knights Valley, CA	1,743,230.11
1/8/1996	McCormick Ranch	Langtry Road	1,712,147.95
	Conservation Easement	St. Helena, CA	
1/19/1996	Matteri	3820 Petaluma Hill Road	401,535.50
	Conservation Easement	Santa Rosa, CA	
3/29/1996	Moon Ranch – Pfindler	3268 Old Adobe Road	1,439,122.93
	Conservation Easement	Petaluma, CA	
4/3/1996	Unity Church Property	4351 Old Redwood Hwy. Santa Rosa, CA	422,523.92
4/10/1996	Andersen	North Cloverdale on	228,004.76
	Conservation Easement	Russian River	

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
05/03/1996 & 5/28/1996	Palm Terrace Conservation Easement	City limits of Sebastopol west edge of Laguna de Santa Rosa	913,432.35
5/24/1996	Mickelsen Conservation Easement	Mecham and Pepper Roads Northwest of Petaluma, CA	677,379.69
5/30/1996	Alman Marsh Conservation Easement	East of Hwy 101 between Marina and former city landfill	60,991.25
6/7/1996	Herzog (Sleepy Hollow) Conservation Easement	Mecham and Pepper Roads Northwest of Petaluma	997,397.59
<b>TOTAL FY 95-96</b>			<b>\$ 12,316,861.64</b>
7/5/1996	Treadwell Conservation Easement	31820 McCray Road Cloverdale, CA	\$ 105,027.50
7/23/1996	Knudtsen Conservation Easement	3150 Robler Road Petaluma, CA	428,244.26
9/4/1996	Guttman (Lang) Conservation Easement	13000 Los Amigos Road Healdsburg, CA (NW of Porter Creek Road / Franz Valley Road)	406,196.85
9/26/1996	Callahan (Raja Dev.) Conservation Easement	North of Highland Circle / East of Poppy Hill Drive Healdsburg, CA	559,332.00
10/14/1996	McNear Peninsula (Lind)	100 East D Street Petaluma, CA	192,111.50

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
12/11/1996	Weston (Sotoyome Highlands) Conservation Easement	13000 Los Amigos Road Healdsburg, CA	1,667,916.25
4/25/1997	Yee Conservation Easement	4871 Redwood Hwy., South Petaluma, CA	803,641.36
5/19/1997	Young/Armos – Fee	4315 Snyder Lane 4314 Hunter Avenue Santa Rosa, CA	376,574.50
5/29/1997	McCormick Ranch	Los Alamos Road Santa Rosa, CA	667,046.44
<b>TOTAL FY 96-97</b>			<b>\$ 5,206,090.66</b>
7/23/1997	McCrea	Vigilante Road Glen Ellen, CA	\$ 1,208,560.80
7/31/1997	Geary	5525 Bennett Valley Road Santa Rosa, CA	2,322,335.50
9/5/1997	Hepper	Estero Lane Bodega, CA	294,357.05
11/3/1997	Morrison Brothers	5151 Stony Point Road Santa Rosa, CA	388,443.93
12/11/1997	Keegan & Coppin	Bennett Valley Road (Vacant Lot) Santa Rosa, CA	558,401.40
1/15/1998	Magers (Gray Creek PTN)	Gray Creek Road / Off Mill Creek Road	90,215.51

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

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

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>		<u>Total Cost</u>
12/23/1999	Nunes Fee	Panorama Drive Santa Rosa, CA	\$	987,791.00
1/5/2000	Colliss Conservation Easement	Coleman Valley Road Occidental, CA		1,049,574.00
1/12/2000	Town of Windsor (Windsor Green) Conservation Easement	Bell Road Windsor, CA		776,816.00
1/19/2000	Matteri Fee	Petaluma Hill Road Santa Rosa, CA		473,128.00
1/21/2000	Mickelson/Cammozzi Conservation Easement	Pepper and Walker Roads Sonoma County, CA		1,516,125.00
<b>TOTAL FY 99-00</b>			<b>\$</b>	<b>4,803,434.00</b>
9/13/2000	Val Alstyne	Fitzpatrick Lane Occidental, CA	\$	1,272,910.00
10/4/2000	Cook	Lichau Road Penngrove, CA		1,711,894.00
12/6/2000	Modini	Pine Flat Road Healdsburg, CA		1,060,730.00
12/7/2000	Sequeira / Red Hill	Coast Hwy 1 Jenner, CA		1,428,759.00
12/29/2000	Solak	Railroad Avenue Forestville, CA		176,454.00
5/4/2001	Ho	Petaluma Hill Road Rohnert Park, CA		569,860.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
5/11/2001	Dewar	1660 Estero Lane Bodega Bay, CA	291,574.00
5/18/2001	Glen Oaks	Hwy 12 Glen Ellen, CA	<u>1,511,825.00</u>
<b>TOTAL FY 00-01</b>			<b>\$ <u>8,024,006.00</u></b>
12/12/2001	Laguna de Santa Rosa (Donated)	Geysers Pipeline	\$ 41,785.00
12/17/2001	Cooley Ranch	Cooley Ranch Road Cloverdale, CA	5,887,575.00
1/10/2002	Ielmorini Property	13601 State Hwy 1 Valley Ford, CA	1,815,589.00
1/18/2002	Cloverdale River Park	31650 McCray Road Cloverdale, CA	65,765.00
1/29/2002	Azevedo Property	820 Fallon Road Santa Rosa, CA	1,762,344.00
3/20/2002	Morelli Property	500 Morelli Vista Road Santa Rosa, CA	2,187,178.00
4/5/2002	Martin Property	Valley Ford Road Petaluma, CA	1,610,287.00
4/18/2005	Balletto Ranch	5700 Occidental Road Santa Rosa, CA	2,632,820.00
5/3/2002	Bianchi Property	15000 Hwy 1 Valley Ford, CA	<u>1,527,517.00</u>
<b>TOTAL FY 01-02</b>			<b>\$ <u>17,530,860.00</u></b>

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>		<u>Total Cost</u>
7/31/2002	Paulin Creek Property Sass (Chanate Trail)	3100 Chanate Road Santa Rosa, CA	\$	1,615,337.00
8/16/2002	Scott Property	700 Hardin Lane Petaluma, CA		3,373,245.00
8/16/2002	McCullough Property	Mark West Springs Road Santa Rosa, CA		2,923,109.00
8/30/2002	Town of Windsor Keiser Park	630 Windsor River Road Windsor, CA		1,149,765.00
9/17/2002	Rigler Property	Coleman Valley Road Bodega, CA		875,856.00
10/9/2002	Hanson Aggregates Parcel	7821 Eastside Road Healdsburg, CA		4,042,301.00
10/31/2002	Cloverdale River Park	31638 McCray Road Cloverdale, CA		22,024.00
12/24/2002	Keen Property	16331 Norrbom Road Sonoma, CA		360,566.00
12/27/2002	Prince Memorial Greenway	1000 Second Street Santa Rosa, CA		3,080,201.00
12/31/2002	Grossi Property	6300 Petaluma Hill Road Petaluma, CA		330,879.00
1/31/2003	Sunset Beach Property	11057 Sunset Avenue Forestville, CA		636,915.00
3/11/2003	Asborn Property	16488, 16492 Healdsburg Ave Healdsburg, CA		4,285,288.00

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
3/25/2003	Johnson Property	7555 Sonoma Highway Santa Rosa, CA	3,077,498.00
3/25/2003	Johnson Access Property	7557 Sonoma Highway Santa Rosa, CA	1,028,487.00
5/16/2003	Carrington Property	3800, 4000, 4300 & 4500 Hwy One, Coleman Valley Rd Bodega Bay, CA	4,882,273.00
5/30/2003	Brayton Property	1797, 1799 Pepper Road Petaluma, CA	1,316,268.00
<b>TOTAL FY 02-03</b>			<b>\$ 33,000,012.00</b>
7/16/2003	Indian Valley Property	5610 Maryannis Drive Santa Rosa, CA	\$ 478,043.00
7/31/2003	Connolly Property	27285 Dutcher Creek Road Cloverdale, CA	266,505.00
8/13/2003	Jacobs Ranch	5297 Sonoma Mountain Road Santa Rosa, CA	4,919,749.00
11/10/2003	Fox Pond Property	16496 Healdsburg Avenue Healdsburg, CA	2,905,833.00
1/29/2004	Skiles Property	6560 Sonoma Mountain Road Santa Rosa, CA	224,894.00

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

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
1/31/2005	Cooper's Grove	5761 Sonoma Mountain Road Santa Rosa CA	4,926,873.00
3/15/2005	Summer Home Park	11453 River Road Forestville, CA	399,098.00
5/6/2005	Willow Creek	19100 Willow Creek Road 24110 Freezeout Road 2330 Willow Creek Road Sonoma County, CA	20,923,138.00
<b>TOTAL FY 04-05</b>			<b>\$ 46,475,656.00</b>
9/29/2005	Tolay Lake Ranch	5869 Lakeville Highway Petaluma, CA	\$ 21,794,852.00
10/7/2005	Lawson Property	6280 Melita Road Santa Rosa, CA	1,183,695.00
10/7/2005	Prince Gateway Park	Santa Rosa Creek Santa Rosa, CA	420,963.00
12/20/2005	Camp Gualala	27010 Skaggs Spring Road Annapolis, CA	894,878.00
12/15/2005	Montini Property	18950 Fifth Street West Sonoma, CA	14,037,523.00
1/13/2006	Taylor Mountain Property - see 5/7/2010 transaction	2100 Kawana Terrace Road Santa Rosa, CA	18,174,418.00
<b>TOTAL FY 05-06</b>			<b>\$ 56,506,329.00</b>

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
9/8/2006	Crane Property	5900 Petaluma Hill Road Santa Rosa, CA	1,112,379
8/24/2006	Saddle Mountain Property	Calistoga & Helena Roads Sonoma County, CA	14,714,525
7/3/2006	Santa Rosa Creek 3 Bridges	Santa Rosa, CA	7,950
6/22/2007	Sonoma Developmental Center Area 3	14400 Sonoma Highway Sonoma County, CA	586,881
4/18/2007	Tremari	5767 & 5775 Bloomfield Road Unincorporated Petaluma, CA	3,185,447
<b>TOTAL FY 06-07</b>			<b>\$ 19,607,182.00</b>
6/5/2008	Quailbrook Ranch	6450 Quailbrook Lane Penngrove, CA	1,647,162.93
12/31/2007	Hayfork Ranch	5240 St. Helena Road Santa Rosa, CA	668,197.58
11/15/2007	Cresta Property	3035 Porter Creek Road Santa Rosa, CA	3,142,034.65
9/28/2007	Poff Property	8000 State Highway 1 Bodega Bay, CA	5,650,183.47
9/28/2007	Clover Springs Property	Skyview Drive Cloverdale, CA	7,840,666.65
9/28/2007	Pitkin Marsh Property	4869 North Gravenstein Highway Sebastopol, CA	404,855.50
12/21/2007	Roche Property	West Line of Highway 121 Sonoma County, CA	2,013,611.24
<b>TOTAL FY 07-08</b>			<b>\$ 21,366,712.02</b>
10/14/2008	Prince Memorial Greenway		879,216.91

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
10/16/2008	Laguna de Santa Rosa		688,047.45
10/16/2008	Falletti Ranch		3,161,087.85
11/14/2008	Occidental Road		106,442.44
12/30/2008	Sonoma Mtn Ranch		10,033,549.19
1/15/2009	Russian Riverkeeper		50,000.00
3/24/2009	North Slope Mtn Trail		2,890.00
4/17/2009	Pacheco		1,530,844.32
5/28/2009	Cooke Ranch		1,056,593.87
6/30/2009	Gilardi Ranch		1,654,816.16
6/30/2009	Petaluma Marsh Improvements		816,554.00
<b>TOTAL FY 08-09</b>			<b>19,980,042.19</b>
9/14/2009	McCullough Phase I - Conservation Easement		8,555,047.60
9/16/2009	Patterson Point - Conservation Easement		122,381.00
9/24/2009	Quinlan/Noonan - Conservation Easement		1,893,040.86
9/24/2009	Sittenauer - Conservation Easement		446,235.89
12/6/2009	Jenner - Conservation Easement		39,470,789.00
12/7/2009	Riddel - Conservation Easement		819,917.00
12/18/2009	Smith Family Ranch - Conservation Easement		2,357,377.00
2/26/2010	Burbank Ave Property - Conservation Easement		2,441,637.00
3/17/2010	O'Brien Property - Conservation Easement		221,393.00
3/30/2010	Danielli Ranch - Conservation Easement		1,689,615.61

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
5/7/2010	Taylor Mountain: Farmers Lane Extension - Sale to City of Santa Rosa		(211,000.00)
6/29/2010	Crane Home Ranch - Conservation Easement		416,630.94
6/30/2010	Bayer Property - Conservation Easement		1,336,940.34
6/30/2010	Giorgi Park Rehabilitation - Conservation Easement		522,062.00
<b>TOTAL FY 09-10</b>			<b>60,082,067.24</b>

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<u>Date Acquired</u>	<u>Property Name</u>	<u>Location</u>	<u>Total Cost</u>
<b>TOTAL INTERESTS IN LAND AND EASEMENTS June 30, 2010</b>			<b>\$ 348,578,579.72</b>