

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**FINANCIAL STATEMENTS**

June 30, 2024

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
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June 30, 2024

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Santa Clara Valley Open Space Authority  
San Jose, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and each major fund of the Santa Clara Valley Open Space Authority, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Santa Clara Valley Open Space Authority'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 Santa Clara Valley Open Space Authority, as of June 30, 2024, and the respective changes in financial position thereof for the fiscal 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 Santa Clara Valley Open Space Authority 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 Santa Clara Valley Open Space Authority'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 generally accepted auditing standards and *Government Auditing Standards*, 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 Santa Clara Valley Open Space Authority'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 Santa Clara Valley Open Space Authority'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.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary information, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information, is the responsibility of management and, 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.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the Santa Clara Valley Open Space Authority'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 Authority's internal control over financial reporting and compliance.

*Moss, Remy & Hartgenheim LLP*

Santa Maria, California  
October 23, 2024

# Santa Clara Valley Open Space Authority

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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## INTRODUCTION

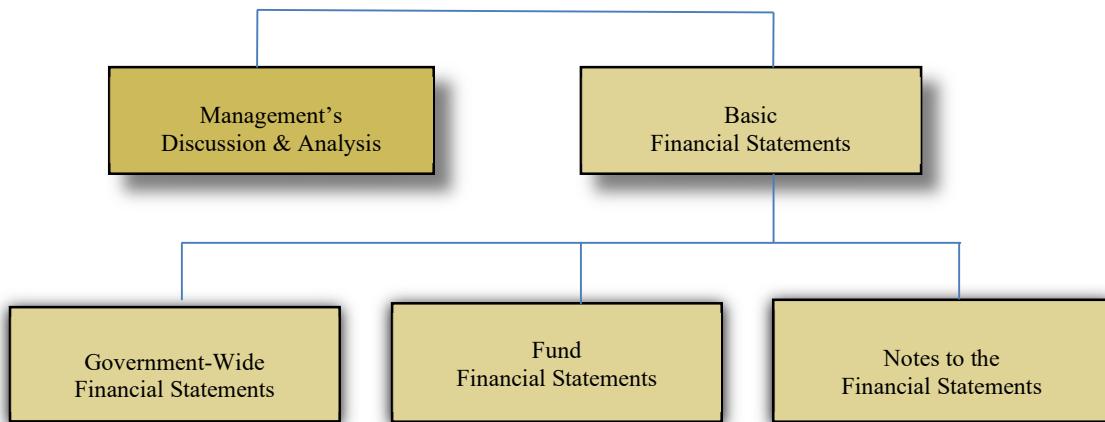
The Management’s Discussion and Analysis (MD&A) is a required section of the Authority’s annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the Authority’s financial performance during the fiscal year that ended on June 30, 2024. This report will (1) focus on significant financial issues, (2) provide an overview of the Authority’s financial activity, (3) identify changes in the Authority’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 Authority’s operations and financial standing.

## USING THE ANNUAL REPORT

The Statement of Net Position and Statement of Activities comprise the government-wide financial statements and provide information about the activities of the whole Authority, presenting both an aggregate view of the Authority’s finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell 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.

### Required Components of the Annual Financial Report



The view of the Authority as a whole looks at all financial transactions and asks the question, “How did we do financially during the fiscal year 2023 - 2024?” The Statement of Net Position and the Statement of Activities answer 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 Authority’s net position and changes in net position. This change in net position is important because it tells the reader that, for the Authority as a whole, the financial position of the Authority 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 changing laws in California restricting revenue growth, facility conditions and other factors.

## **Santa Clara Valley Open Space Authority**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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In the Statement of Net Position and the Statement of Activities, the Authority reports governmental activities. Governmental activities are the activities where the Authority's programs and services are reported. The Authority does not have any business type activities.

### **FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2024 were as follows:

- Total net position increased by \$4,797,193, from 2023 to 2024, primarily due to an increase in investments of capital assets.
- Capital assets, net of accumulated depreciation, increased by \$2,944,191 as a result of additions to capital assets from land purchases, construction in progress, and vehicles.
- Current assets increased by \$453,659, primarily due to the Authority's investments market value as of June 30, 2024 and accounts receivable for services in June.

### **REPORTING THE AUTHORITY'S MOST SIGNIFICANT FUNDS**

#### **Fund Financial Statements**

The analysis of the Authority's fund financial statements begins on page 12. Fund financial reports provide detailed information about the Authority's major funds. The Authority uses one operating fund, the Assessment District No.1 Fund, to account for a multitude of financial transactions.

#### **Governmental Funds**

The Assessment District No. 1 Fund is a governmental fund type and is reported using an accounting method called 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 Authority'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.

**Santa Clara Valley Open Space Authority**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Recall that the Statement of Net Position provides the perspective of the Authority as a whole. Table 1 provides a summary of the Authority's net position as of June 30, 2024 as compared to June 30, 2023:

Table 1 - Summary of Statement of Net Position				
Description	2024	2023	Change	Percentage Change
<b>Assets</b>				
Current Assets	54,281,873	53,828,214	453,659	0.84%
Capital Assets - Net	125,060,018	122,115,827	2,944,191	2.41%
<b>Total Assets</b>	<b>179,341,891</b>	<b>175,944,041</b>	<b>3,397,850</b>	<b>1.93%</b>
<b>Deferred Outflows</b>				
	1,462,614	1,382,426	80,188	5.80%
<b>Liabilities</b>				
Current Liabilities	774,278	1,227,997	(453,719)	-36.95%
Noncurrent Liabilities	3,847,209	3,514,771	332,438	9.46%
<b>Total Liabilities</b>	<b>4,621,487</b>	<b>4,742,768</b>	<b>(121,281)</b>	<b>-2.56%</b>
<b>Deferred Inflows</b>				
	2,961,969	4,159,843	(1,197,874)	-28.80%
<b>Net Position</b>				
Net Investment in Capital Assets	125,060,018	122,115,827	2,944,191	2.41%
Restricted	24,464,945	22,038,588	2,426,357	11.01%
Unrestricted	23,696,086	24,269,441	(573,355)	-2.36%
<b>Total Net Position</b>	<b>173,221,049</b>	<b>168,423,856</b>	<b>4,797,193</b>	<b>2.85%</b>

Total net position increased by \$4,797,193. Total assets increased by \$3,397,850 and total liabilities decreased by \$121,281. Net investment in capital assets increased by \$2,944,191 as a result of additions to capital assets from land purchases, construction in progress, and vehicles.



**Santa Clara Valley Open Space Authority**

Management’s Discussion and Analysis

For the Fiscal Year Ended June 30, 2024

Table 2 shows the changes in net position for fiscal year 2024 as compared to 2023.

<b>Table 2 - Summary of Changes in Net Position</b>				
Description	2024	2023	Change	Percentage Change
<b>Revenues</b>				
Program revenues:				
Operating grants and contributions	276,318	32,632	243,686	746.77%
Capital grants and contributions	2,521,521	2,977,107	(455,586)	-15.30%
General revenues:				
District 1 Assessments	4,376,042	4,369,166	6,876	0.16%
Measure Q Assessments	(24)	12	(36)	-300.00%
Measure T Assessments	8,036,256	8,018,268	17,988	0.22%
Investment Income (Loss)	2,226,419	964,451	1,261,968	130.85%
Other Revenues	542,181	382,087	160,094	41.90%
<b>Total Revenues</b>	<b>17,978,713</b>	<b>16,743,723</b>	<b>1,234,990</b>	<b>7.38%</b>
<b>Program Expenses</b>				
Administration	3,524,642	3,353,751	170,891	5.10%
Public Affairs	1,313,155	1,180,755	132,400	11.21%
Planning	739,745	682,680	57,065	8.36%
Conservation Initiatives & Grants	1,901,455	1,606,957	294,498	18.33%
Land Management	4,436,184	3,906,612	529,572	13.56%
20% Funding Program	-	-	-	0.00%
Depreciation	1,267,339	865,284	402,055	46.47%
<b>Total Expenses</b>	<b>13,182,520</b>	<b>11,596,039</b>	<b>1,586,481</b>	<b>13.68%</b>
<b>Change in Net Position</b>	<b>4,796,193</b>	<b>5,147,684</b>	<b>(351,491)</b>	<b>-6.83%</b>
<b>Beginning Net Position</b>	<b>168,423,856</b>	<b>163,276,172</b>	<b>5,147,684</b>	<b>3.15%</b>
<b>Ending Net Position</b>	<b>173,220,049</b>	<b>168,423,856</b>	<b>4,796,193</b>	<b>2.85%</b>

Most of the Authority’s revenue is derived from benefit assessments which are handled by the County of Santa Clara. In November 2020, Measure T was passed and replaced Measure Q. Effective in Fiscal Year 2021/2022, the Authority no longer received parcel tax revenues for Measure Q.

**Santa Clara Valley Open Space Authority**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

**THE AUTHORITY’S FUND BALANCE**

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

<b>Table 3 - Summary of Fund Balance</b>				
Description	2024	2023	Change	Percentage Change
Assessment District 1 Fund	9,991,402	11,080,670	(1,089,268)	-9.83%
Capital Reserve Fund	16,593,692	15,730,930	862,762	5.48%
Measure Q Fund	11,920,991	13,383,855	(1,462,864)	-10.93%
Measure T Fund	11,214,525	7,425,304	3,789,221	51.03%
Grant Fund	1,029,429	1,029,429	-	0.00%
<b>Total Fund Balance</b>	<b>50,750,039</b>	<b>48,650,188</b>	<b>2,099,851</b>	<b>4.32%</b>

**ASSESSMENT DISTRICT NO. 1 FUND BUDGETING HIGHLIGHTS**

The Authority’s budget is prepared according to California law and in the modified accrual basis of accounting.

Changes from the Authority's General Fund 2023/2024 original budget to the final budget are detailed in the Required Supplementary Information Section along with a comparison to actual activity for the year ended. The final budgeted revenue was \$4,667,585. The final budgeted expenditures and other uses of funds were \$6,497,913.

**CAPITAL ASSETS**

Table 4 shows June 30, 2024 capital asset balances as compared to June 30, 2023.

<b>Table 4 - Summary of Capital Assets Net of Depreciation</b>				
Description	2024	2023	Change	Percentage Change
Land	107,431,511	106,213,515	1,217,996	1.15%
Construction in Progress	3,107,976	6,522,544	(3,414,568)	-52.35%
Land Improvements	11,779,768	5,403,227	6,376,541	118.01%
Buildings	7,669,113	7,669,113	-	0.00%
Furniture and fixtures	162,632	162,632	-	0.00%
Vehicles	1,244,687	1,221,199	23,488	1.92%
Accumulated Depreciation	(6,335,669)	(5,076,403)	(1,259,266)	-24.81%
<b>Total Capital Assets, Net</b>	<b>125,060,018</b>	<b>122,115,827</b>	<b>2,944,191</b>	<b>2.41%</b>

## **Santa Clara Valley Open Space Authority**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2024

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### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Board of Directors adopted the Authority's budget for fiscal year 2025 on June 13, 2024. This budget assumes an increase of \$48,482 in assessment income from fiscal year 2024 to fiscal year 2025. The budget assumes the acquisition of \$2.31 million of new land and \$2.11 million of other capital spending. Operating expenditures are budgeted at \$6.64 million. If all revenues and expenditures occur as budgeted, the Authority's cash position would decrease by \$6.19 million in fiscal year 2025.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the General Manager, Santa Clara Valley Open Space Authority, 33 Las Colinas Lane, San Jose, CA 95119.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**STATEMENT OF NET POSITION**  
June 30, 2024

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	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 47,467,492
Interest receivable	282,626
Account receivable	2,884,990
Prepaid expenses	952,000
Deposit on easement	2,379,090
Lease receivable	315,675
Capital assets:	
Nondepreciable	110,539,487
Depreciable, net	<u>14,520,531</u>
 Total assets	 <u>179,341,891</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pensions	<u>1,462,614</u>
 Total deferred outflows of resources	 <u>1,462,614</u>
<b>LIABILITIES</b>	
Accounts payable	331,632
Payroll and other liabilities	245,831
Unearned revenue	5,087
Current portion of compensated absences	191,728
Noncurrent liabilities	
Compensated absences	222,708
Fund program liability	2,023,831
Net pension liability	<u>1,600,670</u>
 Total liabilities	 <u>4,621,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pensions	12,685
Lease receivable	344,795
Deferred revenues	<u>2,604,489</u>
 Total deferred inflows of resources	 <u>2,961,969</u>
<b>NET POSITION</b>	
Net investment in capital assets	125,060,018
Restricted for:	
Restricted for Measure Q	11,920,991
Restricted for Measure T	11,214,525
Restricted for Grant projects	1,029,429
Restricted for conservation easement stewardship	300,000
Unrestricted	<u>23,696,086</u>
 Total net position	 <u>\$ 173,221,049</u>

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

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2024

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Contributions and Grants		Capital Contributions and Grants
Governmental activities:					
Administration	\$ 3,524,642	\$ -	\$ 26,794	\$ -	\$ (3,497,848)
Public Affairs	1,313,155		102,502		(1,210,653)
Planning	739,745		172	1,185,399	445,826
Conservation Initiatives & Grants	1,901,455		15,030	1,190,764	(695,661)
Land Management	4,436,184		131,820	146,358	(4,158,006)
Depreciation (Unallocated)	1,267,339				(1,267,339)
Total governmental activities	<u>\$ 13,182,520</u>	<u>\$ -</u>	<u>\$ 276,318</u>	<u>\$ 2,522,521</u>	<u>(10,383,681)</u>
General Revenues					
Taxes:					
					4,376,042
					(24)
					8,036,256
					2,226,419
					542,181
					<u>15,180,874</u>
					4,797,193
					<u>168,423,856</u>
					<u>\$ 173,221,049</u>

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

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**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
June 30, 2024

	Assessment District No.1 <u>Fund</u>	Capital Reserve <u>Fund</u>	Measure Q <u>Fund</u>
<b>ASSETS</b>			
Cash and investments	\$ 12,111,453	\$ 16,658,585	\$ 6,584,279
Interest receivable	24,657	19,517	88,834
Accounts receivable	1,453,600		
Lease receivable			
Prepaid expenditures	952,000		
Deposit on easement			1,379,090
Due from other funds	6,450,457		3,873,163
	<u>6,450,457</u>	<u>                    </u>	<u>3,873,163</u>
Total assets	<u>\$ 20,992,167</u>	<u>\$ 16,678,102</u>	<u>\$ 11,925,366</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 331,632	\$ -	\$ -
Payroll and other liabilities	245,831		
Unearned revenue	667		
Due to other funds	10,422,635	84,410	
	<u>10,422,635</u>	<u>84,410</u>	<u>                    </u>
Total liabilities	<u>11,000,765</u>	<u>84,410</u>	<u>                    </u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases			
Deferred revenues			4,375
	<u>                    </u>	<u>                    </u>	<u>4,375</u>
Total deferred inflows of resources	<u>                    </u>	<u>                    </u>	<u>4,375</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures	952,000		
Restricted:			
Measure Q projects			11,920,991
Measure T projects			
Grant projects			
Conservation easement stewardship		300,000	
Assigned:			
20% funding program	2,023,831		
Capital projects		16,293,692	
Unassigned	7,015,571		
	<u>7,015,571</u>	<u>16,293,692</u>	<u>                    </u>
Total fund balances	<u>9,991,402</u>	<u>16,593,692</u>	<u>11,920,991</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,992,167</u>	<u>\$ 16,678,102</u>	<u>\$ 11,925,366</u>

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

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET (CONTINUED)**  
June 30, 2024

	Measure T Fund	Grant Fund	Totals
<b>ASSETS</b>			
Cash and investments	\$ 18,849,858	\$ 2,073,124	\$ 56,277,299
Interest receivable	149,618		282,626
Accounts receivable		1,431,390	2,884,990
Lease receivable	315,675		315,675
Prepaid expenditures			952,000
Deposit on easement		1,000,000	2,379,090
Due from other funds	99,015		10,422,635
	<u>99,015</u>	<u>1,000,000</u>	<u>10,422,635</u>
Total assets	<u>\$ 19,414,166</u>	<u>\$ 4,504,514</u>	<u>\$ 73,514,315</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 331,632
Payroll and other liabilities			245,831
Unearned revenue	4,420		5,087
Due to other funds	7,850,426	874,971	19,232,442
	<u>7,850,426</u>	<u>874,971</u>	<u>19,232,442</u>
Total liabilities	<u>7,854,846</u>	<u>874,971</u>	<u>19,814,992</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Leases	344,795		344,795
Deferred revenues		2,600,114	2,604,489
	<u>344,795</u>	<u>2,600,114</u>	<u>2,949,284</u>
Total deferred inflows of resources	<u>344,795</u>	<u>2,600,114</u>	<u>2,949,284</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepaid expenditures			952,000
Restricted:			
Measure Q projects			11,920,991
Measure T projects	11,214,525		11,214,525
Grant projects		1,029,429	1,029,429
Conservation easement stewardship			300,000
Assigned:			
20% funding program			2,023,831
Capital projects			16,293,692
Unassigned			7,015,571
	<u>11,214,525</u>	<u>1,029,429</u>	<u>50,750,039</u>
Total fund balances	<u>11,214,525</u>	<u>1,029,429</u>	<u>50,750,039</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,414,166</u>	<u>\$ 4,504,514</u>	<u>\$ 73,514,315</u>

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



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**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL**  
**FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2024**

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Total fund balances, governmental funds \$ 50,750,039

Amounts reported for governmental activities in the statement of net position are different because:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	131,395,687	
Accumulated depreciation		(6,335,669)	
		125,060,018	
Net			125,060,018

Long-term liabilities have not been included in the governmental funds activity:

Compensated absences	\$	(414,436)	
Fund program liability		(2,023,831)	
Pension liability		(1,600,670)	
		(4,038,937)	
Total			(4,038,937)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods.

In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred inflows of resources relating to pensions	\$	(12,685)	
Deferred outflows of resources relating to pensions		1,462,614	
		1,449,929	
Net			1,449,929

Total net position, governmental activities \$ 173,221,049

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

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2024**

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	Assessment District No.1 Fund	Capital Reserve Fund	Measure Q Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Revenues:</b>			
Assessments	\$ 4,376,042	\$ -	\$ (24)
Investment Income	239,792	762,762	737,308
Donations	2,502	100,000	
Intergovernmental grants			
Other revenues	315,875		
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total revenues	<u>4,934,211</u>	<u>862,762</u>	<u>737,284</u>
<b>Expenditures:</b>			
Administration	2,888,666		
Public Affairs	1,143,707		168
Planning	284,303		3,117
Conservation Initiatives & Grants	529,991		868,530
Land Management	1,109,116		387
Capital Outlay	67,696		1,327,946
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total expenditures	<u>6,023,479</u>	<u>                    </u>	<u>2,200,148</u>
Net change in fund balances	(1,089,268)	862,762	(1,462,864)
Fund balances, July 1	<u>11,080,670</u>	<u>15,730,930</u>	<u>13,383,855</u>
Fund balances, June 30	<u>\$ 9,991,402</u>	<u>\$ 16,593,692</u>	<u>\$ 11,920,991</u>

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

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)**

For the Fiscal Year Ended June 30, 2024

	Measure T Fund	Grant Fund	Totals
<b>Revenues:</b>			
Assessments	\$ 8,036,256	\$ -	\$ 12,412,274
Investment loss	486,557		2,226,419
Donations			102,502
Intergovernmental grants	118,214	2,578,123	2,696,337
Other revenues	226,306		542,181
Total revenues	<u>8,867,333</u>	<u>2,578,123</u>	<u>17,979,713</u>
<b>Expenditures:</b>			
Administration	482,359	26,794.00	3,397,819
Public Affairs	151,573		1,295,448
Planning	429,502	172	717,094
Conservation Initiatives & Grants	462,761	15,030	1,876,312
Land Management	3,212,804	13,606	4,335,913
Capital Outlay	339,113	2,522,521	4,257,276
Total expenditures	<u>5,078,112</u>	<u>2,578,123</u>	<u>15,879,862</u>
Net change in fund balances	3,789,221		2,099,851
Fund balances, July 1	<u>7,425,304</u>	<u>1,029,429</u>	<u>48,650,188</u>
Fund balances, June 30	<u>\$ 11,214,525</u>	<u>\$ 1,029,429</u>	<u>\$ 50,750,039</u>

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

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2024**

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Net change in fund balances - governmental funds	\$ 2,099,851
Amounts reported for governmental activities in the statement of activities are different because:	
Capital assets 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. This is the amount by which additions to capital assets of \$4,257,276 is greater than depreciation expense of \$1,267,339 in the period.	2,989,937
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amount earned by \$2,258.	2,258
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between pension costs and actual employer contributions was:	(249,107)
In governmental funds, the entire proceeds from disposal of capital assets are as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:	<u>(45,746)</u>
Change in net position - governmental activities	<u>\$ 4,797,193</u>

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

# SANTA CLARA VALLEY OPEN SPACE AUTHORITY

## NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2024

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. **Organization**

The Santa Clara Valley Open Space Authority (the Authority) was created on February 1, 1993 under California Public Resources Code, Section 35100. The purpose of the Authority is to acquire land through fee title and conservation easement for the preservation of open space, creation of a greenbelt, and to encourage agricultural activities, in an effort to counter the continuing and serious conversion of lands to urban uses. The priorities for such acquisitions were set through a public process that included input from members of the public, the Authority's Citizens' Advisory Committee and the cities and county within the Authority's jurisdiction and culminated in the creation of the Authority's 5-Year Plan.

#### B. **Reporting Entity**

The governing board consists of seven officials who, together, constitute the Board of Directors. The Authority's financial statements include the accounts of all its operations. The Authority evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

There are no component units included in this report which meets the criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, and No. 80.

#### C. **Government-wide and Fund 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 nonfiduciary activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) the annual benefit assessment that is assessed to all property owners within the Authority's service area and is reported as charges for services, and 2) contract services that represent service zones for service to other agencies or entities for service outside the Authority's current service area. Taxes and 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.

#### D. **Basis of Presentation**

Government-wide Financial Statements:

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 reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the Authority'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 Authority does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Basis of Presentation (Continued)**

Government-wide Financial Statements (Continued):

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 which are not classified as program revenues are presented as general revenues of the Authority, 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 Authority.

Fund Financial Statements:

Fund financial statements report detailed information about the Authority. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column.

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 and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances 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 year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Authority, “available” means collectible within the current period or within 90 days after fiscal year-end.

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

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants received before eligibility requirements are met are recorded as deferred revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Basis of Accounting (Continued)**

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 Authority's policy to use restricted resources first then unrestricted resources as they are needed.

**F. Fund Accounting**

The accounts of the Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance or net position, revenues, and expenditures. The Authority's 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. The Authority's accounts are organized into five major funds as follows:

Major Governmental Funds:

The *Assessment District No. 1 Fund* is the general operating fund of the Authority. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Capital Reserve Fund* is the Authority's long-term reserve.

The *Measure Q Fund* is the Authority's fund for tracking Measure Q parcel tax revenues, and expenditures for related projects.

The *Measure T Fund* is the Authority's fund for tracking Measure T parcel tax revenues, and expenditures for related projects.

The *Grant Fund* is the Authority's fund used to account for grant revenues and expenditures.

**G. Budgets and Budgetary Accounting**

The Authority adopts an annual budget on or before July 1 of each fiscal year. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations.

The Board of Directors may amend the budget by motion during each fiscal year. The original and revised budgets are presented for the Assessment District No. 1 Fund, Measure Q Fund, and Measure T Fund.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended.

**H. Prepaid Items**

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



**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2024

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**I. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Authority.

**J. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the American Institute of Certified Public Accountants, 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/expenses during the reporting period. Actual results could differ from those estimates.

**K. Long-term 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. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

**L. Compensated Absences**

The Authority’s personnel policies provide for paid vacation and sick leave (employee benefits) to its employees. Liabilities for vacation leave are recorded when granted up to a maximum of 240 hours. Employees having attained five years of employment are paid one-third of accrued sick leave, up to a 15-day maximum, upon retirement.

**M. Capital Assets**

Capital assets are recorded in the government-wide financial statements. Included in capital assets are land, building, building improvements, equipment, vehicles and furniture and fixtures.

The Authority has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures in governmental funds and as assets in the government-wide financial statements to the extent the Authority’s capitalization threshold is met.

All capital assets, except land and construction in progress, are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	3-50 years
Buildings	30 years
Furniture and Equipment	3-5 years
Vehicles	5 years

**N. Lease Receivable**

The Authority’s lease receivable is measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Fund Balances**

Fund balance of the governmental fund is classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the Authority’s governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the Authority intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Authority.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the Authority considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**P. Interfund Transactions**

Interfund transactions are reflected as loans, services provided, reimbursements, or transfers. Interfund loans are reported as either “due from/due to other funds.”

Services provided, deemed to be at-market or near-market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its cost as a reimbursement. All other interfund transactions are treated as transfers. All interfund activity is eliminated in the government-wide financial statements.

**Q. Deferred Outflows and Inflows of Resources**

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*,” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the Authority recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The Authority has one item which qualifies for reporting in this category; refer to Note 8 for a detailed listing of the deferred outflows of resources the Authority has reported.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**

**NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2024

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Q. Deferred Outflows and Inflows of Resources (Continued)**

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to a future reporting period. The Authority has three items which qualify for reporting in this category; deferred revenue, pension items and lease receivable, please refer to Note 8 and 9 for a detailed listing of the deferred inflows on pensions and lease receivables.

**R. Pensions**

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 Santa Clara Valley Open Space Authority's California Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan 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.

**S. Net Position**

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**T. Benefit Assessment**

The Authority utilizes the services of the Santa Clara County Tax Collector's Office to bill and collect the benefit assessment levied by the Authority each year on the property tax bills under the County Teeter Plan. Property tax bills are due on December 10<sup>th</sup> and April 10<sup>th</sup> each fiscal year. Therefore, the Authority receives two special assessment revenue payments, at the end of January and June, each year.

**U. Future Accounting Pronouncements**

GASB Statements listed below will be implemented in future financial statements:

Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.
Statement No. 102	"Certain Risk Disclosures"	The provisions of this statement are effective for fiscal years beginning after June 15, 2024.
Statement No. 103	"Financial Reporting Model Improvements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2025.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 2 – CASH AND INVESTMENTS**

On June 30, 2024, the Authority had the following cash and investments on hand:

Cash and investments with the County Treasurer	\$ 31,642,817
Investments	14,552,721
Cash in bank	1,270,484
Petty cash	<u>1,470</u>
<b>Total cash and investments</b>	<b><u>\$ 47,467,492</u></b>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	<u>\$ 47,467,492</u>
<b>Total cash and investments</b>	<b><u>\$ 47,467,492</u></b>

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Authority has the following recurring fair value measurements as of June 30, 2024:

Investments by fair value level		Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset backed securities	\$ 900,352	\$ -	\$ 900,352	\$ -
Mortgage backed securities	285,602		285,602	
Santa Clara County Investment Pool	31,642,817		31,642,817	
Federal agencies	3,502,456		3,502,456	
Corporate medium term notes	3,289,730		3,289,730	
Supranationals	293,991		293,991	
US Treasury	<u>6,109,300</u>		<u>6,109,300</u>	
<b>Total investments measured at fair value</b>	<b>46,024,248</b>	<b><u>\$ -</u></b>	<b><u>\$ 46,024,248</u></b>	<b><u>\$ -</u></b>
Investments measured at amortized cost				
Money market funds	<u>171,290</u>			
<b>Total investments</b>	<b><u>\$ 46,195,538</u></b>			

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Investments Authorized by the Authority’s Investment Policy

The table on the following page identifies the investment types that are authorized for the Authority by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
Local Agency Bonds	5 years	30%	5%	A
U.S Treasury Obligations	5 years	N/A	N/A	N/A
Federal Agency Securities	5 years	20%	25%	None
Bankers' Acceptances	180 days	40%	5%	A
Commercial Paper	270 days	25%	5%	A-1
Negotiable Certificate of Deposit	5 years	30%	5%	A-1
Non-negotiable Certificate of Deposit	5 years	20%	FDIC limit	N/A
Collateralized non-negotiable Certificate of Deposit	5 years	20%	None	N/A
Certificate of Deposit Placement Service	5 years	30%	None	N/A
Repurchase Agreements	1 year	None	None	N/A
Local Agency Investment Fund	N/A	None	\$ 75,000,000	N/A
Corporate Medium Term Notes	5 years	30%	5%	A
Asset backed securities	5 years	20%	5%	AA
Mortgage backed securities	5 years	20%	5%	AA
Mutual funds	N/A	10%	N/A	Highest possible
Money market mutual funds	N/A	20%	N/A	Highest possible
Supranationals	5 years	30%	10%	AA

Cash in County Treasury

The Authority maintains a portion of its cash in Santa Clara County Treasury, an external investment pool. The County pools these funds with those of other governmental entities in the county and invests the cash. These pooled funds are carried at fair value. Interest is earned based on average daily balance and is deposited quarterly into participating funds. Any investment gains and losses are proportionately shared by all funds in the pool. The County is restricted by the California Government Code to invest in obligations issued by the United States Treasury; obligations, participations, or other instruments of or issued by a federal agency or a United States government sponsored enterprise; obligations of State and local agencies of this State; bankers’ acceptances; commercial paper; negotiable certificates of deposit; repurchase agreements; medium-term corporate notes; as well as other investments established by the California Government Code. The County’s report discloses the required information in accordance with Governmental Accounting Standards Board Statement Nos. 3 and 40. Pooled investments are not required to be categorized by risk category.

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 California Government Code and the Authority’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the Authority’s deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk (Continued)

None of the Authority’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investments securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty’s trust department or agent but not in the government’s name. Investments in external pools, such as cash in county treasury, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

The Authority’s formal investment policy limits investment maturities to a maximum of 5 years as a means of managing its exposure to fair value losses arising from increasing interest rates.

Information about the sensitivity of the fair values of the Authority’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority’s investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 months</u>
Asset backed securities	\$ 900,352	\$ 97,800	\$ 65,211	\$ 737,341	\$ -
Mortgage backed securities	285,602	23,324		262,278	
Santa Clara County Investment Pool	31,642,817	31,642,817			
Federal agencies	3,502,456	1,401,731	542,335	1,558,390	
Corporate medium term notes	3,289,730	1,195,654	833,626	1,260,450	
US Treasury	6,109,300	2,486,400	981,637	2,641,263	
Supranationals	293,991			293,991	
Money market funds	171,290	171,290			
	<u>\$ 46,195,538</u>	<u>\$ 37,019,016</u>	<u>\$ 2,422,809</u>	<u>\$ 6,753,713</u>	<u>\$ -</u>

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 rating by a nationally recognized statistical rating organization. Presented on the following page is the minimum rating required by the California Government Code, the Authority’s investment policy, or debt agreements, and the actual rating as of the fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year End</u>				
			<u>AAA</u>	<u>AA+</u>	<u>A+</u>	<u>A</u>	<u>Not Rated</u>
Asset backed securities	\$ 900,352	AA	\$ 900,352	\$ -	\$ -	\$ -	\$ -
Mortgage backed securities	285,602	AA	285,602				
Santa Clara County Investment Pool	31,642,817	N/A					31,642,817
Federal agencies	3,502,456	N/A	3,502,456				
Corporate medium term notes	3,289,730	A	245,306	984,421	1,337,973	722,030	
US Treasury	6,109,300	N/A	6,109,300				
Supranationals	293,991	AA	293,991				
Money market funds	171,290	N/A					171,290
	<u>\$ 46,195,538</u>		<u>\$ 11,337,007</u>	<u>\$ 984,421</u>	<u>\$ 1,337,973</u>	<u>\$ 722,030</u>	<u>\$ 31,814,107</u>

Concentration of Credit Risk

The Authority’s investment policy limits the investment in one issuer to 5% of the portfolio. The Authority was not exposed to concentration of credit risk because it had no investments in any one issuer that exceeded 5% of its total investment portfolio.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 3 – CAPITAL ASSETS**

**Governmental activities**

	Balance July 1	Increases	Deletions	Transfers	Balance June 30
<b>Nondepreciable capital assets:</b>					
Land	\$ 106,213,515	\$ 1,217,996	\$ -	\$ -	\$ 107,431,511
Construction in Progress	6,522,544	2,955,883		(6,370,451)	3,107,976
<b>Total nondepreciable capital assets</b>	<b>\$ 112,736,059</b>	<b>\$ 4,173,879</b>	<b>\$ -</b>	<b>\$ (6,370,451)</b>	<b>\$ 110,539,487</b>
<b>Depreciable capital assets:</b>					
Land improvements	\$ 5,403,227	\$ 6,090	\$ -	\$ 6,370,451	\$ 11,779,768
Buildings	7,669,113				7,669,113
Furniture and fixtures	162,632				162,632
Vehicles	1,221,199	77,307	53,819		1,244,687
<b>Total depreciable capital assets</b>	<b>14,456,171</b>	<b>83,397</b>	<b>53,819</b>	<b>6,370,451</b>	<b>20,856,200</b>
Less accumulated depreciation	5,076,403	1,267,339	(8,073)		6,335,669
<b>Net depreciable capital assets</b>	<b>\$ 9,379,768</b>	<b>\$ (1,183,942)</b>	<b>\$ (45,746)</b>	<b>\$ 6,370,451</b>	<b>\$ 14,520,531</b>
<b>Net capital assets</b>	<b>\$ 122,115,827</b>	<b>\$ 2,989,937</b>	<b>\$ (45,746)</b>	<b>\$ -</b>	<b>\$ 125,060,018</b>

**NOTE 4 – INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Due From/Due to Other Funds

Individual fund interfund receivable and payable balances at June 30, 2024, are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>Major Governmental Funds:</b>		
Assessment District 1 Fund	\$ 6,450,457	\$ 1,612,828
Capital Reserve Fund		84,410
Measure Q Fund	3,873,163	
Measure T Fund	99,015	7,850,426
Grant Fund		874,971
<b>Totals</b>	<b>\$ 10,422,635</b>	<b>\$ 10,422,635</b>

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

**NOTE 5 – FUNDING PROGRAM LIABILITY**

The 20% Funding Program was established to assist participating jurisdictions with their own urban open space programs. The Five-Year Plan defines participating jurisdictions to consist of the cities of the County not within the Midpeninsula Open Space Authority’s boundaries. The program is funded with 20% of the Authority’s capital fund expenditures; the primary objective of which is for the acquisition of open space in urban areas. Recognizing that opportunities for land acquisition is limited or unavailable within urban areas, funds may be used for environmental restoration and/or site development projects that provide or enhance open space. The liability and assigned fund balance as of June 30, 2024 was as follows:

Government Agency	Balance July 1, 2023	Additions	Project Completion Distributions	Balance June 30, 2024
City of Campbell	\$ 46,721	\$ -	\$ -	\$ 46,721
City of Milpitas	197,806			197,806
City of Morgan Hill	38,442			38,442
City of San Jose	1,344,231			1,344,231
City of Santa Clara	55,346			55,346
Santa Clara County	341,285			341,285
<b>Total</b>	<b>\$ 2,023,831</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,023,831</b>

**NOTE 6 – LONG-TERM LIABILITIES**

**Changes in long-term liabilities**

The following is a summary of long-term liability activity for the fiscal year ended June 30, 2024:

	Balance July 1	Additions	Reductions	Balance June 30	Due Within One Year
<b>Governmental activities:</b>					
Compensated absences	\$ 416,694	\$ 412,865	\$ 415,123	\$ 414,436	\$ 191,728
20% funding liability	2,023,831			2,023,831	
Net pension liability	1,267,019	333,651		1,600,670	
Governmental activities					
Long-term liabilities	<b>\$ 3,707,544</b>	<b>\$ 746,516</b>	<b>\$ 415,123</b>	<b>\$ 4,038,937</b>	<b>\$ 191,728</b>

**NOTE 7 – JOINT VENTURES (JOINT POWERS AGREEMENTS)**

The Authority is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority is a member of the Special Authority Risk Management Authority (SDRMA). During the fiscal year June 30, 2024, the Authority had up to \$100 million per occurrence for workers compensation and \$5 million for employer’s liability coverage, subject to the terms, conditions and exclusions as provided in the Memorandum of Coverage from SDRMA.

The Authority has purchased additional insurance with a private insurance carrier to cover potential loss from various identified risks including loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters. Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the Authority’s insurance coverage during the current year. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage.



**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

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**NOTE 8 – PENSION PLAN**

**A. General Information about the Pension Plan**

*Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in the Authority’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Authority 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.

*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 nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or 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, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.75%
Required employer contribution rates	11.84% +\$73,259	7.68%

*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 is 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 Authority is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the Authority were \$565,082 for the fiscal year ended June 30, 2024.

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2024, the Authority reported a liability of \$1,600,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The Authority’s proportion of the net pension liability was based on a projection of the Authority’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2023, the Authority’s proportion was 0.03201%, which increased by 0.00493% from June 30, 2022.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 8 – PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the fiscal year ended June 30, 2024, the Authority recognized pension expense of \$814,189. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 565,082	\$ -
Differences between expected and actual experience	81,771	12,685
Changes in assumptions	96,640	
Net difference between projected and actual earnings on retirement plan investments	259,163	
Adjustment due to differences in proportions	304,779	
Difference in actual contributions and proportionate share of contributions	155,179	
	<u>\$ 1,462,614</u>	<u>\$ 12,685</u>

\$565,082 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

Fiscal Year <u>Ending June 30</u>	<u>Amount</u>
2025	\$ 382,905
2026	241,047
2027	253,458
2028	7,437
	<u>\$ 884,847</u>

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2024

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**NOTE 8 – PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions*

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

- (1) The mortality table used 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.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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 long-term market return expectations as well as the expected pension fund cash flows. Project returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 8 – PENSION PLAN (CONTINUED)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return Years 1-10(a)(b)
Global Equity - cap-weighted	30.0%	4.54%
Global Equity -non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

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

(b) Figures are based on the 2021-22 Asset Liability Management study.

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

The following represents the Authority’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1- percentage point higher (7.90 percent) than the current rate:

	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Authority's proportionate share of the net pension plan liability	\$ 3,034,895	\$ 1,600,670	\$ 420,180

*Pension Plan Fiduciary Net Position*

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

**C. Payable to the Pension Plan**

At June 30, 2024, the Authority had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2024.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2024

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**NOTE 9 – LEASE RECEIVABLE**

On June 6, 2022, the Authority entered into a three year lease with B&T Farms for use of 60 acres of the Authority's property. Beginning December 1, 2022, the lease shall only apply to 40 acres of the property. On December 12, 2022, the agreement was amended to increase back to 60 acres of property. Under the lease, B&T Farms shall pay the Authority \$700 per acre per year.

On May 8, 2018, the Authority entered into a six year lease with UC Farms for the use of 175 acres of the Authority's property. Under the lease, UC Farms shall pay the Authority \$465 per acre with the rate increasing annually by 1.5% at the lease commencement date. In May 2024, UC Farms exercised a 3 year option to extend the lease.

The lease receivable balance on June 30, 2024 was \$315,675. The lease receivable is measured at the present value of the future minimum rent payments expected during the lease term at a discount rate of 3%.

In the fiscal year ended June 30, 2024, the Authority recognized \$12,279 in interest revenue and \$125,372 in lease revenue.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**ASSESSMENT DISTRICT NO.1 FUND**  
**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Assessments	\$ 4,386,160	\$ 4,386,160	\$ 4,376,042	\$ (10,118)
Investment income	65,000	65,000	239,792	174,792
Donations			2,502	2,502
Other revenues	216,425	216,425	315,875	99,450
Total revenues	4,667,585	4,667,585	4,934,211	266,626
<b>Expenditures:</b>				
Administration	3,400,826	3,400,826	2,888,666	512,160
Public Affairs	1,127,291	1,127,291	1,143,707	(16,416)
Planning	327,658	327,658	284,303	43,355
Conservation Initiatives & Grants	457,247	457,247	529,991	(72,744)
Land Management	1,184,891	1,184,891	1,109,116	75,775
Capital outlay			67,696	(67,696)
Total expenditures	6,497,913	6,497,913	6,023,479	474,434
Net changes in fund balance	(1,830,328)	(1,830,328)	(1,089,268)	741,060
Fund balance, July 1	11,080,670	11,080,670	11,080,670	
Fund balance, June 30	\$ 9,250,342	\$ 9,250,342	\$ 9,991,402	\$ 741,060

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**MEASURE Q FUND**  
**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Assessments	\$ -	\$ -	\$ (24)	\$ (24)
Investment income	140,000	140,000	737,308	597,308
Total revenues	140,000	140,000	737,284	597,284
<b>Expenditures:</b>				
Public Affairs			168	(168)
Planning	20,000	20,000	3,117	16,883
Conservation Initiatives & Grants			868,530	(868,530)
Land Management	70,000	70,000	387	69,613
Capital outlay	4,649,980	4,649,980	1,327,946	3,322,034
Total expenditures	4,739,980	4,739,980	2,200,148	2,539,832
Net changes in fund balance	(4,599,980)	(4,599,980)	(1,462,864)	3,137,116
Fund balance, July 1	13,383,855	13,383,855	13,383,855	
Fund balance, June 30	<u>\$ 8,783,875</u>	<u>\$ 8,783,875</u>	<u>\$ 11,920,991</u>	<u>\$ 3,137,116</u>



**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE**  
**MEASURE T FUND**  
**For the Fiscal Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Assessments	\$ 8,052,024	\$ 8,052,024	\$ 8,036,256	\$ (15,768)
Investment income	25,000	25,000	486,557	461,557
Intergovernmental Grants			118,214	118,214
Other revenues	119,119	119,119	226,306	107,187
Total revenues	8,196,143	8,196,143	8,867,333	671,190
<b>Expenditures:</b>				
Administration	838,798	838,798	482,359	356,439
Public Affairs	353,850	353,850	151,573	202,277
Planning	860,303	860,303	429,502	430,801
Conservation Initiatives & Grants	1,385,677	1,385,677	462,761	922,916
Land Management	4,352,358	4,352,358	3,212,804	1,139,554
Capital outlay	95,000	95,000	339,113	(244,113)
Total expenditures	7,885,986	7,885,986	5,078,112	2,807,874
Net changes in fund balance	310,157	310,157	3,789,221	3,479,064
Fund balance, July 1	7,425,304	7,425,304	7,425,304	
Fund balance, June 30	\$ 7,735,461	\$ 7,735,461	\$ 11,214,525	\$ 3,479,064

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
Last 10 Years  
As of June 30, 2024

The following table provides required supplementary information regarding the Authority's Pension Plan.

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.01283%	0.01097%	0.00058%	0.00847%	0.00744%
Proportionate share of the net pension liability	\$ 1,600,670	\$ 1,267,019	\$ 31,254	\$ 921,528	\$ 762,146
Covered payroll	\$ 4,934,457	\$ 4,577,979	\$ 4,348,067	\$ 3,389,687	\$ 2,978,896
Proportionate share of the net pension liability as percentage of covered payroll	32.4%	27.7%	0.7%	27.2%	25.6%
Plan's total pension liability	\$ 52,441,984,274	\$ 49,525,975,138	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489
Plan's fiduciary net position	\$ 39,966,633,692	\$ 37,975,170,163	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067
Plan fiduciary net position as a percentage of the total pension liability	76.21%	76.68%	88.29%	75.10%	75.26%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.00649%	0.00659%	0.00577%	0.00789%	0.00557%
Proportionate share of the net pension liability	\$ 625,437	\$ 654,031	\$ 499,473	\$ 541,769	\$ 346,849
Covered payroll	\$ 2,554,352	\$ 2,468,440	\$ 2,442,660	\$ 2,143,596	\$ 1,459,746
Proportionate share of the net pension liability as percentage of covered payroll	24.5%	26.5%	20.4%	25.3%	23.8%
Plan's total pension liability	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631
Plan's fiduciary net position	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%	79.82%

**Notes to Schedule:**

Changes in assumptions

There were no changes in assumptions for the fiscal year ended June 30, 2024.

**SANTA CLARA VALLEY OPEN SPACE AUTHORITY**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
Last 10 Years  
As of June 30, 2024

The following table provides required supplementary information regarding the Authority's Pension Plan.

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution (actuarially determined)	\$ 565,082	\$ 494,268	\$ 493,264	\$ 456,072	\$ 328,483
Contribution in relation to the actuarially determined contributions	565,082	494,268	493,264	456,072	328,483
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,896,886	\$ 4,934,457	\$ 4,577,979	\$ 4,348,067	\$ 3,389,687
Contributions as a percentage of covered payroll	9.58%	10.02%	10.77%	10.49%	9.69%
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution (actuarially determined)	\$ 331,657	\$ 301,654	\$ 319,350	\$ 308,227	\$ 192,716
Contribution in relation to the actuarially determined contributions	331,657	301,654	319,350	308,227	192,716
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,978,896	\$ 2,554,352	\$ 2,468,440	\$ 2,442,660	\$ 2,143,596
Contributions as a percentage of covered payroll	11.13%	11.81%	12.94%	12.62%	8.99%

**Notes to Schedule**

For the fiscal year ended June 30, 2024, the discount rate was decreased from 7.00% to 6.80% and the price inflation assumption was decreased from 2.50% to 2.30%.



**INDEPENDENT AUDITORS' 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***

Board of Directors  
Santa Clara Valley Open Space Authority  
San Jose, California

We have audited, in accordance with the 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 the Santa Clara Valley Open Space Authority (the Authority), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 23, 2024.

**Report on Internal Control over Financial Reporting**

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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 statement. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moss, Renz & Hartgen LLP*

Santa Maria, California  
October 23, 2024