

Memo

To: Land Bank Commissioners and staff

From: Judy Cumming, Financial Clerk

RE: Combined Financial Statements for the period ending December 31, 2018 FINAL after SJC Treasurer adjustment to REET posting in May, 2019

The budget figures on these reports reflect the 2018 Amended Budget, approved by the SJC Council on December 4, 2018. Other items to note:

CONSERVATION AREA FUND FINANCIAL STATEMENT

BALANCE SHEET (ASSETS & LIABILITIES)

- LGIP interest rate –the interest rate has continued to increase and remained above 2% for the last 5 months of 2018.
- Total Current Assets –declined during the 4th quarter of the year as cash was used to make year-end payments on the bonds, one Promissory Note, and transfers into the Stewardship Fund. State Grant funds are expected to be received in 2019.
- Real Property - has been adjusted to include 2018 acquisitions.
- Long-term liabilities – the Clure Note has been paid in full.
- General Obligation Bonds Payable - has been reduced by the principle amount of the payments made in 2018.

REVENUE & EXPENDITURES

- 1% REET - amount collected was higher than budgeted. REET collected in 2018 exceeded REET revenue for 2017 by 7.14%.
- State Grant Revenue - Billing is in process with both of the grants, which make up the \$2,100,000 amount.
- Sale of Land –the first payment on the Sale of the Argyle Lots was received in December 2018. The second payment will be made in January of 2019, and the last payment will be made in January of 2020.
- Acquisition costs – 74.81% of the budgeted amount was expended. The Beaverton Marsh property is expected to close in 2019.
- Admin % is 7.19% of revenue for 2018.

STEWARDSHIP & MANAGEMENT FUND FINANCIAL STATEMENT

BALANCE SHEET (ASSETS & LIABILITIES)

- Total current assets – increased \$656,023 from the prior year.
- Interest rates – Local Government Interest rates increased to 2.3780%.

REVENUE & EXPENDITURES

- Revenue ended the year at \$1,565,367, \$518,000 of which is endowment fund revenue.
- Sale of Plant Materials ended the year at 84.26% of the budgeted amount. The remaining plant revenue was received in January.
- Investment interest earnings of the \$63,232. Revenue, \$36,150 was earned by the \$2.5M invested in Treasury Bonds and \$26,082 was earned by the nearly \$1.5M in Local Government Investment Pool.
- Stewardship Revenue was 45.35% higher than in 2017; expenditures were 7.38% higher.

**SJC Land Bank Conservation Area Fund -1021
Combined Financial Statements**

As of December 31, 2018

| | Dec 31, 18 | Dec 31, 17 | \$ Change | interest rate | last year | REET | 2018 | 2017 | 2016 | 2015 |
|--|-------------------|-------------------|------------------|---------------|-----------|--|------------------|------------------|--------------------|--------------------|
| ASSETS | | | | | | Jan | 254,702 | 172,514 | 149,272 | 186,046 |
| Current Assets | | | | | | Feb | 167,966 | 169,185 | 201,727 | 123,151 |
| Checking/Savings | | | | | | Mar | 290,352 | 171,490 | 199,200 | 234,363 |
| Cash - Conservation Area Fund | 147,101 | 145,884 | 1,216 | | | Apr | 268,095 | 270,990 | 180,606 | 153,173 |
| Total Checking/Savings | 147,101 | 145,884 | 1,216 | | | May | 364,180 | 397,192 | 254,461 | 185,896 |
| Other Current Assets | | | | | | Jun | 492,664 | 383,669 | 222,401 | 203,906 |
| Local Government Investment Pool | 3,130,751 | 3,680,751 | (550,000) | 2.38% | 129.11% | Jul | 338,557 | 244,197 | 252,983 | 325,752 |
| Total Other Current Assets | 3,130,751 | 3,680,751 | (550,000) | | | Aug | 330,148 | 464,757 | 366,310 | 244,565 |
| Total Current Assets | 3,277,852 | 3,826,636 | (548,784) | | | Sep | 312,586 | 384,741 | 329,388 | 241,799 |
| Other Assets | | | | | | Oct | 415,026 | 365,761 | 268,905 | 237,257 |
| LCTN Fund | 645 | 645 | - | | | Nov | 280,739 | 258,218 | 260,645 | 242,280 |
| Odlin S. Donations | 4,414 | 4,414 | - | | | Dec* | 310,146 | 277,641 | 322,227 | 290,507 |
| 171 - Real Property | 60,188,712 | 56,911,644 | 3,277,068 | | | Total | 3,825,162 | 3,560,356 | 3,008,124 | 2,668,695 |
| Total Other Assets | 60,193,771 | 56,916,703 | 3,277,068 | | | * includes \$10,602.62 made by SJC Treasurer | | | | |
| TOTAL ASSETS | 63,471,623 | 60,743,339 | 2,728,284 | | | | | | | |
| LIABILITIES & EQUITY | | | | | | Current Year New Projects | | YTD | 2018 Budget | % of Budget |
| Liabilities | | | | | | General Pro Fees - Acquisition | | 20,898 | 30,000 | 69.66% |
| Current Liabilities | | | | | | 328 Caines-Driggs Park/Kilpatrick | | 911,688 | 911,688 | 100.0% |
| Other Current Liabilities | | | | | | Cady Mtn Preserve/Lester | | 473,522 | 473,522 | 100.0% |
| Lopez Community Trails Network | 645 | 645 | - | | | Cattle Point Rd./Woodbridge | | 230 | 200,000 | 0.12% |
| Odlin South Donations | 4,414 | 4,414 | - | | | Beaverton Marsh & Uplands | | 4,080 | 550,000 | |
| Total Other Current Liabilities | 5,059 | 5,059 | - | | | Double R Bar CE /Ritchie | | 72 | 150,000 | 0.05% |
| Total Current Liabilities | 5,059 | 5,059 | - | | | Lopez Channel Preserve/Clure | | 146,236 | 140,000 | 104.45% |
| Long Term Liabilities | | | | | | Lopez Hill Preserve | | 1,048,050 | 1,048,000 | 100.01% |
| Clure Family LLC Property Note | - | 135,000 | (135,000) | | | Total Current Year New Projects | | 2,604,776 | 3,503,210 | 74.35% |
| LFM, LLC Property Note | 1,335,000 | - | 1,335,000 | | | | | | | |
| Triangle C LLC Property Note | 310,000 | 310,000 | - | | | | | | | |
| General Obligation Bonds Payable | 6,265,000 | 6,715,000 | (450,000) | | | | | | | |
| Total Long Term Liabilities | 7,910,000 | 7,160,000 | 750,000 | | | | | | | |
| Total Liabilities | 7,915,059 | 7,165,059 | 750,000 | | | | | | | |
| Equity | | | | | | | | | | |
| Unreserved SJC Conserv Fund | 55,556,564 | 53,578,280 | 1,978,284 | | | | | | | |
| Total Equity | 55,556,564 | 53,578,280 | 1,978,284 | | | | | | | |
| TOTAL LIABILITIES & EQUITY | 63,471,623 | 60,743,339 | 2,728,284 | | | | | | | |

| | Amended | | | | | |
|--------------------------------|------------------|------------------|---------------|------------------|------------------|----------------|
| | Jan - Dec 18 | Budget | % of Budget | Jan - Dec 18 | Jan - Dec 17 | % Change |
| Revenue | | | | | | |
| Beginning Cash | 3,826,636 | 3,826,636 | 100.0% | | | |
| General Property Taxes | 315,477 | 331,500 | 95.17% | 315,477 | 310,697 | 1.54% |
| Timber Harvest Taxes | 92 | | | 92 | 51 | 78.99% |
| Excise Taxes | 2,794 | 1,010 | 276.6% | 2,794 | 1,075 | 159.78% |
| 1% RE Excise Tax Conservation | 3,814,452 | 3,000,000 | 127.15% | 3,814,452 | 3,560,355 | 7.14% |
| State Grants | - | 2,100,000 | 0.0% | - | 985,000 | -100.0% |
| DNR PILT NAP/NRPA | 173 | 200 | 86.34% | 173 | 262 | -34.02% |
| Interest and Other Earnings | 56,011 | 30,000 | 186.71% | 56,011 | 50,174 | 11.63% |
| Donations from Private Sources | 673 | 2,500 | 26.9% | 673 | 41,080 | -98.36% |
| Refund Prior Year Expen | 2,570 | | | 2,570 | 1 | 256,853.0% |
| Conservation Buyer Prog | 250,000 | 250,000 | 100.0% | 250,000 | - | 100.0% |
| Lodging Tax transfer | 120,164 | 120,164 | 100.0% | 120,164 | - | 100.0% |
| Total Revenue | 8,389,041 | 9,662,010 | 86.83% | 4,562,405 | 4,948,696 | -7.81% |
| Expenditures | | | | | | |
| Ending Cash | 3,277,852 | 3,623,722 | 90.46% | | | |
| Administrative Expenses | 327,994 | 343,192 | 95.57% | 327,994 | 313,947 | 4.47% |
| Transfers to Stewardship | 1,484,591 | 1,484,591 | 100.0% | 1,484,591 | 1,018,609 | 45.75% |
| Acquisition Costs | 2,675,929 | 3,577,097 | 74.81% | 2,675,929 | 3,963,513 | -32.49% |
| Bond/Loan Repayment | 633,276 | 633,408 | 99.98% | 633,276 | 624,433 | 1.42% |
| Total Expenditures | 8,399,643 | 9,662,010 | 86.94% | 5,121,791 | 5,920,502 | -13.49% |
| admin % | | | | 7.19% | 6.34% | |



**SJC Land Bank Stewardship & Management Fund
Combined Financial Statements
As of December 31, 2018**

| | Dec 31, 18 | Dec 31, 17 | \$ Change | interest rate | last year | Description | May be called | next call date | likely call date | yield @likely call date | maturity | yield to maturity | discount on investment |
|--|------------------|------------------|------------------|---------------|-----------|--|---------------|----------------|------------------|-------------------------|----------|-------------------|------------------------|
| ASSETS | | | | | | | | | | | | | |
| Current Assets | | | | | | | | | | | | | |
| Checking/Savings | | | | | | | | | | | | | |
| Cash - Stewardship Fund | 563,970 | 907,946 | (343,977) | | | | | | | | | | |
| Total Checking/Savings | 563,970 | 907,946 | (343,977) | | | | | | | | | | |
| Other Current Assets | | | | | | | | | | | | | |
| 3136G1N54 5 year FNMA Bond | 500,000 | 500,000 | - | 1.3000% | | Fannie Mae* | annually | 6/13/19 | 6/13/19 | 1.3000% | 6/13/19 | 1.4700% | 3,970 |
| 3133EGEU5 4 yr 6 mo Bond FFCB | 1,000,000 | 1,000,000 | - | 1.4510% | | FFCB** | continually | | | 1.1500% | 12/14/20 | 1.4511% | pd @ purch |
| 3130A9ES6 5 year Bond FHLB | 500,000 | 500,000 | - | 1.4500% | | FHLB*** | continually | | | 1.4500% | 9/27/21 | 1.4500% | pd @ purch |
| 3130A8P80 3 yr 11 mo FHLB | 500,000 | 500,000 | - | 1.8100% | | FHLB*** | continually | | 4/19/19 | 2.1330% | 1/19/21 | 1.8100% | 7,705 |
| Local Government Investment Pool | 1,491,163 | 491,163 | 1,000,000 | 2.3780% | 1.2911% | | | | | | | | 11,675 |
| Total Other Current Assets | 3,991,163 | 2,991,163 | 1,000,000 | | | *Federal National Mortgage Association | | | | | | | |
| Total Current Assets | 4,555,133 | 3,899,109 | 656,023 | | | ** Federal Farm Credit Banks | | | | | | | |
| Other Assets | | | | | | *** Federal Home Loan Banks | | | | | | | |
| SJPT Turtleback Stewardship | - | 1,597,789 | (1,597,789) | | | | | | | | | | |
| Total Other Assets | - | 1,597,789 | (1,597,789) | | | | | | | | | | |
| TOTAL ASSETS | 4,555,133 | 5,496,899 | (941,766) | | | | | | | | | | |
| LIABILITIES & EQUITY | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | | | | |
| Other Current Liabilities | | | | | | | | | 1/19/2018 | 500K | 1M | | |
| Preserve Endowments | - | - | - | | | | | | 3/27/2018 | | | | |
| 231 - Other Accrued Liabilities | 11,675 | 11,675 | - | | | | | | 6/13/2018 | 3,250 | | 3,625 | 3,500 |
| Total Other Current Liabilities | 11,675 | 11,675 | - | | | | | | 6/14/2018 | | 7,700 | | |
| Total Current Liabilities | 11,675 | 11,675 | - | | | | | | 7/19/2018 | | | 3,500 | |
| Long Term Liabilities | | | | | | | | | 9/27/2018 | | | 3,625 | |
| Deferred Revenue | - | 1,597,789 | (1,597,789) | | | | | | 12/13/2018 | 3,250 | | | |
| Total Long Term Liabilities | - | 1,597,789 | (1,597,789) | | | | | | 12/14/2018 | 7,700 | | | |
| Total Liabilities | 11,675 | 1,609,464 | (1,597,789) | | | | | | | 6,500 | 15,400 | 7,250 | 7,000 |
| Equity | | | | | | | | | | | | | 36,150 |
| 271.25 - Stewardship Fund Balance | 4,543,458 | 3,887,435 | 656,023 | | | | | | | | | | |
| Total Equity | 4,543,458 | 3,887,435 | 656,023 | | | | | | | | | | |
| TOTAL LIABILITIES & EQUITY | 4,555,133 | 5,496,899 | (941,766) | | | | | | | | | | |

| | Amended | | | | | |
|-----------------------------------|------------------|------------------|----------------|------------------|------------------|---------------|
| | Jan - Dec 18 | Budget | % of Budget | Jan - Dec 18 | Jan - Dec 17 | % Change |
| Revenue | | | | | | |
| Reserved Cash and Investments | 3,899,110 | 3,899,110 | 100.0% | - | - | 0.0% |
| Sale of Plant Materials | 12,638 | 15,000 | 84.26% | 12,638 | 7,756 | 62.95% |
| Investment Interest Earnings | 62,232 | 40,650 | 153.09% | 62,232 | 42,309 | 47.09% |
| Leased Property | 4,185 | 3,885 | 107.73% | 4,185 | 3,385 | 23.63% |
| Donations from Private Sources | 800 | 2,500 | 32.0% | 800 | 4,248 | -81.17% |
| Restitution | 413 | | | 413 | - | 100.0% |
| Prior Year Refund | | | | - | 14 | -100.0% |
| Sales Tax State Remittances | 507 | 1,245 | 40.76% | 507 | 616 | -17.59% |
| Transfers in: YE Endowment | 518,000 | 518,000 | 100.0% | 518,000 | 300,000 | 72.67% |
| Transfers in: Site Enhancement | 966,591 | 966,591 | 100.0% | 966,591 | 718,609 | 34.51% |
| Total Revenue | 5,464,477 | 5,446,981 | 100.32% | 1,565,367 | 1,076,937 | 45.35% |
| Expenditures | | | | | | |
| Ending Operating Cash | 1,055,133 | 1,043,901 | 101.08% | | | |
| Ending Endowment Funds | 3,500,000 | 3,418,000 | 102.4% | | | |
| Stewardship Management | 696,740 | 751,050 | 92.77% | 696,740 | 661,326 | 5.36% |
| Property Management & Maintenance | 167,997 | 134,030 | 125.34% | 167,997 | 166,989 | 0.6% |
| Site Enhancement | 44,607 | 100,000 | 44.61% | 44,607 | 18,524 | 140.81% |
| Total Expenditures | 5,464,477 | 5,446,981 | 100.32% | 909,344 | 846,838 | 7.38% |

