

Memo

To: Land Bank Commissioners and staff

From: Aaron Rock, Financial Clerk

RE: Combined Financial Statements for the period ending December 31, 2021

February 11, 2022

The budget figures on these reports reflect the Revised 2021 Budget, approved by the LBC 11/19/21 and approved by the SJC Council on 12/7/2021.

Other items to note:

CONSERVATION AREA FUND FINANCIAL STATEMENT

BALANCE SHEET (ASSETS & LIABILITIES)

- Total Current Assets (H11) increased by \$351,990 in the 3rd quarter of the year, bringing the total to just over \$7.2M.
- LGIP interest rate (I9) - has decreased to 0.0966%, compared to 0.1619% at the end of December 2020.
- Real Property (F15) – will be reconciled to include 2022 transactions as part of the long-term debt reclassification on the general ledger

REVENUE & EXPENDITURES

- 1% REET (I46) EOY at \$6,725,012 received is (K46) 112.08% of the budgeted amount of (J46) \$6M, and 18.32% higher than EOY for 2020 (N46)
- 4rd Quarter Transfer to Stewardship was made in December (H55) as well as Bond/Loan Repayment (H62) in accordance with the budget and repayment schedule.
- Donations from Private Sources in the amount of \$707,420 for the Barker Property and Spender Spit Conservation Easement Donation from the 2021 YTD (I50) balances against Acquisition Costs (I60)
- Administration expenditures (I54) are 3.04 % of revenue (I51).

STEWARDSHIP & MANAGEMENT FUND FINANCIAL STATEMENT

BALANCE SHEET (ASSETS & LIABILITIES)

- Cash in the Stewardship & Management Fund (H6) increased by \$460,000 over 3rd quarter.
- Drop in interest rates for LGIP noted above.

REVENUE & EXPENDITURES

- Sale of Plant Materials (N37) surpassed 2020 totals by 101.99%
- The 4th quarter Site Enhancement (H45) and Year End Endowment (H44) transfers were made in December from the Conservation Area Fund based on the commission approved Amended 2021 budget.
- The 2021 YTD Site Enhancement transfer fall short at 91.33% (K45) of the County Budget.
- Property Management and Maintenance was inline with budgeted projects and activities at \$83.39% (K52)


SJC Land Bank Conservation Area Fund -1021
Combined Financial Statment
As of December 31, 2021

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
1																		
2						Dec 31, 21	Sep 30, 21	\$ Change	interes rate	last year		REET	2021	2020	2019	2018		
3	ASSETS											Jan	415,281	253,930	137,639	254,702		
4	Current Assets											Feb	303,073	171,649	158,492	167,966		
5	Checking/Savings											Mar	391,898	290,927	184,035	290,352		
6	Cash - Conservation Area Fund					3,844,449	3,492,459	351,990				Apr	672,670	159,774	285,147	268,095		
7	Total Checking/Savings					3,844,449	3,492,459	351,990				May	552,318	263,579	478,849	364,180		
8	Other Current Assets											Jun	882,523	393,335	306,812	492,664		
9	Local Governemt Investment Pool					3,705,751	3,705,751	0	0.0966%	0.1619%		Jul	655,661	659,936	322,049	338,557		
10	Total Other Current Assets					3,705,751	3,705,751	0				Aug	588,043	590,671	431,698	330,148		
11	Total Current Assets					7,550,200	7,198,211	351,990				Sep	485,643	762,684	306,261	312,586		
12	Other Assets											Oct	594,848	907,755	425,956	415,026		
13	LCTN Fund					645	645	0				Nov	694,893	569,385	307,203	280,739		
14	Odlin S. Donations					4,414	4,414	0				Dec	448,162	660,297	478,316	299,437		
15	Real Property					67,949,493	67,949,493	0				Total	6,725,012	5,683,923	3,822,457	3,814,453		
16	Total Other Assets					67,954,553	67,954,553	0										
17	TOTAL ASSETS					75,504,753	75,152,763	351,990				Current Year New Projects			YTD	2021	% of Budget	
18	LIABILITIES & EQUITY															Amended Budget		
19	Liabilities											Davis Bay Farm			76,008	80,000	95.01%	
20	Current Liabilities											Cady Mtn Dev LLC / Buck			1,715,824	1,700,000	100.93%	
21	Other Current Liabilities											Double R Bar CE /Ritchie			150,000	150,000	100.0%	
22	Lopez Community Trails Network					645	645	0				Lopez Hill Additon			720,775	728,000	99.01%	
23	Odlin South Donations					4,414	4,414	0				Higgins (Watmough Bay)			12,430	1,585,000	0.78%	
24	Double R Bar Ranch Note Payable					150,000	150,000	0				Hauschka Preserve			730	400,000	0.18%	
25	Total Other Current Liabilities					155,059	155,059	0				Total Current Year New Projects			2,675,767	4,643,000	57.63%	
26	Total Current Liabilities					155,059	155,059	0										
27	Long Term Liabilities																	
28	General Obligation Bonds Pyble					4,845,000	5,330,000	(485,000)										
29	Total Long Term Liabilities					4,845,000	5,330,000	(485,000)										
30	Total Liabilities					5,000,059	5,485,059	(485,000)										
31	Equity																	
32	Unreserved SJC Conserv Fund					68,277,111	67,792,111	485,000										
33	Retained Earnings					(683)	(683)	0										
34	Revenues in excess of expenditures					2,228,266	1,876,276	351,990										
35	Total Equity					70,504,694	69,667,704	836,990										
36	TOTAL LIABILITIES & EQUITY					75,504,753	75,152,763	351,990										
37																		
38																		
39						Oct 21	Nov 21	Dec 21	2021 YTD	Amended Budget	% of Budget	2021	2020	% Change				
40	Ordinary Income/Expense																	
41	Revenue																	
42	Beginning Cash								-	5,321,934	0.0%							
43	Conservation Fututres Tax					90,211	25,063	2,716	337,050	328,563	102.58%	337,050	331,528	1.67%				
44	Timber Harvest Taxes						81		96			96	45	114.6%				
45	Excise Taxes					4	335	28	1,394	1,000	139.44%	1,394	1,257	10.95%				
46	1% RE Excise Tax Conservation					594,848	694,893	488,162	6,725,012	6,000,000	112.08%	6,725,012	5,683,923	18.32%				
47	State Grants								740,525	916,473	80.8%	740,525	1,000,000	-25.95%				
48	DNR PILT NAP/NRPA							163	163	200	81.65%	163	161	1.34%				
49	Interest and Other Earnings					279	250	271	4,059	16,000	25.37%	4,059	13,200	-69.25%				
50	Donations from Private Sources					10,000			722,516	502,500	143.78%	722,516	545	132,471.74%				
51	Loan from Stewardship								-	3,000,000	0.0%	-	565,000	-100.0%				
52	Conservation Buyer Prog								847,977	847,977	100.0%	847,977	237,026	257.76%				
53	Reimbursment from CARES												4,091	-100.0%				
54	Logging Tax Transfer												15,175	-100.0%				
55	Total Revenue					695,343	720,621	491,341	9,378,793	16,934,647	55.38%	9,378,793	7,851,950	19.45%				
56	Expenditures																	
57	Ending Cash								-	2,692,293	0.0%							
58	Administrative Expenses					26,227	17,864	19,539	285,383	308,877	92.39%	285,383	281,822	1.26%				
59	Transfers to Stewardship							904,821	2,114,863	2,268,166	93.24%	2,114,863	2,022,491	4.57%				
60	Acquisition Costs					9,998	13,923	4,958	3,441,630	10,356,659	33.23%	3,441,630	1,959,129	75.67%				
61	Interfund Loan Debt Service								571,450	571,450	100.0%	571,450	10,500	5,342.38%				
62	Bond/Loan Repayment							557,984	737,201	737,202	100.0%	737,201	635,922	15.93%				
63	Total Expense					36,225	31,787	1,487,303	7,150,527	16,934,647	42.22%	7,150,527	4,909,864	45.64%				
64	Admin %								3.04%									
65																		



SJC Land Bank Stewardship & Management Fund
Combined Financial Statment
As of December 31, 2021

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2						Dec 31, 21	Sep 30, 21	\$ Change	Interest rate	last year					
3	ASSETS														
4	Current Assets														
5	Checking/Savings														
6	Cash - Stewardship Fund				2,112,342	1,651,742	460,600	0.0966%	0.1619%						
7	Total Checking/Savings				2,112,342	1,651,742	460,600								
8	Other Current Assets														
9	Local Government Investment Pool				4,691,163	4,691,163	-								
10	Total Other Current Assets				4,691,163	4,691,163	-								
11	Total Current Assets				6,803,505	6,342,906	460,600								
12	TOTAL ASSETS				6,803,505	6,342,906	460,600								
13	LIABILITIES & EQUITY														
14	Liabilities														
15	Current Liabilities														
16	Other Current Liabilities														
17	Preserve Endowments				-	-	-								
18	Other Accrued Liabilities				-	-	-								
19	Total Other Current Liabilities				-	-	-								
20	Total Current Liabilities				-	-	-								
21	Total Liabilities				-	-	-								
22	Equity														
23	Stewardship Fund Balance				5,132,211	5,132,211	-								
24	Retained Earnings				-	-	-								
25	Revenues in excess of expenditures				1,671,294	1,210,694	460,600								
26	Total Equity				6,803,506	6,342,906	460,600								
27	TOTAL LIABILITIES & EQUITY				6,803,506	6,342,906	460,600								
28															
29															
30						Oct 21	Nov 21	Dec 21	2021 YTD	Budget	% of Budget	2021	2020	% Change	
31	Revenue														
32	Reserved Cash and Investments							-	5,482,581	0.0%					
33	Reimbursement from CARES											-	795	-100.0%	
34	Fed Direct Grant Dept of Int							10,930	10,017	109.12%		10,930	-	100.0%	
35	Federal Direct Grants							-	15,533	0.0%		-	2,423	-100.0%	
36	Federal Indirect Grant EPA							24,010	-	100.0%		24,010	-	100.0%	
37	Sale of Plant Materials				1,531	11,335		17,573	12,000	146.45%		17,573	8,700	101.99%	
38	Investment Interest Earnings				353	316	344	11,106	29,450	37.71%		11,106	52,753	-78.95%	
39	Leased Property				2,136	2,200	2,311	32,044	18,600	172.28%		32,044	27,814	15.21%	
40	Donations from Private Sources							2,915	2,000	145.75%		2,915	8,935	-67.38%	
41	Prior Year Refund											-	124	-100.0%	
42	Loan Repayment from CAF							565,000	565,000	100.0%		565,000	-	100.0%	
43	Sales Tax State Remittances				129	984		1,363	-	100.0%		1,363	696	96.03%	
44	Transfers in YE Endowment						500,000	500,000	500,000	100.0%		500,000	500,000	0.0%	
45	Transfers in Site Enhancement						404,821	1,614,863	1,768,166	91.33%		1,614,863	1,522,491	6.07%	
46	Sale of Surplus							637	-	100.0%		637	-	100.0%	
47	Total Revenue				4,149	14,835	907,476	2,780,442	8,403,347	33.09%		2,780,442	2,124,730	30.86%	
48	Expenditures														
49	Ending Operating Cash							-	1,423,526	0.0%					
50	Ending Endowment Funds							-	5,153,505	0.0%					
51	Stewardship Management				121,332	79,063	79,301	1,029,138	1,126,721	91.34%		1,029,138	1,457,111	-29.37%	
52	Property Management & Maint				86,729	53,320	46,116	358,227	429,595	83.39%		358,227	225,574	58.81%	
53	Site Enhancement							72,154	270,000	26.72%		72,154	91,675	-21.29%	
54	Total Expenditures				208,061	132,383	125,416	1,459,518	8,403,347	17.37%		1,459,518	1,774,360	-17.74%	
55															
56															

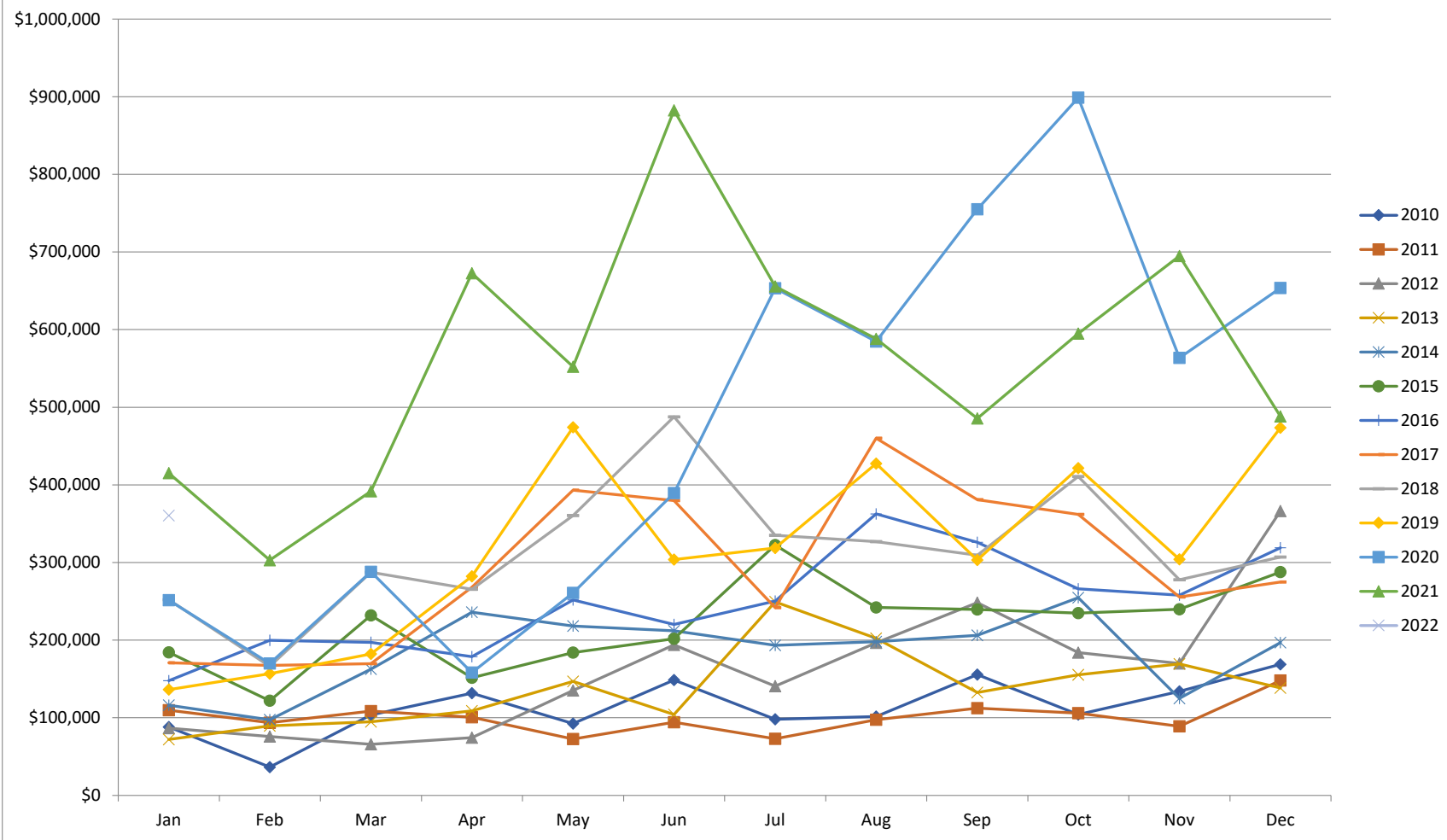


SAN JUAN COUNTY
CONSERVATION
LAND BANK

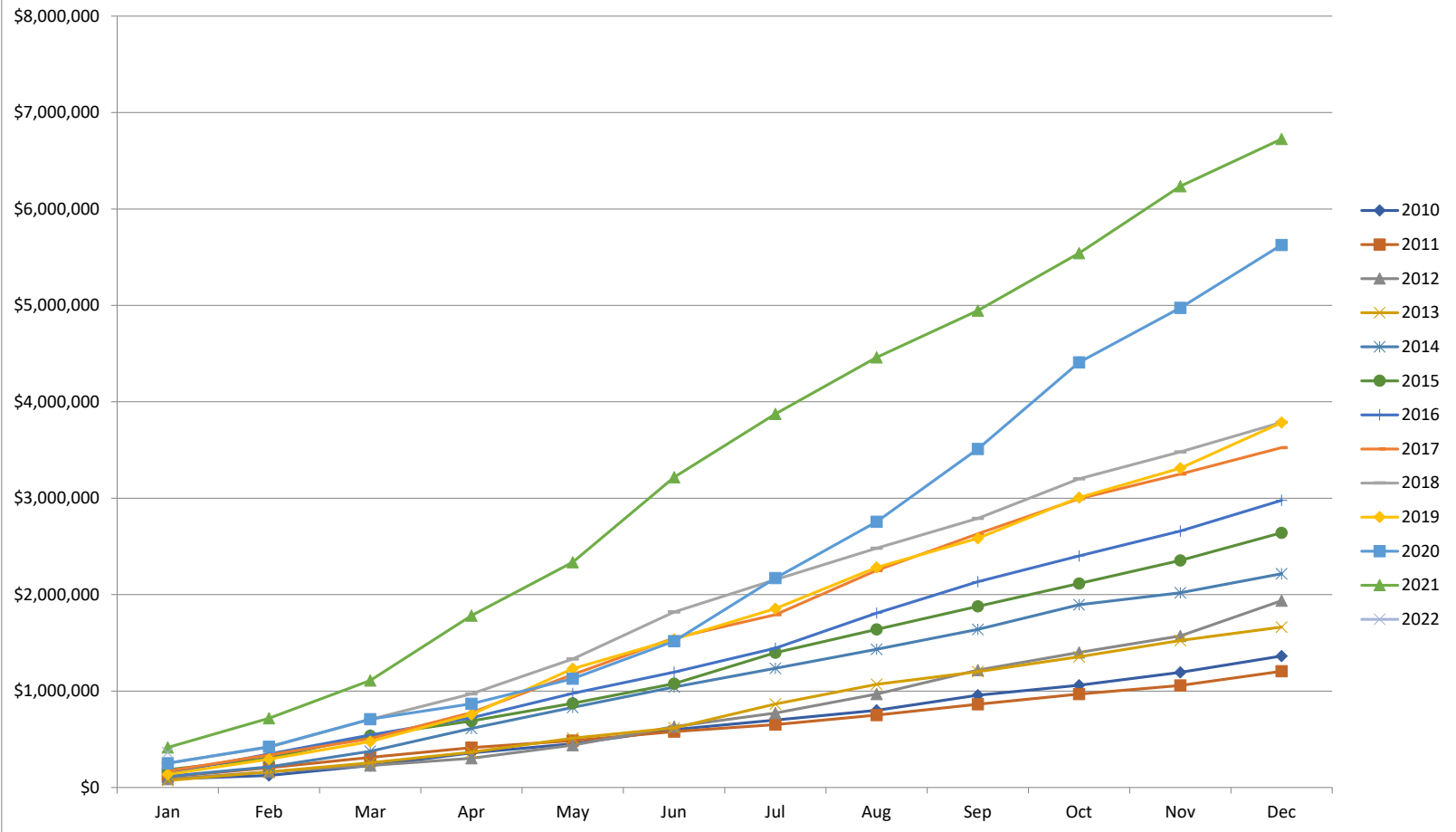


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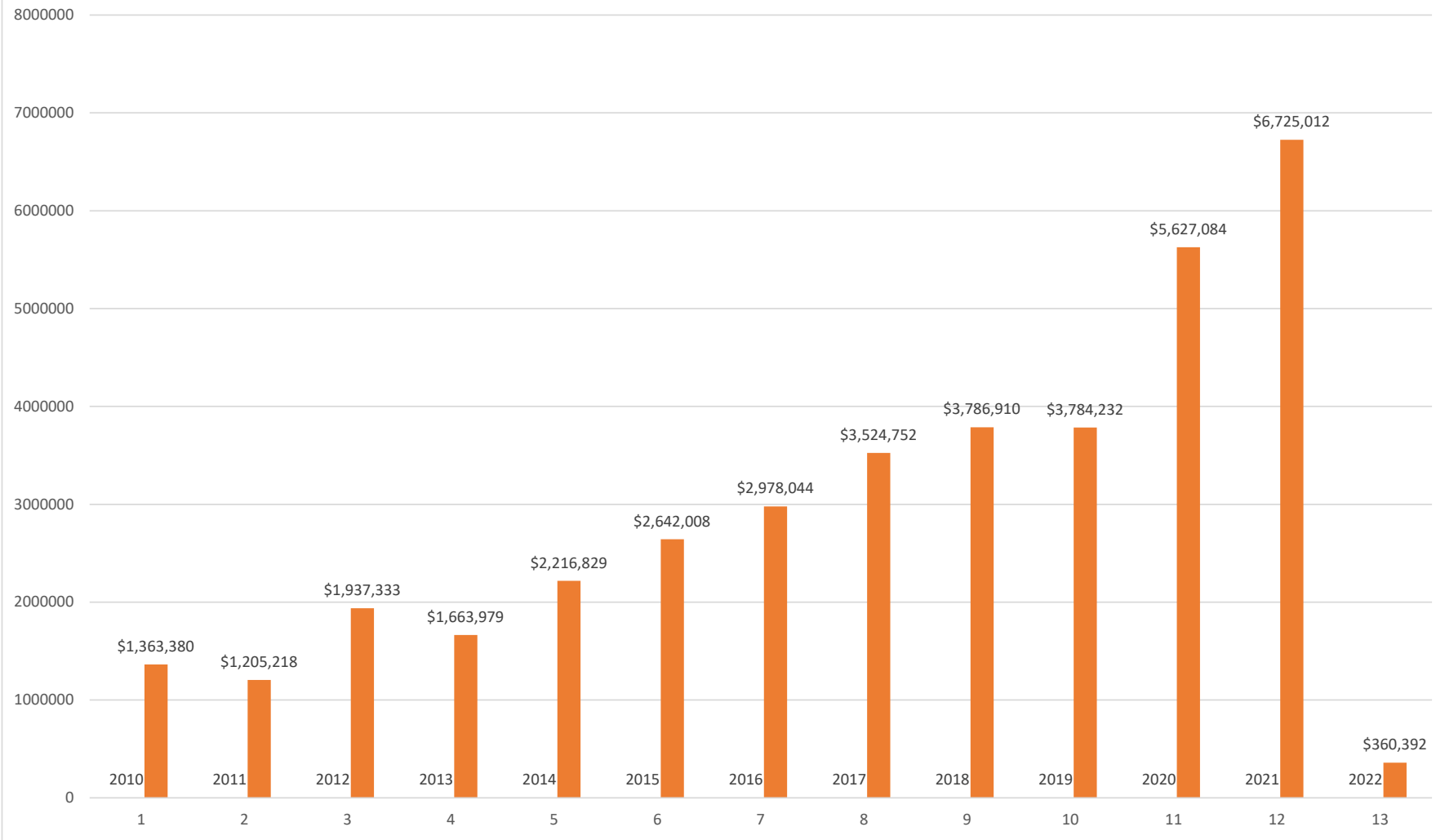
REET by Month



REET by Year



REET by Year Column



STEWARDSHIP & OUTREACH REPORT

FEBRUARY 2022

OVERVIEW

Staff recently met for a half-day retreat, thanks to the organizing efforts of Aaron, Tanja, and Lincoln. Dialogue revolved around workflow for contracts and updates to the interim Stewardship and Management Plan (SMP). We know, that may not sound thrilling, but there were still several laughs to be shared. Several updates to the interim SMP were suggested to help ‘stabilize’ recently acquired properties, create consistency among operations, manage public expectations and provide clear communication. Numerous staff will meet on-site of the Watmough addition next week and walk through the process.

A grant proposal to support purchase of the Watmough addition and another one to support restoration activities at Cascade Creek are under preparation. Both of these applications will be directed to the WA Salmon Recovery Funding Board (SRFB). Peter also provided a tour for Natural Resources Conservation Service staff and discussed grant-funding for restoration projects at several Orcas preserves.

A recent JEDI committee meeting brought together members from Council, County Parks, and Environmental Stewardship. The inter-departmental group discussed potential training opportunities and how to advance the effort to establish government-to-government relationships with Tribes. Most agencies have an individual to act as an official liaison, and as it is now, at least a dozen different county employees solicit input on projects, small and large.

Last, staff would like to extend a warm welcome to our new Commissioner, Mike Pickett. Thank you, in advance, for volunteering your time and energy to the acquisition and stewardship of public lands.

OUTREACH

Staff: Tanja Williamson

Events, events, events! Tanja continues to build this year's calendar of activities even as birdwatching walks and beach clean-ups occur. The 2022 schedule is shaping up to provide ample educational and service-based opportunities across the districts. A few examples of educational outings are the Birding walk at Channel Preserve (Lopez, March), the Intertidal walk at Deadman Bay Preserve (SJI, July) and the Fungi, Forests and Salmon walk at Coho Preserve (Orcas, November). There's also a Reimagining Gardening with Native and Near-Native Plants and the Naturalist Lunchbox series, which are expected to become new favorites. Activities that combine service and learning include walks to collect acorns and other local seeds, and work parties to plant golden paintbrush and other native wildflowers, pull noxious weeds, build trails, and clean up debris from the shorelines.

This month, the communication sub-committee discussed appealing to different audiences, debunking myths and distinguishing ourselves. The current plan is to host a Spring Community Conversation, and one suggestion for a topic is to share how stewardship has evolved over the last 30 years. Tanja also generated press for the [Great Backyard Bird Count](#) and the [Master Gardner Plant Sale](#).

SALISH SEEDS PROJECT NURSERY

Staff: Eliza Habegger

Thousands of nursery-grown, native plugs recently made their way to Turtleback Mountain Preserve for planting (Photo 1). This year, the nursery is also excited to partner with the Master Gardener Foundation for the spring plant sale. A few Salish Seeds Project species including great camas (*Camassia leichtlinii*), chocolate lily (*Fritillaria affinis*), and broadleaf sedum (*Sedum spathulifolium*) will be potted and sold. Orders are happening online through March 11.

DISTRICT 1

Staff: Doug McCutchen, Charlie Behnke, Jacob Wagner, Shauna Barrows

Beaverton Marsh: SJC Environmental Health reached out after they received complaints from neighbors in Hillview Terrace about a strong smell of sulphur. Staff investigated and found that the smell was concentrated near the outlet of Roche Harbor Road. A stringy tan-brown algae was noted covering vegetation and Charlie is following up with Environmental Health with the suggestion to test for fecal coliform bacteria to rule out septic issues with the presumption at this point it is an unusual natural event. The Islands Conservation Corps (ICC) assisted with trail work, continued cleanup of the cabin, and helped to control noxious weeds (Photo 2). Karen Vedder is assisting with permits and crafting a MOU between the Land Bank and Island Rec for parking.

Cady Mountain: Lincoln and Doug continue to work on finding a mutually beneficial resolution to the recent encroachment. Doug had an encounter with a neighbor who is upset with restoration activities. The neighbor stated intent to physically alter practices. A short time later woody debris was found dumped in fenced golden paintbrush plots. Staff are following up on this issue.

Kellett Bluff: As has been mentioned in previous reports, the Suquamish Tribe filed an objection to the mooring buoy application. After speaking with the Tribal Attorney, it is possible the objection will be dropped, most likely with some additional MOU between the Tribe and the County to create an arrangement for mediating impacts should the mooring buoy be determined to interfere with Tribal treaty rights in the future. A general response to the objection, and the offer to work with Tribe on siting and management, was sent to the Army Corps of Engineers to keep the process moving forward.

Mount Grant: A neighbor reported motorcycle activity. Jacob responded and found tracks from 1-2 motorcycles that traversed from Newt Pond to the Preserve's western boundary. The motorcycles left deep ruts in many riparian areas and around rocky balds. Debris was placed at the likely entrance point and throughout the damaged area. More debris will be moved across the area to discourage future access (Photo 3).

Third Lagoon: A small flock of Green-winged teal, the smallest dabbling ducks in North America, are whistling around the lagoon and performing displays of courtship (Photo 4). Staff

received a call from a Cape San Juan resident reporting hunting of seabirds from the water near the Preserve. The resident was referred to WDFW, but there is a hunting season for several of these species and it does not appear watercraft were launched from the Preserve.

Zylstra Lake: The ICC spent a day assessing and helping initiate restoration efforts in the SE corner of the upper lake, which drains from Emmerling Lake. The ICC, which has a strong learning component, surveyed the site, established boundaries, and removed an old fence. Water quality testing by UW revealed this area to have high nutrient levels, and staff are researching mycoremediation, using beneficial fungi to degrade or sequester contaminants, and beaver dam analogs as possible options to restore wetland function, which slow and filter water.

DISTRICT 2

Staff: Peter Guillozet, Kayla Seaforth

Coffelt Farm: Revisions were made to the long-term lease documents and submitted to the review committee. The farm's steel irrigation tank rusted out and the plan is currently to replace it with a smaller plastic tank. Peter continues to pursue both minor and major infrastructure maintenance, slowly.

Coho: A cross-boundary approach to improve habitat from salmon and other species has been hatched! As envisioned, the restoration project will include felling conifers that are rooted on the neighbor's property directly into the Preserve and Cascade Creek. The addition of large woody debris into streams helps create complexity in the channel, such as pools, and retain gravel substrate. Both these features are especially important to the life cycle of salmonids. The project, if funded, also aims to enhance and diversify native forest cover in the project area and proposes extensive planting.

Turtleback Mountain: Repairs to the South Trail and its parking area are complete. Peter drafted a contract to have a broader assessment of the Preserve's roads and culverts, and it is currently out for signatures. The ICC and Rain Shadow Consulting are making good progress within the forest management demonstration projects (Photo 6). Shauna and Erin traveled over to burn piles, and Kayla led the ICC crew in planting approximately 7,500 native plant plugs into areas where piles were burned and/or Himalayan blackberry or other weeds were cleared (Photo 7). Native seed has also been spread in burned areas.

DISTRICT 3

Staff: Amanda Wedow

Channel: Eight volunteers came together on a lovely Friday afternoon to witness wave energy from the San Juan Channel, walk along the cobble shore, and stoop to remove marine debris. The hearty group focused on materials within the wrackline, the area where organic material like uprooted kelp and seagrasses get deposited at high tide, and they filled a large garbage bag with microplastics and foam. This is a huge accomplishment, and a meaningful way to protect the pristine intertidal zone as well as the wildlife that consider it home. Thank you! (Photos 8-9).

FB Spit: Road Maintenance and drainage improvements were completed by Flower Mountain Tree Services.

Hummel Lake: Three people attended last month's bird walk. Two people were long-time Lopezians who utilized the opportunity to make their very first visit to Hummel Lake! The morning was frosty, but the lake was still busy with both diving and dabbling ducks. The species list includes: Common and hooded mergansers; Lesser scaup; Ring-billed ducks; Mallards; Buffleheads; and Cormorants.

Lopez Hill: Tim Clark came to help clear the trails of fallen trees. Lincoln recently drafted a trail easement for the [Lopez Community Land Trust](#) in the area of the 2021 addition, and Amanda has a meeting with members of the [Lopez Community Trail Network](#) to review a potential trail re-alignment.

Spencer Spit: Eliza visited the property in preparation for writing an ecological assessment.

Watmough: Amanda is hosting staff from across districts at our first acquisition of the year, which is currently being called 'Watmough Addition' as per the Preserve Naming Policy.

Photos



Photo 1. Roughly half of the 7,500 plugs destined for Turtleback this winter



Photo 2. Doug working his magic on a trail alignment at Beaverton Marsh



Photo 3. Motorcycle tracks at Mount Grant Preserve.



Photo 4. Green-winged teal at Third Lagoon



Photo 5. Stonebridge Terrill Preserve exhibits wetland microtopography, or small-scale variation in structure. The high points are commonly called “hummocks” and the low points are called “hollows”. This is a key ecological component of the Preserve’s once extensive (and still large) wetlands.



Photo 5. Thinning and chipping in progress on south Turtleback demonstration project.



Photo 6. Bits of biochar on Turtleback



Photo 7. Volunteers at the Channel Preserve beach clean-up



Photo 8. Foam and plastic in the buckets, and not in the bellies of birds and mammals!