



## SONOMA COUNTY OPEN SPACE FISCAL OVERSIGHT COMMISSION

### COMMISSIONERS

Mike Sangiacomo (Sonoma)  
Jean Kapolchok (Santa Rosa)  
Bob Anderson (Healdsburg)

Patty Fata (Bodega Bay)  
Todd Mendoza (Petaluma)  
Jeff Owen (Alternate)

February 3, 2012

Board of Directors  
Sonoma County Agricultural Preservation  
and Open Space District  
575 Administration Drive, Room 100A  
Santa Rosa, CA 95403

Re: Annual Report

Dear Board Members:

This letter constitutes the Commission's first annual report as required by Board of Supervisors Resolution No. 10-0832 dated December 7, 2010. The Report covers the period from April 1, 2011 to date.

### ***Background***

Following the voters approval of Measure F in 2006, the Board of Supervisors reorganized the Sonoma County Open Space Authority into the current Commission, effective April 1, 2011. As part of that reorganization, the Commission is required to perform certain fiscal oversight duties with respect to the use of funds held in the County's Open Space Special Tax Account, to review and comment on the District's annual audit, and to review and comment on independent appraisals for acquisitions. Not all of those duties have been performed to date because of turnover of the Commission's membership coupled with the need to include in the Report the Commission's review and comments on the District's annual audit for the 2009-10 fiscal year. That audit is anticipated to be before you on February 7, 2012.

### ***Fiscal Oversight Duties***

1. *Transfer of Funds from the Open Space Special Tax Account to the County's General Fund.* To date, the Commission has no information of any such transfer of funds other than for the reasonable value of goods and services provided by the County to the District. In that regard, the Commission is in the process of determining whether all County departments that provide services to the District are doing so pursuant to contracts requiring informative billing.

2. *Operations and Maintenance Expenditures.* The Commission is required to review District operations and maintenance expenditures for compliance with the 2006 Expenditure Plan and the District's implementing policies. The Commission anticipates reaching this matter in time for its next annual Report.

3. *Procurement Practices.* At the request of the Commission, Commissioners Fata and Sangiacomo have been and will continue reviewing the District's procurement practices. Based on their work to date, the Commission recommends that the District utilize a competitive bid process when securing maintenance vendors for District-owned recreational lands that are not intended to be transferred to Sonoma County Regional Parks.

4. *Respond to Requests of the Board of Directors for Advice.* To date, there have been no requests for advice from the District Board.

5. *Preview District Borrowing Transactions.* To date, no preview has been necessary because no borrowing transactions have closed, are pending or are anticipated.

6. *District's Annual Audit.* The Commission has reviewed the District's audit for fiscal year 2009-10 and had several minor comments that were incorporated into the final draft.

7. *Annual Financial Report.* Additionally, it has been brought to the Commission's attention that the County Auditor's Comprehensive Annual Financial Report for fiscal year 2010-11 as well as past Reports treat the District as a "component unit" of the County. The Commission recommends that the Auditor consider whether this approach is consistent with applicable Governmental Accounting Standards Board Statements. The Commission has been advised that the Auditor is currently considering this issue in the light of a new accounting standard, Governmental Accounting Standards Board Statement 61, that will take effect on June 15, 2012. The Commission will continue to review this matter and report to the Board after it has considered the Auditor's decision with respect to the new accounting standard.

8. *Appraisal Review.* To date, the Commission has reviewed five District real property appraisals and, when appropriate, has reported its comments to the District's General Manager for consideration by the Board of Directors.

9. *Stewardship Fund.* Commissioners Fata and Mendoza are evaluating investment options for this fund and the District's other funds as allowed by the investment policies.

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10. *Compliance With Measure F.* To date, no information has come to the attention of the Commission showing non-compliance with Measure F.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bob Anderson', with a stylized flourish extending to the right.

Bob Anderson  
Commission Chair

cc: General Manager, CAO, Auditor and County Counsel.