

TOWN OF WOODSIDE
BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

Prepared By:

Kevin Bryant
Town Manager

Cindy Safe
Administrative Services Director

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**Town of Woodside
Basic Financial Statements
For the year ended June 30, 2024**

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The Town of
Woodside

TRANSMITTAL LETTER

January 29, 2025

To the Honorable Mayor and Members of the Town Council and Citizens of the Town of Woodside:

We are pleased to submit the Town of Woodside Basic Financial Statements for the fiscal year ended June 30, 2024. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issues a complete set of financial statements to be submitted to them. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with the Town. We believe the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the Town's financial activities have been included. Management of the Town has established an internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficiently reliable information for the presentation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatements.

While traditionally addressed to the governing body of the Town, this report is intended to provide relevant financial information to the citizens of the Town of Woodside, Town staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Town's Finance Department with any questions or comments concerning this report.

The Town's financial statements have been audited by Maze & Associates, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the Town's financial statements for this fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent

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auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town of Woodside

The Town of Woodside operates under a Council-Manager form of government and provides planning and zoning, public works, building regulation and recreation services. This report includes all funds of the Town of Woodside for which the Town is financially accountable.

The Town Council establishes annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the Town Manager. The Town Manager prepares two-year budgets, with an annual review, with an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by the Town Council on or before June 30 in accordance with the Municipal Code.

The Town of Woodside was incorporated on November 16, 1956, as a general law municipality. Following the November 2024 elections, the Woodside Town Council consists of five members, as the Town completed a transition from an at-large form of elections of seven members to a by-district form of elections for five members. Council members must be residents of the district of the Town they represent. The positions of Mayor and Vice Mayor are chosen by the Town Council on an annual basis. The Mayor conducts the Council meetings and represents the Town on ceremonial occasions.

As an elected Board of Directors, the Town Council provides policy direction, establishes goals, and sets priorities for the Town government. In addition to serving as the policy makers for the community, the Town Council is also responsible for numerous land use decisions within its borders, including the General Plan. The Town Council appoints the Town Manager, Town Attorney, and all members of advisory boards, committees, and commissions.

Current Economic Conditions and Outlook

At the direction of Council, staff continually conducts a systematic review of operations, resulting in some cases in the transition from an in-house operational model to contract service; in other instances, a renegotiation of existing service contracts; and in other instances, retention of the contract operational model with a different service provider. These operational analyses and reforms are intended to promote long-term savings to the Town and ensure long-term stability.

As worldwide economic uncertainty remains, the Town remains well-positioned to endure any slowdown in the economy. The Council has maintained financial reserves in excess of its target of 30 percent of operating revenues, and the primary source of revenue is secured property taxes, which remains very stable in Woodside and San Mateo County.

Financial Information

During the past fiscal year, there were no changes to the Town's financial policies or items in which policies impacted the financial information or presentation. Information concerning significant accounting policies affecting the finances of the Town is summarized in the Notes to the Financial Statements.

Acknowledgements

The preparation of this Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, particularly Administrative Services Director Cindy Safe, Senior Management Analyst Patty Higashioka, Senior Management Analyst Paula Wong, and the Audit Committee for their diligence in the review of this document and the auditing firm of Maze & Associates. I would like to express my appreciation to Graze Zhang, Vincent Vega, and the staff of Maze & Associates who assisted and contributed to the preparation of the Report.

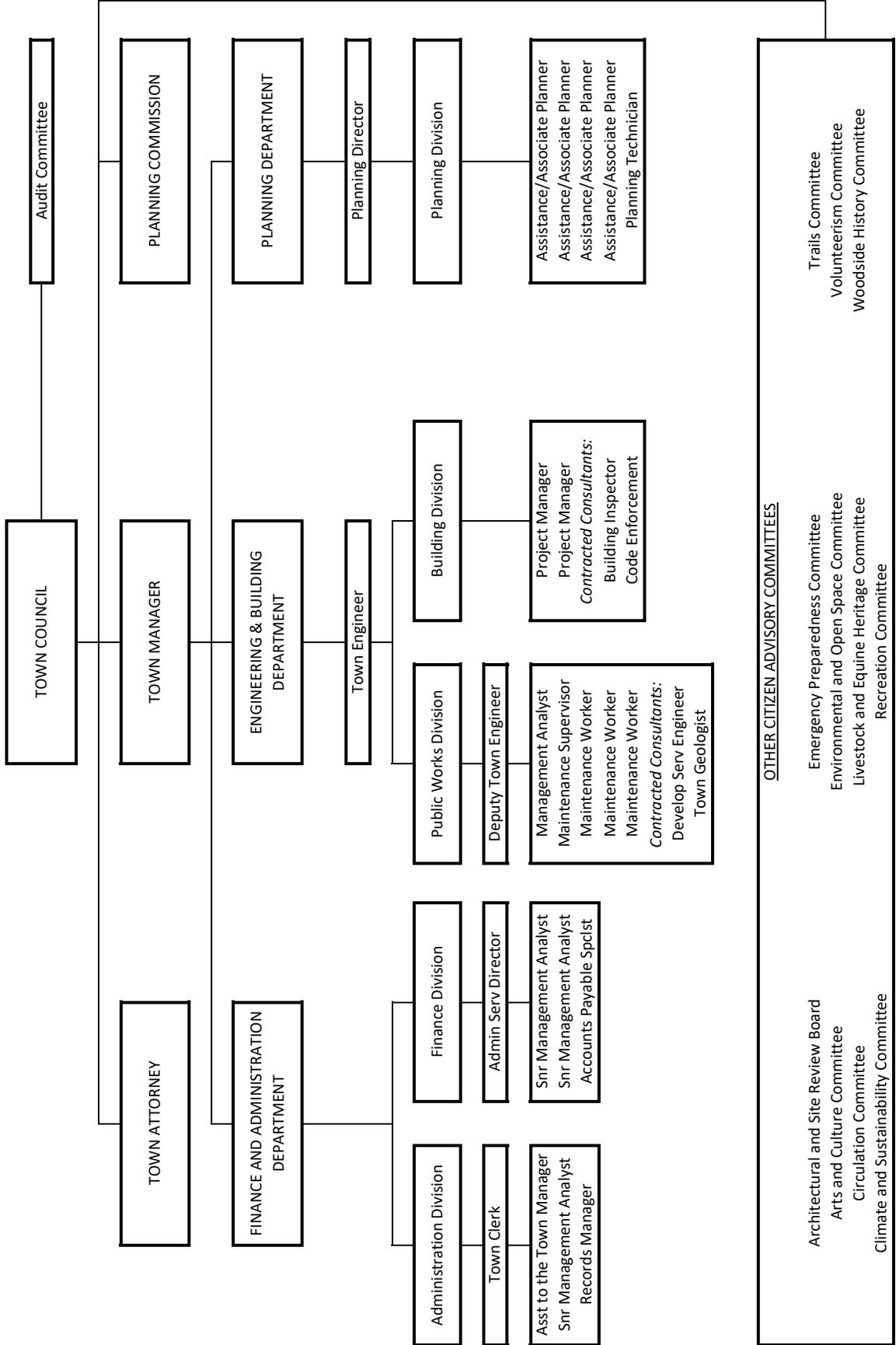
I would also like to thank members of the Town Council and the various departments for their cooperation and support in planning and conducting the financial operations of the Town during the fiscal year.

Respectfully Submitted,


Kevin Bryant
Town Manager

TOWN OF WOODSIDE

ORGANIZATION CHART



**Town of Woodside
Basic Financial Statements
For the year ended June 30, 2024**

List of Officials

TOWN COUNCIL

- Jennifer Wall, Mayor
- Ned Fluet, Mayor Pro Tempore
- Dick Brown
- Brian Dombkowski
- Paul Goeld
- Chris Shaw

AUDIT COMMITTEE

- Dave Burow
- Dave Eichler
- Ron Karpovich

TOWN OFFICIALS

- Kevin Bryant, Town Manager
- Yaz Emrani, Director of Public Works/Town Engineer, PE, ENV SP
- Jennifer Li, Town Clerk, MPA, CMC
- Cindy Safe, Administrative Services Director, MBA
- Sage Schaan, Planning Director, AICP CEP

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Town Council
Town of Woodside

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining funds information of the Town of Woodside, (Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town'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, the business-type activities, each major fund, and the aggregate remaining funds information of the Town as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the 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 Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Town'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 Town'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 Town'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information as listed in the Table of Contents 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Supplementary Schedule listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 15, 2024 on our consideration of the Town'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 the effectiveness of the Town's 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 Town's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
September 15, 2024

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Town of Woodside

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the Town of Woodside (Town) for the fiscal year ended June 30, 2024. It should be read in conjunction with the accompanying transmittal letter and basic financial statements and notes to enhance understanding of the Town's financial position and performance.

FINANCIAL HIGHLIGHTS

Executive Summary

The Town of Woodside began fiscal year 2024 in strong financial condition with combined fund (excluding sewer funds) balances of \$13 million, a 19.6% increase from the beginning of fiscal year 2023.

The Town of Woodside ended fiscal year 2024, with combined fund balances of \$12.9 million, a 2.3% decrease from the prior fiscal year. This is due to continued underspending the expense budget and revenues which were greater than what was budgeted. The expenditures budget for the fiscal year 2024 included \$11,552,986 for General Fund operations (Page 40) which consists mainly of Town personnel and the many contract services the Town manages. Contract services include the police contract with the San Mateo County Sheriff's Department; plan check, building inspection, code enforcement, and engineering services; as well as the Town Attorney. The operating budget also includes routine maintenance of the Town's roads, bridges and other facilities and information systems.

The Capital Improvement Program (CIP) budget includes revenue from the **General Fund** for partial funding of \$294,637 for the Road Rehabilitation Program, Storm Drain Repair and Replacement of \$382,073, partial funding of the Glens Pathway of \$383,563, \$8,712 for Woodside Road Median Beautification and \$3,250 for Broadband Connectivity.

The CIP fund includes funds from other sources as well; the State of California's gas tax (including SB1), the San Mateo County sales tax Measures A and W, and road impact fund. Projects funded this fiscal year include the annual road rehabilitation project, Glens Pathway Project, and Old La Honda Bridge. In summary total capital projects spending increased by \$1,529,405 or 231% compared to the prior year spending of \$662,180. Town roads and bridges are capital expenses that are not depreciated (see chart on page 13 for more information).

The Town's only enterprise or business fund (a fund whose expenses must be covered by revenue generated), the sewer fund, borrowed \$775,000 in December 2016 from the General Fund to replace the 30-year-old Town Center sewer pump. The current balance of the advance from the General Fund is \$166,488.

Annual Town Center Sewer rates for residential parcels (Town Center Area) have increased from \$2,350 to \$2,400. Commercial rates also increased through 2024. A new Sewer Rate Study was completed in May 2023 and in June 2023 a sewer rate increase was approved by Town Council based on increasing sewer expenses, which took effect this fiscal year through fiscal year 2028.

Town of Woodside

Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS, CONTINUED (Executive Summary, Continued)

The Town Council voted to prefund pension obligations through an IRS Section 115 account through PARS (a retirement services organization) in fiscal year 2020. During fiscal year 2024 PARS pension investment had a net increase in market value of \$293,821 or 13.05%. As of June 30, 2024, PARS pension investment ending balance is \$2.67 million, which are restricted funds. CalPERS July 2024 Actuarial Valuation for the Miscellaneous Plan of the Town of Woodside as of June 30, 2023 states that the Town's accrued pension liability is \$19,604,719 and the current market value of Town's contributions to CalPERS are \$13,960,345, leaving \$5,644,374 in unfunded accrued liability (71.2% funded). If the Council decided to pay down the unfunded liability using the PARS pension account balance of \$2.67 million this would leave an unfunded balance of \$2,973,475 or 85% funded.

The Other Pension Employment Benefits (OPEB – retiree health premiums) account was also transferred to PARS (from a separate CalPERS account) with a fiscal year-ending balance of \$1.34 million and investment increase or gain of \$147,313 in Fiscal Year 2024. This investment account is restricted and is shown on the financial statements as a reduction of the OPEB liability. The Net OPEB liability as of June 2024 was \$1,053,189, a \$215,026, or 26% increase compared to the previous year's balance of \$838,163. See Note 11 for more details. This account is shown on the financial statements as a long-term liability per GASB (Government Accounting Standards Board) regulations. This fiscal year shows a net increase in the long term OPEB liability.

A new long-term liability on the Town's financial statement this year, due to GASB 96, are SBITA's (Subscription Based Information Technology Agreements). GASB 96 changes the way that subscription-based IT arrangements, or SBITAs, are reported on the face of financial statements, requiring governments to record, over a certain threshold, both subscription assets and liabilities for SBITAs.

Total Cash and Investments (excluding restricted funds of \$3,490,921, which are intended to partially fund future pension and other obligations) decreased by \$487,093, or 6.5% from \$7,397,031 to \$6,909,938 during Fiscal Year 2024. The Town ended the fiscal year meeting the financial policy that requires reserves in the amount of 30% of estimated operating revenues from the Town's General Fund. There is a \$6.5 million balance in the General Fund twelve months average cash balance, which is 60% of the operating budget for fiscal year 2024. The balance is exclusive of the PARS Investment and includes the Wells Fargo bank and LAIF (Local Agency Investment Fund) accounts.

The Town's ten-year forecast plans to continue spending the General Fund surplus on capital improvements. In 2024-25, these include road rehabilitation, Woodside Road Bike Safety Improvements (east of 1-280), Kings Mountain Rd Bridge and Canada/Romero Crosswalks, Broadband accessibility, Woodside Road Median Beautification, Sand Hill/Portola Road Intersection Improvements, and Storm Drain Repair and Replacement. There are also planned improvements at Barkley Park and Fields and the Town Center Sewer system.

Town of Woodside

Management's Discussion and Analysis

FINANCIAL HIGHLIGHTS, CONTINUED (Executive Summary, Continued)

Highlights

- ◆ In total, Town assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$27 million, which is a \$579,949 decrease compared to the beginning net position (Table 1).
- ◆ Overall total revenues from Governmental and Business Activities decreased by \$812,860 or 5.2% year over year due to a decrease in capital and operating grants of \$2,232,216 as were expected, lower sales and use taxes of \$110,770 and other categories of revenues of \$87,228, offset in part by higher property taxes and assessments, investment gains (PARS pension and LAIF accounts) and higher charges for services as a result of increased activity and fee increases (Refer to page 11 and Table 2 for more details).
- ◆ Overall total expenses from Governmental and Business Activities increased by \$2,678,874 or 21% year over year due to increased administrative costs of \$1,373,734, due to increased pension expense, increased public works capital projects expense of \$1,797,659 and increased non departmental expenses of \$374,989. These were offset in part by lower spending for safety services of \$361,142, planning department of \$300,980 (less housing element expenses), and disaster preparedness of \$201,137 (Refer to page 14 and Table 2 for more details).
- ◆ Business-type Activities net position increased \$396,936 year over year to \$2.3 million. The net position includes \$166,488 which was the amount due from the Sewer fund to the General Fund (Table 1).
- ◆ Governmental Activities net position decreased \$976,885 year over year to \$24.7 million. Of this amount, \$4.8 million was unrestricted and available for spending at the Town's discretion (Table 1). \$2.7 million was restricted for retirement benefits and \$800,000 were restricted special revenue funds for a total restricted amount of \$3.5 million (Statement of Net Position).
- ◆ Overall actual general fund revenues of \$11,928,993 are \$1,191,088 greater than the final budget of \$10,737,905. General fund actual expenses of \$11,321,624 are \$231,362 less than the final budget of \$11,552,986 (mostly due to less Safety department expenses of \$660,076). This resulted in an overall favorable variance of \$1,422,450 in revenues over expenses (excluding transfers) for fiscal year 2024 general fund (Page 40).

Town of Woodside

Management's Discussion and Analysis

OVERVIEW OF FINANCIAL STATEMENTS

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and financial highlights and overview.
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules.

Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Town's financial activities and financial position.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the Town's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the Town as a whole, including all its capital assets and long-term liabilities on the accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the Town's revenues and all its expenses, also using accrual basis, with the emphasis on measuring net revenues or expenses of each of the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All the Town's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the Town as a whole.

- ◆ **Governmental activities** – All of the Town's basic services are governmental activities, including general government, community development, public safety, animal control, public works, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general Town revenues such as taxes and by specific program revenues such as developer fees.
- ◆ **Business-type activities** – All the Town's enterprise activities are reported here. The Town's Business-type activity funds are limited to just Sewer Service Funds. Unlike governmental services, these services are completely funded by users of the service.

Town of Woodside

Management's Discussion and Analysis

OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. For the fiscal year ended June 30, 2024, the Town's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Library Operations Special Revenue Fund
- ◆ Measure A Special Revenue Fund
- ◆ Capital Projects Fund
- ◆ Non-Major Funds – Traffic Safety, Road Impact Fees, Gas Tax, Supplemental Law Enforcement Service, California Law Enforcement Equipment Program, Measure W

PROPRIETARY FUND:

- ◆ Redwood Creek Sewer
- ◆ Sewer Utility
- ◆ Cañada Corridor Sewer

FIDUCIARY FUND:

- ◆ 1999 Woodside Road/ Whiskey Hill Road Parking District

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

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the Governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the Town's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Subordinate schedules present the detail of these non-major funds. Major funds present the major activities of the Town for the year and may change from year to year because of changes in the pattern of the Town's activities.

Town of Woodside

Management's Discussion and Analysis

OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED

Proprietary funds The Town maintains Enterprise-type proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The Town uses enterprise funds to account for sewer activities. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail.

Fiduciary funds The Town is the trustee, or fiduciary, for certain funds established to account for assets held by the Town in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The Town's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the Town's Government-Wide Financial Statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their specified purposes.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 55-88 of this report. Required Supplementary Information follows the notes starting on page 90.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 97-107 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. In the case of the Town, assets exceeded liabilities by \$27,024,990 at the close of fiscal year 2024. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 65% of the Town's net position.

The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

TABLE 1
Summary of Net Position

	FY 2024			FY 2023			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 14,477,547	\$ 1,220,587	\$ 15,698,134	\$ 14,654,586	\$ 810,304	\$ 15,464,890	\$ 233,244	1.5%
Noncurrent assets	16,602,069	1,177,665	17,779,734	16,726,611	1,237,147	17,963,758	(184,024)	-1.0%
Deferred outflows of resources	2,702,885	16,807	2,719,692	2,471,124	52,855	2,523,979	195,713	7.8%
Total assets and deferred outflows of resources	33,782,501	2,415,059	36,197,560	33,852,321	2,100,306	35,952,627	244,933	0.7%
Current and other liabilities	1,616,110	26,140	1,642,250	1,443,839	15,807	1,459,646	182,604	12.5%
Long-term liabilities	6,974,301	58,823	7,033,124	6,020,541	144,401	6,164,942	868,182	14.1%
Deferred inflows of resources	495,611	1,585	497,196	714,577	8,523	723,100	(225,904)	-31.2%
Total liabilities and deferred inflows of resources	9,086,022	86,548	9,172,570	8,178,957	168,731	8,347,688	824,882	9.9%
Net position:								
Net investment in capital assets	16,449,636	1,177,665	17,627,301	16,726,611	1,237,147	17,963,758	(336,457)	-1.9%
Restricted	3,490,921	-	3,490,921	3,572,796	-	3,572,796	(81,875)	-2.3%
Unrestricted	4,755,922	1,150,846	5,906,768	5,373,957	694,428	6,068,385	(161,617)	-2.7%
Total net position	\$ 24,696,479	\$ 2,328,511	\$ 27,024,990	\$ 25,673,364	\$ 1,931,575	\$ 27,604,939	\$ (579,949)	-2.1%

The above table is a condensed summary of the Town's net position for this fiscal year compared to last fiscal year. The table shows the total capital assets for this year total \$17,627,301. Total restricted funds are \$3,490,921. Of the total restricted funds \$2,670,899 represents the Town's Section 115 PARS pension account and \$820,022 represents Measure A and W, gas taxes, library fund, and law enforcement funds. \$5,906,768 represents unrestricted funds and is used to meet the Town's ongoing obligations to citizens and creditors.

The \$579,949 decrease in Total Net Position as summarized in Table 1 is due largely to the decrease in operating and capital one-time grants of \$2,232,216 and were partially offset by increased property taxes of \$329,914 and an increase in value of the PARS Investment (pension portion) of \$293,821.

In addition, the net pension liability, and the net OPEB liabilities increased by \$443,503 and \$215,026 respectively due to a lower expected return or a discount rate for the pension plan (6.9% down from 7.15% in Fiscal Year 2022) and the OPEB plan (6.25% to 5.75% in Fiscal Year 2023). See Notes 10 and 11 for more information.

Revenues

The Town's total revenues for governmental and business-type activities are \$14,832,790 (Table 2) for the fiscal year ended June 30, 2024. Total revenue in fiscal year 2024 is \$812,860 less than last fiscal year, a 5% overall decrease.

The decrease in revenue categories are Operating and Capital grants and contributions of (\$2,232,216), one-time revenues, Sales Tax from the State of California of (\$110,278), Property transfer tax of (\$45,038), paid late this year by San Mateo County, other general revenues of (\$53,549), fines and forfeitures of (\$47,213) and Other taxes of (\$16,404).

Approximately 86% of the Town's revenues are generated from four major sources, Charges for Services, Property Taxes and Assessments, Operating and Capital Grants and Contributions, and Use of Money and Property.

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

The following discusses variances in these key revenues from the prior fiscal year:

1. **Charges for Services** – Charges for services have increased by a total of \$937,606 or 32.6% from last year.

Governmental activities contributed \$801,889 to this increase. Building and Planning fees have increased \$484,623 (building and planning permits). There were increases in public works fees of \$231,133, which includes road impact fees and engineering and plan checks (building related fees). Public Works had charges to others for service had a \$83,790 increase due to work the Town paid for in the Glens for PG&E. A study and update to the Town's Building, Engineering, and Administrative Fee Schedule took place July 1, 2023 and a Planning Department update took place August 1, 2024 (impact in Fiscal Year 2025). Annual increases will be made to the fees and charges based on cost of living increases.

There is a \$2,714 increase in recreation fees which included May Day Fun Run sponsorships, co-ed softball, and two new recreation classes.

Business type activities (Sewer) accounted for \$135,717 increase in charges for services. This increase results from the planned annual increase in sewer fees paid by residential and commercial properties that who are connected to sewer (See Page 17 and 18 for further details about the sewer fees).

2. **Property Taxes and Assessments** – The property taxes and assessments category for fiscal year 2024 includes not only Property Tax – secured, unsecured, SB 813, and prior years, but also the additional categories of Homeowner Property Tax Relief (HOPTR), and Property Tax in-lieu. Fiscal year 2024 revenue shows an increase of 5% or \$329,914 due to increased property taxes countywide.

The library revenue also decreased \$40,187 which is requested annually from the Town's share of the San Mateo County Library JPA funds (the Library JPA).

3. **Grants and Contributions – Operating and Capital** – The Grants and Contributions category for fiscal year 2024 decreased a total of \$2,232,216 as expected from last fiscal year.

Operating grants decreased \$714,515. The remaining REAP (Regional Early Action Planning) grants from the State of California Housing Department for \$16,414 were received to offset the additional expenses due to the Housing Element. The State of California awarded the Town an \$80,000 CalRecycle grant to offset some of the costs of SB1383 (record keeping, compost procurement, and countywide recycling efforts).

Capital (one time) grants decreased \$1,517,701. The only grant received this fiscal year is from State of California Parks and Recreation Per Capita grant of \$152,063, expenses receipted in fiscal year 2023.

4. **Use of Money and Property** increased \$410,784 this is due to an increase in the PARS investment account (pension) this fiscal year of 13% and an increase in LAIF account (State of California) fixed investments of 3.39%.

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Expenses

Governmental and business-type activities expenses of the Town totaled \$15,412,739 (see Table 2) for the year, a 21% or \$2,678,874 increase from last fiscal year. Governmental activities expenses totaled \$15,008,447 or 97% of total expenses.

Governmental activities expenses also include depreciation expense, all capital expense that is not depreciated (such as roads capital projects), and compensated absences. In addition, Governmental activities expenses include OPEB and pension plan expenses (NOTE 10) as calculated by the CalPERS actuarial report and the GASB 75 OPEB actuarial report (NOTE 11). New this fiscal year are SBITAs (Subscription-Based Information Technology Arrangement) reported as an asset and subscription liabilities reported as an expense here (NOTE 12).

Each of the departments' expense highlights follow in the order it appears on Table 2 on the 'Changes in Net Position' table.

Town Council expenses decreased \$6,890 or 8% due to no elections in the fall of 2023.

The **Administration and Finance** Department expenses increased by \$1,343,734 or 108% from fiscal year 2023 to fiscal year 2024.

This increase is primarily due to Pension Plan increase of \$314,569, compared with a decrease of \$576,382 in FY23. There is also decrease in OPEB expense of \$27,089. Pension and OPEB are reported in the Administration and Finance Department expenses and not included in expenses of other departments. Compensated absences are also reported in Administration and increased \$106,410. One additional component in Administration this fiscal year are SBITAs which added \$37,342.

Actual department expenses increased \$378,600 of which there is an increase of \$386,576 in salaries and benefits due to one new three quarters time Senior Analyst for SB1383 compliance and increasing IT and public information requirements and another Senior Analyst for the migration of the Town's Building and Planning software to the cloud, along with annual salary increases.

Planning costs decreased \$300,980 or 20% due to the decrease of professional services of \$281,500 due to the state mandated Housing Element document last fiscal year.

Building and Grounds, Barkley Fields, Library, and Recreation and Open Space all increased by 9.5% or \$83,315. **Trails and Stables** increased less than 2%.

Town-wide Overhead increased \$374,989 or 68% due to increase in liability and other insurances of \$72,748, IT services of \$114,262, subscription-based software \$147,265 (mostly due to the transfer of Town server based software to the cloud), and continued general overall increase in office supplies, phone, postage, equipment maintenance etc. due to staff being onsite instead of working remotely.

Safety Services costs represented 26% or \$3,834,595 of total governmental activities expenses. There was a \$361,142 or 8.6% decrease from last year.

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

The main increase is due to a \$133,418 increase in contractual police services, due to contractual increase for services from San Mateo County Sheriff Services which began in fiscal year 2019. This contract increase includes continuation of the current level of basic services, plus the enhancement of one additional motorcycle deputy on duty during the day shift.

There is a \$514,120 decrease in professional services. This is largely due to \$400,000 in eucalyptus tree removal last fiscal year and none this fiscal year. There are also no Automatic License reader system expenses this year and \$40,000 last fiscal year. There were decreases in the Town's Defensible Space Matching Program of \$43,000 and an overall small increase of the contributions towards Woodside Fire Districts CERP and chipping programs.

Disaster Preparedness was split out of the Safety Services department last fiscal year due to unprecedented storms, flooding, and street repairs in the Town of Woodside. Total expenses this year amounted to \$565,104, \$201,137 or 26.2% less than last fiscal year. Expenses included extended traffic management on numerous roads in Woodside and repair of the Kings Mountain Road Equestrian and Pedestrian Bridge. FEMA grants are anticipated to be applied for and funded for most of these expenses.

Public Works costs amounted to \$4,752,385 or 32% of total governmental expenses. Public works costs (including capital projects expenses) increased \$1,797,659 or 60.8% from fiscal year 2023. Most operations expenses remained the same.

There were no capital asset (depreciable) expenses this year in Public Works and in 2023 there was the purchase of a Town fleet car (Ford Escape) which cost \$48,072.

One of the main components of the Public Works Department is capital project expenses (most are not capital assets, therefore are not depreciated). Capital projects are usually one-time expenses and included in the capital section of the budget. Capital projects for fiscal year 2024 increased \$1,529,405 or 231%. The following are capital project expenses for this year and the last two years:

Capital Projects	2023-24 Expenses	2022-23 Expenses	2021-22 Expenses
Storm Drain Project	\$ 382,073	\$ 86,726	\$ 84,220
Annual Road Improvement Project	411,867	388,800	370,353
Trails Projects		7,525	4,700
Bicycle and Pedestrian Improvements		36,544	34,385
Old La Honda Bridge Improvement	5,533	2,393	2,710
Kings Mountain Road Bridge Impv			
Portola Rd Bridge Improvement			2,210,878
Bike Ped Kings Mtn Rd Safety			2,953
Glens Pathway	1,380,151	78,405	125,305
Solar/EV Installation			
Barkley Improvements		32,117	73,442
Center Trail Equestrian Bridge			
Woodside Rd Median Beautification	8,712	29,670	16,718
Broadband Connectivity	3,250		
TOTAL	\$ 2,191,586	\$ 662,180	\$ 2,925,664

Capital projects are funded through transfers in of a variety of budgeted funds. For fiscal year 2024 the following funds were used to fund the capital projects listed above:

General Fund	\$ 1,077,768
Measure A	250,000
Gas Tax (SB1)	117,230
Measure W	192,616
RD Impact	353,972
Traffic Safety (206)	200,000
TOTAL	\$ 2,191,586

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Business type activities (the Town's small sewer system) had overall revenues that were \$155,176 or 21.7% higher than last fiscal year. The main reason for the increase is because of an overall increase in sewer fees. There were \$110,670 in new sewer connection fees this year.

Expenses for the sewer system were \$52,027 or 11.4% less than last fiscal year. This fiscal year the contractual sewer maintenance was \$16,000 higher. However, there were no contractual engineering expenses or sewer condition assessment this year, compared to \$18,770 and \$17,000 last fiscal year. Future capital infrastructure repairs are anticipated.

For more details about Business type activities (revenues and expenses) see Pages 17-19.

The change in net position for the fiscal years ended June 30, 2024, and June 30, 2023, follows:

TABLE 2
Changes in Net Position

	FY 2024			FY 2023			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Revenues:								
Program revenues:								
Charges for services	\$ 2,980,013	\$ 832,417	\$ 3,812,430	\$2,178,124	\$ 696,700	\$ 2,874,824	\$ 937,606	32.6%
Grants and contributions:								
Operating	932,963	-	932,963	1,647,478	-	1,647,478	(714,515)	-43.4%
Capital	155,648	-	155,648	1,673,349	-	1,673,349	(1,517,701)	-90.7%
	<u>4,068,624</u>	<u>832,417</u>	<u>4,901,041</u>	<u>5,498,951</u>	<u>696,700</u>	<u>6,195,651</u>	<u>(1,294,610)</u>	<u>-20.9%</u>
General revenues:								
Property taxes & assessments	6,874,699	-	6,874,699	6,544,785	-	6,544,785	329,914	5.0%
Sales and use tax	739,742	-	739,742	850,020	-	850,020	(110,278)	-13.0%
Property transfer tax	304,935	-	304,935	349,973	-	349,973	(45,038)	-12.9%
Other taxes	246,716	-	246,716	263,120	-	263,120	(16,404)	-6.2%
Franchises	655,926	-	655,926	644,478	-	644,478	11,448	1.8%
Business licenses	185,592	-	185,592	183,506	-	183,506	2,086	1.1%
Fines and forfeitures	31,486	-	31,486	78,699	-	78,699	(47,213)	-60.0%
Use of money and property	791,734	38,811	830,545	400,409	19,352	419,761	410,784	97.9%
Other general revenues	62,108	-	62,108	115,657	-	115,657	(53,549)	-46.3%
Total revenues	13,961,562	871,228	14,832,790	14,929,598	716,052	15,645,650	(812,860)	-5.2%
Expenses:								
Governmental activities:								
Town Council	80,717	-	80,717	87,607	-	87,607	(6,890)	-7.9%
Administration and Finance	2,589,617	-	2,589,617	1,245,883	-	1,245,883	1,343,734	107.9%
Planning Department	1,203,229	-	1,203,229	1,504,209	-	1,504,209	(300,980)	-20.0%
Buildings and Grounds	322,507	-	322,507	275,192	-	275,192	47,315	17.2%
Town-wide Overhead	927,580	-	927,580	552,591	-	552,591	374,989	67.9%
Safety Services	3,834,595	-	3,834,595	4,195,737	-	4,195,737	(361,142)	-8.6%
Trails and Stables	95,846	-	95,846	94,493	-	94,493	1,353	1.4%
Barkley Fields	428,278	-	428,278	369,598	-	369,598	58,680	15.9%
Library Services	168,191	-	168,191	218,531	-	218,531	(50,340)	-23.0%
Public Works	4,752,385	-	4,752,385	2,954,726	-	2,954,726	1,797,659	60.8%
Recreation and Open Space	40,398	-	40,398	12,738	-	12,738	27,660	217.1%
Disaster Preparedness	565,104	-	565,104	766,241	-	766,241	(201,137)	
Business-type activities:								
Sewer Utility	-	362,322	362,322	-	413,828	413,828	(51,506)	-12.4%
Cañada Corridor Sewer	-	41,970	41,970	-	42,491	42,491	(521)	-1.2%
Total expenses	15,008,447	404,292	15,412,739	12,277,546	456,319	12,733,865	2,678,874	21.0%
Excess (Deficiency) of revenues over expenditures before transfers								
	(1,046,885)	466,936	(579,949)	2,652,052	259,733	2,911,785	(3,491,734)	-119.9%
Transfers	70,000	(70,000)	-	64,000	(64,000)	-	-	0.0%
Change in net position	(976,885)	396,936	(579,949)	2,716,052	195,733	2,911,785	(3,491,734)	-119.9%
Net position:								
Beginning of year	25,673,364	1,931,575	27,604,939	22,957,312	1,735,842	24,693,154	2,911,785	11.8%
Restatements	-	-	-	-	-	-	-	100%
Beginning, as adjusted	25,673,364	1,931,575	27,604,939	22,957,312	1,735,842	24,693,154	2,911,785	11.8%
End of year	\$ 24,696,479	\$ 2,328,511	\$ 27,024,990	\$ 25,673,364	\$ 1,931,575	\$ 27,604,939	\$ (579,949)	-2.1%

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Governmental Activities

The cost of all **governmental activities** this year (exclusive of business/sewer activities) is \$15,008,447. Of this amount (as shown in the Statement of Activities on Page 28) the amount that taxpayers ultimately financed for **governmental activities** was \$10,939,823. Those who directly benefited from town programs paid \$2,980,013 (charges for service). Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$932,963 for operations and \$155,648 for capital. The Town paid the remaining "public benefit" portion of **government activities** with \$6,874,699 in property taxes, \$2,226,505 in other general revenues, and \$791,734 in the use of money and property due to the increase in the value of the PARS investment mentioned on Page 10.

Referring to the Changes in Net Position table (Page 14), total resources available during the year to finance **governmental operations** were \$13,961,562. This consisted of \$4,068,624 (charges for services and grants) in program revenues and \$9,892,938 in general revenues.

Total **governmental activities** operating expenses during the year is \$15,008,447. Net position beginning balance on July 1, 2023, was \$25,673,364. This decreased by \$976,885 to an ending balance net position of \$24,696,479 on June 30, 2024. This net position decrease is primarily due to a 22% increase in expenses of \$2,730,901 and a 6% decrease in revenue of \$968,036.

The specific increases in **governmental activities** revenue are charges for services of \$801,889 (due to more building permit fees this fiscal year) and use of money and property revenues of \$391,325 due to an increase in the PARS pension investment account (See NOTE 2 for more details) These increases in revenue included by a 5% increase in Property taxes of \$329,914. The main contributor of expenses is capital projects.

The following table shows the cost of each of the Town's major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the Town's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023, are as follows:

TABLE 3

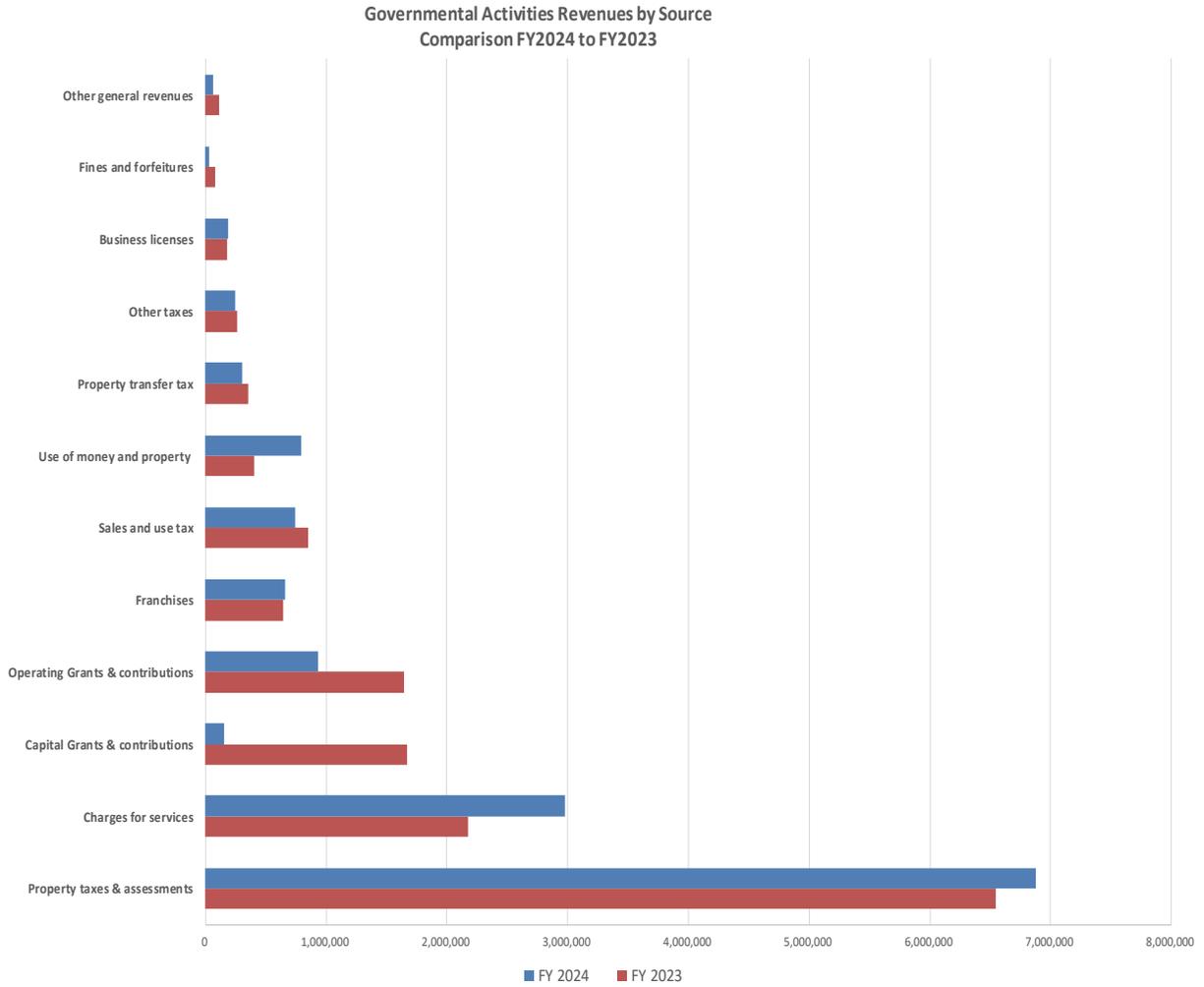
	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Position	
	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023
Governmental activities:						
Town Council	\$ -	\$ -	\$ 80,717	\$ 87,607	\$ (80,717)	\$ (87,607)
Administration and Finance	126,773	136,522	2,589,617	1,245,883	(2,462,844)	(1,109,361)
Planning Department	1,047,612	782,352	1,203,229	1,504,209	(155,617)	(721,857)
Buildings and Grounds	-	-	322,507	275,192	(322,507)	(275,192)
Town-wide Overhead	-	-	927,580	552,591	(927,580)	(552,591)
Safety Services	212,027	176,498	3,834,595	4,195,737	(3,622,568)	(4,019,239)
Trails and Stables	7,496	23,860	95,846	94,493	(88,350)	(70,633)
Barkley Fields	6,125	8,750	428,278	369,598	(422,153)	(360,848)
Library Services	-	-	168,191	218,531	(168,191)	(218,531)
Public Works	2,648,408	4,325,043	4,752,385	2,954,726	(2,103,977)	1,370,317
Recreation and Open Space	20,183	45,926	40,398	12,738	(20,215)	33,188
Disaster Preparedness	-	-	565,104	766,241	(565,104)	(766,241)
Total governmental activities	\$ 4,068,624	\$ 5,498,951	\$ 15,008,447	\$ 12,277,546	\$ (10,939,823)	\$ (6,778,595)

Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

A comparison of revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



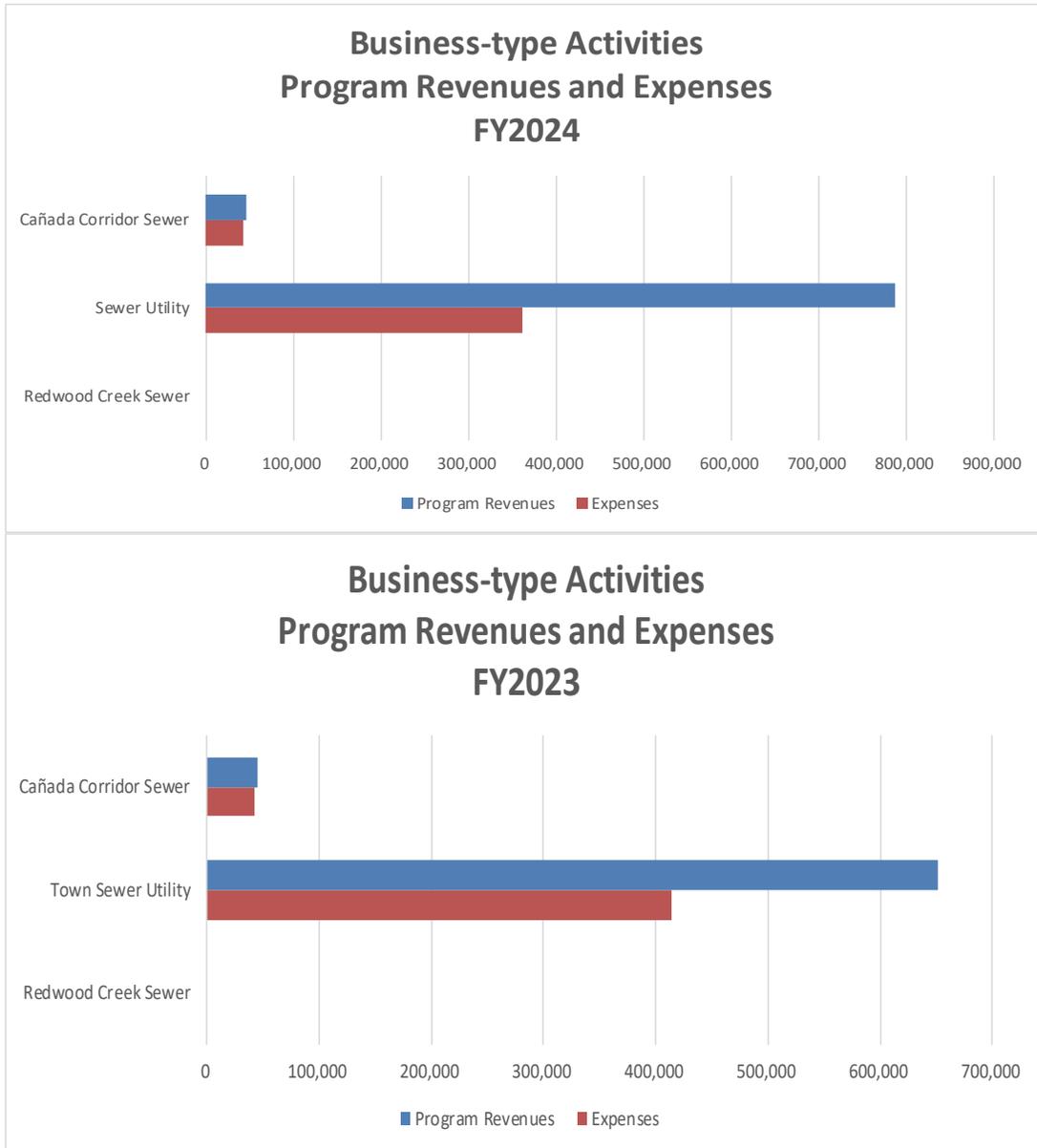
Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Business-type Activities

Business-type activities incurred \$404,292 in expenses during the fiscal year. The Town has three business-type funds, which are the Redwood Creek, Sewer Utility, and Cañada Corridor Sewer Funds. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2024, and 2023, are as follows:



Town of Woodside

Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED

Business-type Activities, Continued

As reported in the Statement of Activities, the net position of the Town's **Business-type Activities**, as of June 30, 2024, increased \$396,936 from fiscal year 2023. The following table is a re-statement of the Statement of Business-type Activities outlining the components of this increase.

Business-type Activities Two-year Comparison of Change in Net Position

	FY 2024	FY 2023	Change	% Change
Revenues:				
Charges for Services	\$ 832,417	\$ 696,700	\$ 135,717	19.5%
Operating grants and contributions	-	-	-	100.0%
Sewer Contractor Settlement	-	-	-	100.0%
Use of money and property (interest)	38,811	19,352	19,459	100.6%
Total	\$ 871,228	\$ 716,052	\$ 155,176	21.7%
Expenses:				
Redwood Creek Sewer	\$ -	\$ -	\$ -	100.0%
Town Sewer Utility	362,322	413,828	(51,506)	-12.4%
Cañada Corridor Sewer	41,970	42,491	(521)	-1.2%
Total	\$ 404,292	\$ 456,319	\$ (52,027)	-11.4%
Excess (Deficiency) of revenues over expenditures before transfers	\$ 466,936	\$ 259,733	\$ 207,203	79.8%
Transfers	(70,000)	(64,000)	(6,000)	9.4%
Change in Net Position	\$ 396,936	\$ 195,733	\$ 201,203	102.8%

Business-type activities total revenue for fiscal year 2024 is \$871,228. Revenues for this year exceeded expenses by \$466,936. These revenues are received from two sources, Charges for Sewer Services \$832,417 and LAIF Investment Earnings \$38,811. 96% of the funding received for Sewer business services is derived through charges for this service.

Charges for sewer services were up 19.5% or \$135,717. This increase is largely due to an overall increase of 8% in residential and commercial sewer fees (a sewer utility bill paid by residents and business' through their property tax bill), in fiscal year 2024. There were three new connections to the Town Center Sewer (totaling \$110,670) and none to the Redwood Creek Sewer this fiscal year and four new connections in fiscal year 2023. LAIF interest rates were higher this year than last year.

A portion of the sewer expenses and revenues represents a December 2016 Town Center Sewer fund loan of \$775,000 from the General Fund. This loan, approved by Town Council, is at a rate of 2.5% interest and a term of 9 years and was used to replace the 30-year-old sewer pump. In June 2024 the seventh payment of \$100,000 was paid back to the general fund from the Town Center Sewer pump fund and a \$166,488 principal balance remains.

This fiscal year the contractual sewer maintenance was \$16,000 higher. This fiscal year there were no contractual engineering expenses or sewer condition fees assessment, compared to \$18,770 and \$17,000 last fiscal year. Depreciation expenses were the same year to year. Future capital infrastructure repairs are anticipated.

Transfers represent overhead payments to the General Fund for sewer administration expenses.

Town of Woodside

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Town of Woodside uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide financial statements, beginning on Page 32.

The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2024, the Town's governmental funds reported combined fund balances of \$12,957,447 (Page 32 and 33). This is a decrease of \$306,020, or 2.3%, from the balance ending fiscal year 2023 of \$13,263,467. In the previous fiscal year there was a 20% increase. The 2.3% decrease this fiscal year is about the same as last fiscal year.

- The 5% decrease of **Governmental Funds Cash and Investments** of \$568,968 this fiscal year is mostly due to the decrease in operating and capital one-time grants and offset by the increased capital expenditures.

Intergovernmental revenues, capital and operating grants, are down \$2,720,626, due to one-time grants.

Capital Outlay expenditures increased \$1,479,515 overall or 164%, due to increased expenses in capital projects, mostly Glens pathway, Storm Drain, and road rehabilitation, as discussed on page 13 and 20.

Other large revenue increases are the \$672,689 or 8% increase in **Taxes and Assessments** due to an increase in the San Mateo County property taxes and \$392,358 or 97% increase in **Use of Money and Property** from PARS (pension portion) and LAIF investment earnings.

The remaining balance sheet assets are about the same as last fiscal year.

- ◆ The **Library Operations Fund** balance decreased to (\$13,033). The Library Fund supports the Town's share of the operation and maintenance of the library facility. The Town is a party to the JPA between cities within San Mateo County and the JPA holds funds in trust for Woodside. For fiscal year 2024, \$914,226 was added to the JPA fund through property taxes. This left the JPA Woodside balance at \$6,317,854 as of June 30, 2024.
- ◆ The **Measure A Fund** accounts for the Town's share of a county-wide half-cent sales tax that is dedicated to transportation related projects. There was a decrease in Measure A fund balance this fiscal year of \$194,550. This fund is used to maintain and fund capital road projects, the Glens pathway this fiscal year.
- ◆ The **Capital Projects Fund** was a new major fund in fiscal year 2016, created to update infrastructure and spend down the General Fund balance. A 5-year (fiscal year 2024-2028) \$10,305,600 capital improvement program budget was approved by the Town Council in fiscal year 2023 of which \$2,456,350 was appropriated for fiscal year 2024 of which \$2,191,586 was spent. This fund reflects all the expenses for capital projects approved in the budget. Transfers in (made on a quarterly basis) from other Town funds (General, Measure A, Road Impact Fee, Gas Tax, Sewer, and grants), also appropriated through the budget, reduce these capital expenses, so that the fund is intended to be close to zero at year end.

Town of Woodside

Management's Discussion and Analysis

CAPITAL ASSETS

The capital assets of the Town are those assets which are used in the performance of the Town's functions. On June 30, 2024, net capital assets of the governmental activities totaled \$16,602,069. Depreciation on capital assets is recognized in government-wide financial statements. The following table shows the Town's Capital Assets net of depreciation:

	Governmental Activities		Business-type Activities	
	FY 2024	FY 2023	FY 2024	FY 2023
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	6,647,288	6,872,695	-	-
Machinery and equipment	333,975	385,543	-	-
SBITA	152,433	-	-	-
Pumps and collection systems	-	-	1,177,665	1,237,147
Total	\$ 16,602,069	\$ 16,726,611	\$ 1,177,665	\$ 1,356,112

Additional information on the Town's capital assets can be found in Note 4 on page 73 of this report.

Capital Asset Activity

No new capital assets were added for governmental or business (sewer) type activities. Additional information on the Town's capital assets can be found in Note 4 on Page 73 of this report.

LONG TERM LIABILITIES

Governmental Activities total for long term liabilities increased by 12% for a total of \$764,939 (includes 10% due within one year, of the total of compensated absences). Additional information can be found in Note 6 (Page 72).

The largest increase from last fiscal year is \$443,503, or 9%, due to an increase in net pension liability. For the most recent CalPERS actuary report ending June 30, 2023, CalPERS net pension liability increased from \$4,828,701 in fiscal year 2023 to \$5,272,204 in fiscal year 2024. This is due to a 5.8% CalPERS return on investment in fiscal year 2023. Expected annual return on investments for CalPERS is 6.9%. See Note 10 starting on Page 76. \$5,231,081 represents the governmental-type portion of the liability and \$41,123 is the business-type portion.

Compensated absences due at year end increased a total of \$106,410 or 20%. The total compensated absences liability is \$633,608 of which \$570,247 is a long-term liability and \$63,361 is a short-term liability. This entire liability is in governmental-type (no business-type).

There was an increase of \$215,026 due to an increase in Other Postemployment Benefits (OPEB) liabilities. The amount is calculated by using the Actuarially determined OPEB Liability of \$2,247,268, net of market value of assets (Town of Woodside's PARS OPEB account) of \$1,194,079, which is \$1,053,189 (\$215,026 more than fiscal year 2023). (See NOTE 11 Page 84 first chart). The entire long-term liability is in governmental-type (no business-type).

Town of Woodside

Management's Discussion and Analysis

NEXT YEAR'S BUDGETED APPROPRIATIONS

The 2024-25 budget adopted by Town Council for all Town funds (excluding Sewer, Parking District, Capital, and transfers in and out) is \$12,073,230. Final budget for fiscal year 2023-24 is found in the 'Budget to Actual' statement of Page 40 and non-major governmental funds beginning on page 95. The differences are summarized as follows:

	FY2024-25 (Budget)	FY2023-24 (Budget)	Amount Change	Percentage Change
General fund:				
Town Council	\$ 71,900	\$ 61,400	\$ 10,500	17.1%
Administration and Finance	2,124,855	2,195,727	(70,872)	-3.2%
Planning Department	1,326,850	1,376,150	(49,300)	-3.6%
Buildings and Grounds	219,200	216,560	2,640	1.2%
Town-wide Overhead	771,500	811,500	(40,000)	-4.9%
Safety Services	3,937,250	4,291,964	(354,714)	-8.3%
Trails and Stables	114,000	109,370	4,630	4.2%
Barkley Fields (incl construction)	318,000	281,555	36,445	12.9%
Public Works	1,650,500	1,614,760	35,740	2.2%
Recreation and Open Space	29,000	29,000	-	0.0%
Disaster Preparedness	115,000	565,000	(450,000)	-79.6%
Total general fund:	10,678,055	11,552,986	(874,931)	-7.6%
Special revenue funds:				
Library Operations	168,200	166,050	2,150	1.3%
Measure A and W	383,800	459,750	(75,950)	-16.5%
Traffic Safety	59,050	59,050	-	0.0%
Road Impact Fees	450,700	335,310	115,390	34.4%
Gas Tax	151,200	116,820	34,380	29.4%
Supplemental Law Enforcement	182,225	200,000	(17,775)	-8.9%
Total special revenue funds:	1,395,175	1,336,980	58,195	4.4%
Total Budget:	\$ 12,073,230	\$ 12,889,966	\$ (816,736)	(6.3)%

1. General Fund – Overall there is a \$874,931 or 7.6% decrease in the General Fund budget.

Half of all the departments have decreased spending.

The highlights include decreased spending of **Safety Services** \$354,714 decrease based on annual San Mateo County Sherriff contract decrease; **Planning** \$49,300 decrease based on decreased contractual Housing Element expenses; **Town-wide Overhead** \$40,000 decrease based on less initial expenses of Town software migration; decreased spending of **Administration and Finance** \$70,872. There was also a decrease of \$450,000 in Disaster Preparedness due to no further disasters in Fiscal Year 2024.

Increased spending of \$35,740 in **Public Works** mostly due to increases in salaries.

Increased spending in **Town Council** of \$10,500 due to elections in FY25 and none in FY24.

Those departments that stayed about the same are **Building and Grounds, Barkley Fields, Trails and Stables, and Recreation and Open Space.**

Town of Woodside

Management's Discussion and Analysis

NEXT YEAR'S BUDGETED APPROPRIATIONS, CONTINUED

2. **Library Services** – Budget from year to year increased slightly by \$2,150 for some capital expenses fiscal year 2025.
3. **Measure A and W** – Budget decreased \$75,950 because revenue from these sales taxes increased, while expenses decreased in fiscal year 2025. Expenses include contributions to the capital projects of Woodside Road bike improvements and other bike and pedestrian safety projects.
4. **Traffic Safety, Road Impact Fees, and Gas Tax** – Budget from year to year increased or stayed the same, due to increasing gas tax and road impact fees which are directly related to increases in capital road projects.
5. **Supplemental Law Enforcement** – Budget from year to year remained about the same.

Requests for Information

This Basic Financial Statements is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the Town's finances. If you have any questions about this report or need additional financial information, contact the Town of Woodside Finance Department, P.O. Box 620005, Woodside, CA 94062, or visit the Town's web page at www.woodsidetown.org.

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BASIC FINANCIAL STATEMENTS

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position on page 27 summarizes the financial position of the Town indicating total assets and liabilities, with the net difference being the net position or condition as of June 30, 2024, the end of the fiscal year. This information is summarized between the Town's Governmental Activities, Business-Type Activities and the Town in total.

The Statement of Activities on page 28, summarizes Town expenses, Program revenues and General Revenues during the twelve-month for the fiscal year ending June 30, 2024 and the resulting change in the net position. The Town's expenses are listed by major program and activity (i.e. Government vs. Business-type). Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of the governmental program. The Town's general revenues are then listed in the Governmental Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

The Town's Governmental Activities include the activities of its General Fund, along with all its Special Revenue Funds, and Capital Projects Funds. Activities of the General Fund include public works and improvements, safety and library, planning and zoning and building inspections and general administration among other things. Business-type activities include enterprise activities including three sewer funds.

The Statement of Net Position and the Statement of Activities are prepared on the same basis as is used by most businesses, which means they include the Town's assets and liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the Town's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between Town funds have been eliminated.

These financial statements, along with the fund financial statements and footnotes, are called *Basic Financial Statements*.

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Town of Woodside
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments (Note 2)	\$ 10,400,859	\$ 1,362,508	\$ 11,763,367
Receivables:			
Accounts receivable	165,042	11,188	176,230
Interest receivable	108,270	13,379	121,649
Intergovernmental receivable	41,397	-	41,397
Taxes receivable	924,592	-	924,592
Restricted cash and investments (Note 2)	2,670,899	-	2,670,899
Internal balances	166,488	(166,488)	-
Capital assets (Note 4):			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	7,133,696	1,177,665	8,311,361
Total assets	31,079,616	2,398,252	33,477,868
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan (Note 10)	2,137,934	16,807	2,154,741
OPEB (Note 11)	564,951	-	564,951
Total deferred outflows of resources	2,702,885	16,807	2,719,692
LIABILITIES			
Accounts payable and accrued liabilities	690,621	26,140	716,761
Deposit payable	829,479	-	829,479
Compensated absences - current portion	63,361	-	63,361
Subscription liability - current portion (Note 12)	32,649	-	32,649
Long-term liabilities:			
Compensated absences (Note 6)	570,247	-	570,247
Subscription liability - long term portion (Note 12)	119,784	-	119,784
Note payable	-	17,700	17,700
Net OPEB liability (Note 11)	1,053,189	-	1,053,189
Net pension liability (Note 10)	5,231,081	41,123	5,272,204
Total liabilities	8,590,411	84,963	8,675,374
DEFERRED INFLOWS OF RESOURCES			
Pension plan (Note 10)	201,617	1,585	203,202
OPEB (Note 11)	293,994	-	293,994
Total deferred inflows of resources	495,611	1,585	497,196
NET POSITION			
Net investment in capital assets	16,449,636	1,177,665	17,627,301
Restricted	3,490,921	-	3,490,921
Unrestricted	4,755,922	1,150,846	5,906,768
Total Net Position	\$ 24,696,479	\$ 2,328,511	\$ 27,024,990

The accompanying notes are an integral part of these financial statements

Town of Woodside
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
Town Council	\$ 80,717	\$ -	\$ -	\$ -
Administration and Finance	2,589,617	126,773	-	-
Planning Department	1,203,229	951,198	96,414	-
Buildings and Grounds	322,507	-	-	-
Town-wide Overhead	927,580	-	-	-
Safety Services	3,834,595	25,868	186,159	-
Trails and Stables	95,846	196	7,300	-
Barkley Fields	428,278	6,125	-	-
Library Services	168,191	-	-	-
Public Works	4,752,385	1,849,670	643,090	155,648
Recreation and Open Space	40,398	20,183	-	-
Disaster Preparedness	565,104	-	-	-
Total governmental activities	15,008,447	2,980,013	932,963	155,648
Business-Type Activities:				
Redwood Creek Sewer	-	-	-	-
Sewer Utility	362,322	786,959	-	-
Cañada Corridor Sewer	41,970	45,458	-	-
Total business-type activities	404,292	832,417	-	-
Total primary government	\$ 15,412,739	\$ 3,812,430	\$ 932,963	\$ 155,648

General Revenues:

Taxes:

- Property taxes, levied for general purposes
- Sales and use tax
- Property transfer tax
- Other taxes

Franchises

Business licenses

Fines and forfeitures

Use of money and property

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position - Beginning of year

Net position - Ending

The accompanying notes are an integral part of these financial statements

**Net(Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (80,717)	\$ -	\$ (80,717)
(2,462,844)	-	(2,462,844)
(155,617)	-	(155,617)
(322,507)	-	(322,507)
(927,580)	-	(927,580)
(3,622,568)	-	(3,622,568)
(88,350)	-	(88,350)
(422,153)	-	(422,153)
(168,191)	-	(168,191)
(2,103,977)	-	(2,103,977)
(20,215)	-	(20,215)
(565,104)	-	(565,104)
(10,939,823)	-	(10,939,823)
-	-	-
-	424,637	424,637
-	3,488	3,488
-	428,125	428,125
(10,939,823)	428,125	(10,511,698)
6,874,699	-	6,874,699
739,742	-	739,742
304,935	-	304,935
246,716	-	246,716
655,926	-	655,926
185,592	-	185,592
31,486	-	31,486
791,734	38,811	830,545
62,108	-	62,108
9,892,938	38,811	9,931,749
70,000	(70,000)	-
9,962,938	(31,189)	9,931,749
(976,885)	396,936	(579,949)
25,673,364	1,931,575	27,604,939
\$ 24,696,479	\$ 2,328,511	\$ 27,024,990

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FUND FINANCIAL STATEMENTS

MAJOR FUNDS

The Fund Financial Statements present only individual major funds which nonmajor funds are combined in a signal column. The non-major funds are listed on Page 97 in this report followed by supplemental financial statements for each of these funds beginning on page 98.

Major funds are defined as having significant activities or balances in the current year.

Fund	Description
Governmental Funds:	
General Fund	Primary operating fund of the Town; Accounts for all activities except those legally or administratively required to be accounted for in other funds.
Library Operations	Accounts for revenues and expenditures derived from the Town's membership in the San Mateo County Library System Joint Powers Authority.
Measure A (1988)	Accounts for the Town's share of a one-half cent sales tax revenue restricted for transportation purposes. Contributions from the General Fund are annually transferred to this fund to supplement the funds received from the tax. Excess General Fund contributions are classified in fund balance as committed.
Capital Projects	Accounts for multi/year Capital Improvement projects including bridges, road repair/replacement and trail and pedestrian improvement.

**Town of Woodside
Balance Sheet
Governmental Funds
June 30, 2024**

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
ASSETS			
Cash and investments (Note 2)	\$ 8,980,793	\$ 43,024	\$ 474,989
Receivable:			
Accounts receivable	158,041	-	-
Interest receivable	96,891	-	4,554
Intergovernmental receivable	-	-	-
Taxes receivable	894,691	-	29,901
Other receivable	-	-	-
Restricted cash and investments (Note 2)	2,670,899	-	-
Due from other funds	568,850	-	-
Advances to other funds	166,488	-	-
Total assets	\$ 13,536,653	\$ 43,024	\$ 509,444
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 569,749	\$ 8,367	\$ 2,261
Due to other funds	-	47,690	-
Deposits payable	829,479	-	-
Total liabilities	1,399,228	56,057	2,261
Fund balances:			
Nonspendable	166,488	-	-
Restricted	2,670,899	-	507,183
Unassigned	9,300,038	(13,033)	-
Total fund balances	12,137,425	(13,033)	507,183
Total liabilities and fund balances	\$ 13,536,653	\$ 43,024	\$ 509,444

The accompanying notes are an integral part of these financial statements

Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ 232,145	\$ 669,908	\$ 10,400,859
-	7,001	165,042
-	6,825	108,270
-	41,397	41,397
-	-	924,592
-	-	-
-	-	2,670,899
-	-	568,850
-	-	166,488
<u>\$ 232,145</u>	<u>\$ 725,131</u>	<u>\$ 15,046,397</u>

\$ 98,200	\$ 12,044	\$ 690,621
521,160	-	568,850
-	-	829,479
<u>619,360</u>	<u>12,044</u>	<u>2,088,950</u>

-	-	166,488
-	713,087	3,891,169
(387,215)	-	8,899,790
<u>(387,215)</u>	<u>713,087</u>	<u>12,957,447</u>
<u>\$ 232,145</u>	<u>\$ 725,131</u>	<u>\$ 15,046,397</u>

Town of Woodside
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Fund Balances - Total Governmental Funds		\$ 12,957,447
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		16,602,069
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.		
Compensated absences (total)	\$ (633,608)	
Subscription liability (total)	(152,433)	
Net OPEB liability	(1,053,189)	
Net pension liability	<u>(5,231,081)</u>	(7,070,311)
Pension and OPEB obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities		
Deferred outflows of resources	2,702,885	
Deferred inflows of resources	<u>(495,611)</u>	<u>2,207,274</u>
Net Position of Governmental Activities		<u><u>\$ 24,696,479</u></u>

The accompanying notes are an integral part of these financial statements

Town of Woodside
Reconciliation of Governmental Funds Basis Balance Sheet to Government-wide Statement of Net Position
Governmental Activities
June 30, 2024

	Governmental Funds Balance Sheet	Reclassifications	(a) Changes in GAAP	Statement of Net Position
ASSETS				
Cash and investments	\$ 10,400,859	\$ -	\$ -	\$ 10,400,859
Receivables:				
Accounts receivable	165,042	-	-	165,042
Interest receivable	108,270	-	-	108,270
Intergovernmental receivable	41,397	-	-	41,397
Taxes receivable	924,592	-	-	924,592
Other receivables	-	-	-	-
Internal balances	-	-	-	-
Restricted cash and investments (Note 2)	2,670,899	-	-	2,670,899
Due from other funds	568,850	(568,850)	-	-
Advances to other funds	166,488	-	-	166,488
Capital assets, net	-	-	16,602,069	16,602,069
Total assets	<u>15,046,397</u>	<u>(568,850)</u>	<u>16,602,069</u>	<u>31,079,616</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan	-	-	2,137,934	2,137,934
OPEB	-	-	564,951	564,951
Total assets and deferred outflows of resources	<u>\$ 15,046,397</u>	<u>\$ (568,850)</u>	<u>\$ 19,304,954</u>	<u>\$ 33,782,501</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 690,621	\$ -	\$ -	\$ 690,621
Deposits payable	829,479	-	-	829,479
Due to other funds	568,850	(568,850)	-	-
Compensated absences - current	-	-	63,361	63,361
Subscription liability - current	-	-	32,649	32,649
Total current liabilities	<u>2,088,950</u>	<u>(568,850)</u>	<u>96,010</u>	<u>1,616,110</u>
Compensated absences-non current	-	-	570,247	570,247
Subscription liability-non current	-	-	119,784	119,784
Net OPEB liability-non current	-	-	1,053,189	1,053,189
Net pension liability-non current	-	-	5,231,081	5,231,081
Total liabilities	<u>2,088,950</u>	<u>(568,850)</u>	<u>7,070,311</u>	<u>8,590,411</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plan	-	-	201,617	201,617
OPEB	-	-	293,994	293,994
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>495,611</u>	<u>495,611</u>
FUND BALANCES/NET POSITION				
Nonspendable reported in:				
General Fund	166,488	(166,488)	-	-
Restricted reported in:				
Special revenue funds	3,891,169	(3,891,169)	-	-
Unassigned (deficit), reported in:				
General Fund	9,300,038	(9,300,038)	-	-
Special revenue funds	(400,248)	400,248	-	-
Net position:				
Net investment in capital assets	-	-	16,449,636	16,449,636
Restricted	-	-	3,490,921	3,490,921
Unrestricted	-	12,957,447	(8,201,525)	4,755,922
Total fund balances/net position	<u>\$ 12,957,447</u>	<u>\$ -</u>	<u>\$ 11,739,032</u>	<u>\$ 24,696,479</u>

The accompanying notes are an integral part of these financial statements

- (a) GAAP adjustments are made per GASB 34 and include capital assets, pension, OPEB, subscription compensated absences liabilities.

Town of Woodside
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2024

	Major Funds		
	General Fund	Special Revenue Funds	
		Library Operations	Measure A
REVENUES			
Taxes and assessments	\$ 7,859,045	\$ 177,912	\$ 384,864
Licenses and permits	1,302,979	-	-
Fines and forfeitures	52,669	-	-
Intergovernmental	709,759	-	-
Use of money and property	750,807	-	16,685
Charges for service	1,187,552	-	-
Other revenues	66,182	-	-
Total revenues	11,928,993	177,912	401,549
EXPENDITURES			
Current:			
Town Council	80,717	-	-
Administration and Finance	2,158,385	-	-
Planning Department	1,202,062	-	-
Buildings and Grounds	257,494	-	-
Town-wide Overhead	899,932	-	-
Safety Services	3,631,888	-	-
Trails and Stables	95,846	-	-
Barkley Fields	327,786	-	-
Library Services	-	108,289	-
Public Works	1,834,895	-	271,099
Recreation and Open Space	40,398	-	-
Disaster Preparedness	565,104	-	-
Debt services	37,342	-	-
Capital outlay	189,775	-	-
Total expenditures	11,321,624	108,289	271,099
REVENUES OVER (UNDER) EXPENDITURES	607,369	69,623	130,450
OTHER FINANCING SOURCES (USES)			
Issuance of Long term debt (Note 12)	189,775	-	-
Transfers in (Note 8)	350,000	-	-
Transfers out (Note 8)	(1,077,468)	(30,000)	(325,000)
Total other financing sources (uses)	(537,693)	(30,000)	(325,000)
Net change in fund balances	69,676	39,623	(194,550)
FUND BALANCES:			
Beginning of year	12,067,749	(52,656)	701,733
End of year	\$ 12,137,425	\$ (13,033)	\$ 507,183

The accompanying notes are an integral part of these financial statements

Capital Projects Fund	Nonmajor Governmental Funds	Totals
\$ -	\$ 429,941	\$ 8,851,762
-	-	1,302,979
-	25,999	78,668
152,063	186,159	1,047,981
-	27,675	795,167
-	624,262	1,811,814
-	7,009	73,191
<u>152,063</u>	<u>1,301,045</u>	<u>13,961,562</u>
-	-	80,717
-	-	2,158,385
-	-	1,202,062
-	-	257,494
-	-	899,932
-	200,000	3,831,888
-	-	95,846
-	-	327,786
-	-	108,289
-	435,059	2,541,053
-	-	40,398
-	-	565,104
-	-	37,342
2,191,286	-	2,381,061
<u>2,191,286</u>	<u>635,059</u>	<u>14,527,357</u>
<u>(2,039,223)</u>	<u>665,986</u>	<u>(565,795)</u>
-	-	189,775
2,191,286	-	2,541,286
-	(1,038,818)	(2,471,286)
<u>2,191,286</u>	<u>(1,038,818)</u>	<u>259,775</u>
152,063	(372,832)	(306,020)
(539,278)	1,085,919	13,263,467
<u>\$ (387,215)</u>	<u>\$ 713,087</u>	<u>\$ 12,957,447</u>

Town of Woodside
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2024

Net change in fund balances - total governmental funds \$ (306,020)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Intangible right-to-use subscription asset addition	\$ 189,775	
Depreciation expense	<u>(276,975)</u>	(87,200)

Long term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of the debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.

Issuance of Long term debt (Note 12)	(189,775)	
Amortization expenses	37,342	
Debt services payment	<u>(37,342)</u>	(189,775)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences (total)	(106,410)	
Change in subscription liability (total)	-	
Change in net pension liability	(314,569)	
Change in net OPEB liability	<u>27,089</u>	<u>(393,890)</u>

Change in net position of governmental activities **\$ (976,885)**

The accompanying notes are an integral part of these basic financial statements.

This schedule reconciles the Net Change in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

Town of Woodside
Reconciliation of Governmental Fund Basis Statements to Government-wide Statement of Activities
For the year ended June 30, 2024

	Fund Based Expenditures Totals	Compensated Absences	Depreciation	Capital Asset (Additions), Retirements & Adjustments	(a) OPEB Expense	(b) Pension Plan	(c) SBITAs	Government- wide Expenses Totals
Governmental activities:								
Town Council	\$ 80,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 80,717
Administration and Finance	2,158,385	106,410	-	-	(27,089)	314,569	37,342	2,589,617
Planning Department	1,202,062	-	1,167	-	-	-	-	1,203,229
Buildings and Grounds	257,494	-	65,013	-	-	-	-	322,507
Town-wide Overhead	899,932	-	27,648	-	-	-	-	927,580
Safety Services	3,831,888	-	2,707	-	-	-	-	3,834,595
Trails and Stables	95,846	-	-	-	-	-	-	95,846
Barkley Fields	327,786	-	100,492	-	-	-	-	428,278
Library Services	108,289	-	59,902	-	-	-	-	168,191
Public Works	2,541,053	-	20,046	2,191,286	-	-	-	4,752,385
Recreation and Open Space	40,398	-	-	-	-	-	-	40,398
Disaster Preparedness	565,104	-	-	-	-	-	-	565,104
Capital outlay	2,381,061	-	-	(2,191,286)	-	-	-	189,775
Total governmental activities	\$ 14,490,015	\$ 106,410	\$ 276,975	\$ -	\$ (27,089)	\$ 314,569	\$ 37,342	\$ 15,198,222

The accompanying notes are an integral part of these financial statements

- (a) For the year ended June 30, 2024 the Town recognized \$113,709 in total OPEB expense with the difference between the amount shown above of \$(27,089) in Administration and Finance expense line and the remaining amount of \$140,798 representing the Employer contribution made subsequent to the measurement date (Note 11)
- (b) For the year ended June 30, 2024 the Town recognized \$960,704 in total pension expense with the difference between the amount shown above \$314,569 in the Administration and Finance expense line and the remaining amount of \$646,135 representing the Pension contribution made subsequent to the measurement date (Note 10)
- (c) Subscription Based Information Technology Arrangement (SBITA) amortization expense. See Note 12 for more details.

Town of Woodside
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - General Fund and Major Special Revenue Funds
For the year ended June 30, 2024

	General Fund			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES				
Taxes and assessments	\$ 7,456,310	\$ 7,456,310	\$ 7,859,045	\$ 402,735
Licenses and permits	788,000	788,000	1,302,979	514,979
Fines and forfeitures	17,000	17,000	52,669	35,669
Intergovernmental	789,000	1,449,745	709,759	(739,986)
Use of money and property	183,400	183,400	750,807	567,407
Charges for services	819,700	819,700	1,187,552	367,852
Other revenues	23,750	23,750	66,182	42,432
Total revenues	<u>10,077,160</u>	<u>10,737,905</u>	<u>11,928,993</u>	<u>1,191,088</u>
EXPENDITURES				
Current:				
Town Council	61,400	61,400	80,717	(19,317)
Administration and Finance	2,051,835	2,195,727	2,195,727	-
Planning Department	1,376,150	1,376,150	1,202,062	174,088
Buildings and Grounds	216,560	216,560	257,494	(40,934)
Town-wide Overhead	811,500	811,500	899,932	(88,432)
Safety Services	4,291,964	4,291,964	3,631,888	660,076
Trails and Stables	109,370	109,370	95,846	13,524
Barkley Fields	281,555	281,555	327,786	(46,231)
Library Services	-	-	-	-
Public Works	1,614,760	1,614,760	1,834,895	(220,135)
Recreation and Open Space	29,000	29,000	40,398	(11,398)
Disaster Preparedness	65,000	565,000	565,104	(104)
Capital outlay	-	-	189,775	(189,775)
Total expenditures	<u>10,909,094</u>	<u>11,552,986</u>	<u>11,321,624</u>	<u>231,362</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(831,934)</u>	<u>(815,081)</u>	<u>607,369</u>	<u>1,422,450</u>
OTHER FINANCING SOURCES (USES)				
Issuance of Long term debt (Note 12)	-	-	189,775	189,775
Transfers in	385,000	385,000	350,000	(35,000)
Transfers (out)	(926,350)	(926,350)	(1,077,468)	(151,118)
Total other financing sources (uses)	<u>(541,350)</u>	<u>(541,350)</u>	<u>(537,693)</u>	<u>3,657</u>
Net change in fund balances	<u>(1,373,284)</u>	<u>(1,356,431)</u>	<u>69,676</u>	<u>1,426,107</u>
FUND BALANCE:				
Beginning of year	12,067,749	12,067,749	12,067,749	-
End of year	<u>\$ 10,694,465</u>	<u>\$ 10,711,318</u>	<u>\$ 12,137,425</u>	<u>\$ 1,426,107</u>

The accompanying notes are an integral part of these financial statements

Library Operations				Measure A			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ 195,500	\$ 195,500	\$ 177,912	\$ (17,588)	\$ 375,000	\$ 375,000	\$ 384,864	\$ 9,864
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	12,500	12,500	16,685	4,185
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>195,500</u>	<u>195,500</u>	<u>177,912</u>	<u>(17,588)</u>	<u>387,500</u>	<u>387,500</u>	<u>401,549</u>	<u>14,049</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
116,050	116,050	108,289	7,761	-	-	-	-
-	-	-	-	277,550	277,550	271,099	6,451
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,000	50,000	-	50,000	-	-	-	-
<u>166,050</u>	<u>166,050</u>	<u>108,289</u>	<u>57,761</u>	<u>277,550</u>	<u>277,550</u>	<u>271,099</u>	<u>6,451</u>
-	-	-	-	-	-	-	-
29,450	29,450	69,623	40,173	109,950	109,950	130,450	20,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(30,000)	(30,000)	(30,000)	-	(446,000)	(446,000)	(325,000)	121,000
<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>	<u>(446,000)</u>	<u>(446,000)</u>	<u>(325,000)</u>	<u>121,000</u>
(550)	(550)	39,623	40,173	(336,050)	(336,050)	(194,550)	141,500
(52,656)	(52,656)	(52,656)	-	701,733	701,733	701,733	-
<u>\$ (53,206)</u>	<u>\$ (53,206)</u>	<u>\$ (13,033)</u>	<u>\$ 40,173</u>	<u>\$ 365,683</u>	<u>\$ 365,683</u>	<u>\$ 507,183</u>	<u>\$ 141,500</u>

The accompanying notes are an integral part of these financial statements

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PROPRIETARY FUNDS

Proprietary funds account for Town's operations financed and operated in a manner similar to a private business enterprise. The intent of the Town is that the cost of providing goods and services be financed primarily through user charges.

All of the Town's Enterprise Funds have been identified as major proprietary funds.

Fund	Description
MAJOR FUNDS:	
Redwood Creek Sewer	Accounts for revenues and expenses associated with the sewer connections to the Redwood Creek Sewer Assessment District, allocated to sewer system improvements and rehabilitation.
Sewer Utility	Accounts for all activities associated with the operation and maintenance of providing sewage services. This fund includes a related reserve fund, used to accumulate revenues in support of prior year sewer operating costs, to be paid when negotiations with other agencies are completed.
Cañada Corridor Sewer	Accounts for the operation and maintenance of services provided by the Cañada Corridor Sanitary Sewer Area.

Town of Woodside
Statement of Net Position
Enterprise Funds
June 30, 2024

	<u>Redwood Creek Sewer</u>	<u>Sewer Utility</u>	<u>Cañada Corridor Sewer</u>	<u>Totals</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 269,435	\$ 935,191	\$ 157,882	\$ 1,362,508
Receivables:				
Accounts	-	11,188	-	11,188
Interest	2,295	9,656	1,428	13,379
Total current assets	<u>271,730</u>	<u>956,035</u>	<u>159,310</u>	<u>1,387,075</u>
Noncurrent assets:				
Capital assets, net	-	1,017,565	160,100	1,177,665
Total assets	<u>271,730</u>	<u>1,973,600</u>	<u>319,410</u>	<u>2,564,740</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Plan	10,713	6,094	-	16,807
Total assets and deferred outflows of resources	<u>\$ 282,443</u>	<u>\$ 1,979,694</u>	<u>\$ 319,410</u>	<u>\$ 2,581,547</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 26,140	\$ -	\$ 26,140
Total current liabilities	<u>-</u>	<u>26,140</u>	<u>-</u>	<u>26,140</u>
Noncurrent Liabilities:				
Advance from other funds	-	166,488	-	166,488
Net pension liability	27,021	14,102	-	41,123
Note payable	-	17,700	-	17,700
Total Liabilities	<u>27,021</u>	<u>224,430</u>	<u>-</u>	<u>251,451</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Plan	8,921	(7,336)	-	1,585
Total deferred inflows of resources	<u>8,921</u>	<u>(7,336)</u>	<u>-</u>	<u>1,585</u>
Net Position				
Net investment in capital assets	-	1,017,565	160,100	1,177,665
Unrestricted	246,501	745,035	159,310	1,150,846
Total Net Position	<u>246,501</u>	<u>1,762,600</u>	<u>319,410</u>	<u>2,328,511</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 282,443</u>	<u>\$ 1,979,694</u>	<u>\$ 319,410</u>	<u>\$ 2,581,547</u>

The accompanying notes are an integral part of these financial statements

Town of Woodside
Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the year ended June 30, 2024

	Redwood Creek Sewer	Sewer Utility	Cañada Corridor Sewer	Totals
OPERATING REVENUES				
Charges for services	\$ -	\$ 728,217	\$ 45,458	\$ 773,675
Other	-	58,742	-	58,742
Total operating revenues	-	786,959	45,458	832,417
OPERATING EXPENSES				
Salaries and benefits	-	(4,916)	-	(4,916)
Professional services	-	302,578	25,960	328,538
Materials and supplies	-	13,629	-	13,629
Depreciation	-	43,472	16,010	59,482
Total operating expenses	-	354,763	41,970	396,733
OPERATING INCOME(LOSS)	-	432,196	3,488	435,684
NONOPERATING REVENUES (EXPENSES)				
Interest revenue	8,292	25,926	4,593	38,811
Interest expense	-	(7,559)	-	(7,559)
Total non-operating revenues, net	8,292	18,367	4,593	31,252
NET INCOME BEFORE TRANSFERS	8,292	450,563	8,081	466,936
Transfers out (Note 8)	-	(65,000)	(5,000)	(70,000)
Total transfers	-	(65,000)	(5,000)	(70,000)
CHANGE IN NET POSITION	8,292	385,563	3,081	396,936
NET POSITION:				
Beginning of year	238,209	1,377,037	316,329	1,931,575
End of year	<u>\$ 246,501</u>	<u>\$ 1,762,600</u>	<u>\$ 319,410</u>	<u>\$ 2,328,511</u>

The accompanying notes are an integral part of these financial statements

Town of Woodside
Statement of Cash Flows
Enterprise Funds
For the year ended June 30, 2024

	Redwood Creek Sewer	Sewer Utility	Cañada Corridor Sewer	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received (refunds paid) from (to) customers/users for services provided	\$ -	\$ 772,955	\$ 44,941	\$ 817,896
Cash payments to suppliers for goods and services	-	(356,442)	(25,960)	(382,402)
Cash payments to employees for services	-	4,916	-	4,916
Net cash provided by operating activities		<u>421,429</u>	<u>18,981</u>	<u>440,410</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Notes paid	-	(5,900)	-	(5,900)
Advance received (paid)	-	(93,501)	-	(93,501)
Transfers received (paid)	-	(65,000)	(5,000)	(70,000)
Net cash used by noncapital financing activities		<u>(164,401)</u>	<u>(5,000)</u>	<u>(169,401)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest paid	-	(7,559)	-	(7,559)
Investment income received	7,626	25,926	4,593	38,145
Net cash provided by investing activities	<u>7,626</u>	<u>18,367</u>	<u>4,593</u>	<u>30,586</u>
Net increase (decrease) in cash and cash equivalents	<u>7,626</u>	<u>275,395</u>	<u>18,574</u>	<u>301,595</u>
CASH AND CASH EQUIVALENTS:				
Beginning of year	261,809	659,796	139,308	1,060,913
End of year	<u>\$ 269,435</u>	<u>\$ 935,191</u>	<u>\$ 157,882</u>	<u>\$ 1,362,508</u>
Reconciliation of income from operations to net cash provided by operating activities:				
Operating income (loss)	\$ -	\$ 432,196	\$ 3,488	\$ 435,684
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	43,472	16,010	59,482
Pension expense	-	(50,568)	-	(50,568)
(Increase) decrease in current assets:				
Accounts receivable	-	(9,586)	-	(9,586)
Interest receivable	-	(4,418)	(517)	(4,935)
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	-	10,333	-	10,333
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 421,429</u>	<u>\$ 18,981</u>	<u>\$ 440,410</u>

The accompanying notes are an integral part of these financial statements

FIDUCIARY FUND

The Town's only fiduciary fund is the custodial fund, which account for assets held by the Town as an agent for individuals, other governments and non-public organizations.

<u>Fund Type</u>	<u>Description</u>
1999 Woodside Road/Whiskey Hill Road Parking District	This fund accounts for the payment of principal, interest, and administrative costs associated with the 1999 issuance of limited obligation improvement bonds for the construction of parking assessment district in Town Center, supported by special assessments against properties within the district.

Town of Woodside
Fiduciary Funds
Statement of Net Position
June 30, 2024

	<u>Custodial Fund</u>
	1999 Woodside Road/Whiskey Hill Road Parking District
	<u>1999 Woodside Road/Whiskey Hill Road Parking District</u>
ASSETS	
Cash and investments (Note 2)	\$ 107,444
Receivables:	
Interest	875
Special assessments	<u>40,000</u>
Total assets	<u>148,319</u>
LIABILITY	
Due to Bondholders	<u>30,025</u>
Total liability	<u>30,025</u>
NET POSITION:	
Restricted for Parking District	<u>118,294</u>
Total Net Position	<u><u>\$ 118,294</u></u>

See accompanying notes to financial statements

Town of Woodside
Fiduciary Funds
Statement of Changes in Net Position
For the Year Ended June 30, 2024

	<u>Custodial Fund</u>
	1999 Woodside Road/Whiskey Hill Road Parking District
ADDITIONS	
Members contributions	\$ 40,000
Investment earnings	<u>277</u>
Total Additions	<u>40,277</u>
DEDUCTIONS	
Debt services payments	<u>74,259</u>
Total Deductions	<u>74,259</u>
Net increase(decrease) in fiduciary net position	(33,982)
Net Position - Beginning of the Year	<u>152,276</u>
Net Position - End of the Year	<u><u>\$ 118,294</u></u>

See accompanying notes to financial statements

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NOTES TO BASIC FINANCIAL STATEMENTS

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**Town of Woodside
Basic Financial Statements
For the year ended June 30, 2024**

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Town of Woodside
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Woodside (Town) was incorporated on November 16, 1956, under the laws and regulations of the State of California (State). The Town operates under a Town Council/Manager form of government and provides the following services: public works, planning and zoning, building regulation, general administrative services, and public safety (provided by San Mateo County Sheriff).

The financial statements of the Town have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The Town applies all GASB pronouncements to its activities.

In addition, the Town applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Financial Reporting Entity

The Town operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The Town's main funding sources include property taxes, other intergovernmental revenue from state and federal sources, user fees, and sales taxes.

The financial reporting entity consists of (a) the primary government, the Town, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the Town has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the Town.

There are no component units of the Town that meet the criteria for discrete presentation.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Eliminations have been made to minimize the double counting of internal activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The Town reports the following major funds:

- General Fund
- Library Operations Special Revenue Fund
- Measure A Special Revenue Fund
- Capital Projects Fund

Descriptions of these funds are included on the divider page preceding the Governmental Funds Balance Sheet.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is used to account for resources traditionally associated with the Town which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the Town's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

Special Revenue Funds

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted, or committed to expenditures for particular purposes.

Capital Projects Fund

The Capital Projects Fund accounts for multi-year capital improvement projects including bridges, road repair/replacement and trail and pedestrian improvements.

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

Fiduciary Funds

Custodial Funds

Custodial Funds account for assets held by the Town in a purely custodial capacity. Since custodial funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements. The town has only one custodial fund, which accounts for the payment of principal, interest, and administrative costs associated with the 1999 issuance of limited obligation improvement bonds for the construction of parking assessment district in Town Center, supported by special assessments against properties within the district.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the "current financial resources" measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The enterprise funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund equity is classified as net position.

Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity

Cash Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred inflows in the fund financial statements in accordance with the modified accrual basis, but not deferred inflows in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The Town's experience is that all accounts receivables are collectible; therefore, an allowance for doubtful accounts is unnecessary.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a nonspendable fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Capital Assets

The Town's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, streets, drainage systems, and pumps.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. Since then, these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Buildings	50 years
Building improvements	10-20 years
Machinery and equipment	5-20 years
Sewer Pump & Collection Systems	30 years

Leases

As clarified by the Government Accounting Standards Board (GASB) Statement No. 87, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The Town recognizes lease receivables or liabilities with an initial, individual value of \$50,000 or more, based on the future lease payments remaining at the start of the lease.

The Town has no leases subject to GASB#87 for the fiscal year 2024.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Subscription-Based Information Technology Arrangements (SBITAs)

As clarified by the Government Accounting Standards Board (GASB) Statement No. 96, the Town initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. The Town recognizes SBITA liabilities with an initial, individual value of \$50,000 based on the future SBITA payments remaining at the start of the contract.

The Town monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for like in government-wide statements.

Compensated Absences

Employees accrue personal leave, holiday, administrative leave, and compensatory time off benefits. Town employees have vested interests in the amount of accrued time off and are paid on termination. All personal leave pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for the entire amount is reported in the governmental activities. The general fund is typically used to liquidate compensated absences.

In order to control this future liability, starting in 2013, compensatory time off, administrative leave, and floating holidays must be used by staff during the calendar year in which they are earned. At year-end, employees will be paid for any comp time, administrative leave, or floating holidays earned, but not used during the year. No comp time, administrative leave, or floating holidays earned may be carried into a new calendar year. Conversely, PTO (paid time off) rolls from one calendar year to the next until it is used or paid out to staff who leave the service of the Town of Woodside.

Unearned Revenues

Unearned revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues in enterprise funds and the statement of net position arise when the Town receives resources before it has a legal claim to them, (i.e., when grant monies are received before the incurrence of qualifying expenses).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has several categories of items reported as deferred outflow of resources, which include pension and OPEB contributions made subsequent to the measurement date and other differences between actual and expected experience and earnings and changes in actuarial assumptions.

In addition to liabilities, the statement of position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has several categories of items reported as deferred inflows of resources. These items are primarily related to changes in the employer proportion of the pension expense and changes in assumptions related to the OPEB Plan.

Refer to Notes 10 and 11 for more information on pension and OPEB benefit plans.

Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or internally by action of the Town council as in the case with the establishment of the PARS irrevocable pension and OPEB trust accounts or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned, or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the Town:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors, and other governments), or internally by action by the Town Council as is the case to establishment of the PARS irrevocable pension and OPEB trust accounts.
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council Resolution is required to be taken to establish, modify, or rescind a fund balance commitment.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- The Town Council delegates the authority to the Town Manager to assign fund balance amounts to specific purposes when the Town Council enacts such purposes.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

Revenues, Expenditures, and Expenses

Property Tax

The County of San Mateo (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The Town recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in property ownership or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent, if unpaid on August 31.

The Town participates in an alternative distribution method of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allows counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to San Mateo County.

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budgetary Accounting

The Town Council establishes budgets for the General Fund and all Special Revenue Funds. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the Town Manager. The Town Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the Town Council and is adopted by resolution by the Town Council on or before June 30 in accordance with the municipal code.

The Town Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The Town Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2024. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023
Fiscal Year End	June 30, 2024

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS

Investments Authorized:

The Town's Investment Policy and the California Government Code allow the Town to invest in the following, provided the credit ratings of the issuers are acceptable to the Town, and approved percentages and maturities are not exceeded:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
California Local Agency Investment Fund	N/A	None	\$75 million
US Government Agency Issues	5 years	None	None
Negotiable Certificates of Deposits	5 years	30%	5%
Mutual funds	Upon Demand	20%	10%

At June 30, 2024, the Town's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	<u>Fair Value</u>
<u>Cash and investments:</u>	
Pooled cash, at fair value	
Cash in bank	\$ 401,489
Petty Cash	1,200
Total cash in hand	<u>402,689</u>
State of California Local Agency Investment Fund (LAIF)	11,468,122
Subtotal cash and investments	<u>11,870,811</u>
<u>Restricted cash and investments</u>	
PARS Trust Pension Investment Fund	<u>2,670,899</u>
Subtotal restricted cash and investments	<u>2,670,899</u>
Total Cash and Investments	<u>\$ 14,541,710</u>
Amounts reported in:	
Governmental activities	\$ 13,071,758
Business-type activities	1,362,508
Fiduciary activities	107,444
Total Cash and Investments	<u>\$ 14,541,710</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Investment in California State Local Agency Investment Fund (LAIF):

The LAIF is a special fund of the California State Treasury through which local governments can pool investment funds. The Local Investment Advisory Board has oversight responsibility for the LAIF and the Board consists of five members as designated by State statute. LAIF is stated at amortized cost, which approximates fair value.

As of June 30, 2024, the total fair value amount invested by all public agencies in LAIF is \$178.0 million, with the Town's pro-rata share of the fair value investment amount is \$11.5 million.

As of June 30, 2024, the reported LAIF portfolio investment allocation is as follows; 0.24% is in loans, 0.44% in corporate bonds, 6.07% in commercial paper, 3.09% in time deposits, 8.31% in certificates of deposits and bank notes, 22.68% in government agencies and 59.17% in U.S. Treasuries. At June 30, 2024, the average investment maturity for the LAIF is 217 days, with an average annual investment yield of 3.39%.

In fiscal year 2024, the Town earned \$400,832 in income from its' investments in the LAIF, with the quarterly annual yields ranging from a low of 3.59% in the first quarter to a high of 4.55% in the fourth quarter of fiscal 2024. The investment in the LAIF is subject to market risk due to interest rate changes, credit risks and overall market price fluctuations.

Public Agency Retirement Services (PARS) Trust Pension Investment Fund:

In fiscal year 2020, the Town Council elected to participate in the Public Agency Retirement Services (PARS) pension rate stabilization program, an IRC Section 115 irrevocable trust to set aside money to prefund rising pension costs and address pension obligations. This trust account are restricted funds. PARS is a non-governmental organization that offers retirement services designed for public agencies, primarily in the State of California.

In February 2024, the Town Council decided to change the investment allocation strategy in the PARS (Pension and OPEB) Investment Trust Accounts with Highmark Capital, from the Capital Appreciation Strategy (i.e. 70% Stocks and 30% Bonds/Cash) to a Balanced Index Strategy (i.e. 60% Stocks and 40% Bonds/Cash). At June 30, 2024, the Town's \$2.7 million PARS Investment (High Mark Balanced Index) asset allocation was \$1.5 million or 54.43% in equity securities (i.e. international and domestic large cap, mid and small cap companies), \$1.0 million or 38.12% in fixed income securities (i.e. intermediate and short term bonds), \$158K or 5.91% in real assets and \$41K or 1.54% in cash equivalents.

High Mark Capital Management, Inc., is an SEC registered investment adviser and a wholly-owned subsidiary of Union Bank and manages institutional separate account portfolios for a wide range of for-profit and nonprofit organizations with primary objective being growth of principal and income.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Equity and fixed income securities held in the PARS Investment account are measured at fair value (i.e. market value) at the end of each fiscal period with any net increase or decrease recorded in current period income along with any realized net gains or losses. During fiscal year 2024, the PARS Investment had a net gain of \$293,822, or 13.02%. By comparison, in fiscal year 2023, the PARS Investment had a net increase in market value of \$219,328. Since inception of this program by the Town in 2020, PARS investment pension account has had a cumulative net increase in market value of \$739,892.

As of June 30, 2024 the fair value of the PARS Investment related to the pension plan was approximately \$2.7 million. If these funds were used to pay down the unfunded liability the funded pension plan percentage amount would increase from 71.2% to 85% of the total estimated pension obligation based on the most recent CalPERS valuation report as of June 30, 2023. Please note that the net pension liability is determined by an outside actuary and is based on various assumptions including projected plan asset earnings. These amounts could differ from actual earnings in future periods, which could impact the future pension liability for the Town.

The Town Council reserves the authority to review and amend this funding policy from time to time, to ensure that the funding policy continues best to suit the circumstances and objectives of the Town.

Interest Rate Risk and Market Risks

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates will be. The Town’s investments in the LAIF are heavily weighted toward interest rate financial instruments and to a much lesser extent the PARS Trust Pension Investment Fund, which are primarily invested in equities.

The Town’s investments in the LAIF and the PARS Trust Pension Fund are also subject to market risk. Market risk is the risk of losses on financial investments caused by adverse price movements caused by changes in equity prices, credit risks, foreign exchange fluctuations or interest rate changes. Our investment in the PARS Trust Pension Investment (High Mark Capital Appreciation Index Plus) Fund is subject to market risk due to changes in interest rates, credit risk, foreign currency prices and overall market price fluctuations. Investments employing High Mark strategies are not insured by the FDIC or any Federal or State government agency and may lose value including loss of principal.

Information on the fair values of the Town’s investments at June 30, 2024, is provided by the following table:

	12 months or less
State of California Local Agency Investment Fund (LAIF)	\$ 11,468,122 (a)
PARS Trust Pension Investment Fund	2,670,899 (b)
Total investments	\$ 14,139,021

- (a) At June 30, 2024, the average investment maturity for the LAIF is 217 days, or approximately 7 months.
- (b) At June 30, 2024, about \$1,018,147 was invested in fixed income securities, the maturity of which is unknown.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Credit Risk

Credit Risk is the risk that an issuer will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town's investments in both LAIF and the PARS Trusts are all pooled investments and not rated:

	<u>Not Rated</u>
State of California Local Agency Investment Fund	\$ 11,468,122
PARS Trust Pension Investment Fund	<u>2,670,899</u>
Total investments	<u><u>\$ 14,139,021</u></u>

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 - Financial Affairs. The only authorized investment vehicles that address interest rate risk, credit risk, and concentration of credit risk, per the Town's investment policy, are the State of California Local Agency Investment Fund (LAIF), certificates of deposit in California financial institutions, government agency issues and money market mutual funds.

	<u>Interest Rate</u>	<u>Interest Earned</u>	<u>Cumulative Interest Earned to Date</u>
First Quarter (7/1 - 9/30)	3.59%	\$ 92,904	\$ 92,904
Second Quarter (10/1 - 12/31)	4.00%	86,574	179,478
Third Quarter (1/1 - 3/31)	4.30%	98,831	278,309
Fourth Quarter (4/1 - 6/30)	4.55%	122,523	400,832

Concentration of credit risk

The investments made by the Town Treasurer are limited to those allowable under State statutes as incorporated into the Town's Investment Policy, which is accepted annually by the Town Council. Following the statutes, the Town's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government's total investments, other than U. S. Treasury securities, mutual funds and the California Local Agency Investment Fund (LAIF). As of June 30, 2024, there were no concentrations in any one issuer for the year in excess of five percent of the Town's total investment.

The Town participates in an investment pool managed by the State of California known as the Local Agency Investment Fund (LAIF). LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. Our investment in PARS Trust Pension Investment Fund are not insured by the FDIC or any Federal or State government agency or collateralized by the State of California,

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Custodial credit risk (Deposits and Investments)

For deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's Investment Policy addresses custodial credit risk, which follows the Government Code. At June 30, 2024, the Town had balances in the financial institutions of \$579,464, with a book balance of cash in bank of \$401,489. Of the balance in the financial institutions, the amount within \$250,000 was covered by federal depository insurance. The portion exceeding the federal depository insurance of \$250,000 coverage was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the Town and other governmental agencies, but not in the name of the Town.

For investments, this is the risk that, in the event of the counterparty's failure, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the Town, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security. Investments were held by the custodial agent and were insured up to specified limits by the Securities Investor Protection Corporation (SPIC) and supplemental private insurance up to a limit of \$150 million.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2024:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 165,042	\$ 11,188	\$ -	\$ 176,230
Interest	108,270	13,379	875	122,524
Intergovernmental	41,397	-	-	41,397
Taxes	924,592	-	-	924,592
Other	-	-	40,000	40,000
Total accounts receivable	<u>\$ 1,239,301</u>	<u>\$ 24,567</u>	<u>\$ 40,875</u>	<u>\$ 1,304,743</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	77.1%
Individuals / Businesses	13.5%
Financial	9.4%

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, or agency.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

4. CAPITAL ASSETS

Capital asset of Governmental activities for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Deletions/ Adjustments	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 9,468,373	\$ -	\$ -	\$ 9,468,373
Total capital assets not being depreciated	<u>9,468,373</u>	<u>-</u>	<u>-</u>	<u>9,468,373</u>
Capital assets being depreciated:				
Buildings and improvements	10,272,870		-	10,272,870
Machinery and equipment	1,197,736	-	(31,097)	1,166,639
Intangible right-to-use subscription asset	-	189,775	-	189,775
Total capital assets being depreciated	<u>11,470,606</u>	<u>-</u>	<u>(31,097)</u>	<u>11,629,284</u>
Less accumulated depreciation for:				
Buildings and improvements	(3,400,175)	(225,407)	-	(3,625,582)
Machinery and equipment	(812,193)	(51,568)	31,097	(832,664)
Intangible right-to-use subscription asset	-	(37,342)	-	(37,342)
Total accumulated depreciation	<u>(4,212,368)</u>	<u>(314,317)</u>	<u>31,097</u>	<u>(4,495,588)</u>
Total depreciable assets, net	<u>7,258,238</u>	<u>(314,317)</u>	<u>-</u>	<u>7,133,696</u>
Capital assets, net	<u>\$ 16,726,611</u>	<u>\$ (314,317)</u>	<u>\$ -</u>	<u>\$ 16,602,069</u>

Capital asset of Business type activities for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Additions	Balance June 30, 2024
Business-type Activities			
Capital assets being depreciated:			
Buildings and improvements	\$ 141,706	\$ -	\$ 141,706
Pumps and collections system	4,030,667	-	4,030,667
Total capital assets being depreciated	<u>4,172,373</u>	<u>-</u>	<u>4,172,373</u>
Less accumulated depreciation for:			
Buildings and improvements	(141,706)	-	(141,706)
Pumps and collections system	(2,793,520)	(59,482)	(2,853,002)
Total accumulated depreciation	<u>(2,935,226)</u>	<u>(59,482)</u>	<u>(2,994,708)</u>
Total depreciable assets, net	<u>1,237,147</u>	<u>(59,482)</u>	<u>1,177,665</u>
Capital assets, net	<u>\$ 1,237,147</u>	<u>\$ (59,482)</u>	<u>\$ 1,177,665</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

4. CAPITAL ASSETS, Continued

Depreciation expense for capital assets was charged to functions as follows:

Governmental Activities	
Planning Department	\$ 1,167
Buildings and Grounds	65,013
Town-wide Overhead	64,990
Safety Services	2,707
Barkley Fields	100,492
Library Services	59,902
Public Works	<u>20,046</u>
Total Governmental Activities	<u><u>\$ 314,317</u></u>
Business-type Activities	
Town center pump sewer	\$ 43,472
Canada Corridor sewer	<u>16,010</u>
Total Business-type Activities	<u><u>\$ 59,482</u></u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

	Governmental Activities	Business-type Activities	Total
Accounts payable and accrued liabilities	\$ 690,621	\$ 26,140	\$ 716,761
Deposits payable	829,479	-	829,479
Total	<u><u>\$ 1,520,100</u></u>	<u><u>\$ 26,140</u></u>	<u><u>\$ 1,546,240</u></u>

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or individual.

6. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024:

	Balance 7/1/2023	Net Change	Balance 6/30/2024	Due Within One year
Compensated Absences	\$ 527,198	\$ 106,410	\$ 633,608	\$ 63,361
Net OPEB Liability	838,163	215,026	1,053,189	-
Net Pension Liability	4,828,701	443,503	5,272,204	-
Total noncurrent liabilities	<u><u>\$ 6,194,062</u></u>	<u><u>\$ 764,939</u></u>	<u><u>\$ 6,959,001</u></u>	<u><u>\$ 63,361</u></u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

6. LONG-TERM LIABILITIES, Continued

Compensated Absences

The Town's long-term liabilities consist of amounts due to employees for earned but unused compensated absences, including personal leave and compensated time off leave balances. These amounts are typically liquidated by the General Fund.

Net OPEB Liability

The net OPEB liability is the actuarial determined estimated future obligation of the Town, net of contributions and the prefunded, PARS OPEB trust investment account. See **Note 11** for further discussion.

Net Pension Liability

The net pension liability is the Town's actuarial determined projection of the Town's long-term share of the two CalPERS pools the Town belongs to. See **Note 10** for further discussion on the net pension liability.

7. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities	Business-type Activities
Net investment in capital assets	\$ 16,449,636	\$ 1,177,665
Restricted	3,490,921	-
Unrestricted	4,755,922	1,150,846
Total	<u>\$ 24,696,479</u>	<u>\$ 2,328,511</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Restricted and Unassigned fund balance consisted of the following at June 30, 2024:

Nonspendable:	
Major funds	
General Fund	\$ 166,488
Total Nonspendable:	<u>\$ 166,488</u>
Restricted:	
Major Funds:	
General Fund	\$ 2,670,899
Measure A	507,183
Total Major Funds-Restricted	<u>3,178,082</u>
Nonmajor Funds:	
Traffic Safety	30,001
Road Impact Fees	471,640
Gas Tax	47,536
Supplemental Law Enforcement Service	28,870
California Law Enforcement Equipment Program	2,948
Measure W	132,092
Total Nonmajor Funds-Restricted	<u>713,087</u>
Total Restricted	<u>\$ 3,891,169</u>
Unassigned (deficit):	
Major Funds:	
General Fund	\$ 9,300,038
Library Operations	(13,033)
Capital Projects	(387,215)
Total Major Funds-Unassigned	<u>8,899,790</u>
Total Fund Balance	<u>\$ 12,957,447</u>

The following describes the purpose of each nonspendable, restriction, and commitment account used by the Town:

Restricted

- **Measure A** – represents amounts restricted for the Town's share of a one-half cent sales tax revenue for road repairs and construction.
- **Traffic Safety** – represents amounts restricted for receipts from fines and forfeitures from violations of the California Vehicle Code, for support of the Town's Road Program.
- **Road Impact Fees** – represents amounts restricted for receipts of road impact fees, assessed against all building projects, for road maintenance.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

7. NET POSITION/ FUND BALANCES, Continued

- **Gas Tax** – represents amounts restricted for road maintenance and construction purposes by the California Streets and Highways Code.
- **California Law Enforcement Equipment Program** – represents amounts restricted for State of California grants funds for law enforcement equipment acquisitions.
- **Measure W** – represents amounts restricted for the Town’s share of a one-half cent sales tax revenue for road repairs and construction.

Deficit fund balances consisted of the following at June 30, 2024:

Library Operations – (\$13,033) – This fund represents revenues and expenditures derived from the Town's membership in the San Mateo County Library System Joint Powers Authority (JPA).

Capital Projects – (\$387,215) – This fund represents all the expenses for budgeted capital projects. Transfers in are made on a quarterly basis for the purpose of bringing the fund balance close to zero.

8. INTERFUND TRANSACTIONS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers consisted of the following at June 30, 2024:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activities		
Major Funds:		
General Fund	\$ 350,000	\$ 1,077,468
Library Operations	-	30,000
Measure A	-	325,000
Capital Projects	2,191,286	-
Total Major Funds	<u>2,541,286</u>	<u>1,432,468</u>
Non-major Funds:		
Special Revenue Funds:		
Traffic Safety	-	200,000
Road Impact Fees	-	458,972
Measure W	-	212,616
Gas Tax	-	167,230
Total Non-major Special Revenue Funds	<u>-</u>	<u>1,038,818</u>
Total Non-major Funds	<u>-</u>	<u>1,038,818</u>
Total Governmental Activities	<u>2,541,286</u>	<u>2,471,286</u>
Business-type Activities		
Sewer Utility	-	65,000
Canada Corridor Sewer	-	5,000
Total Business-type Activities	<u>-</u>	<u>70,000</u>
Total Transfers	<u>\$ 2,541,286</u>	<u>\$ 2,541,286</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

9. RISK MANAGEMENT

The Town is a member of Pooled Liability Assurance Network Joint Powers Authority (PLAN), for general liability claims in an amount of up to \$2,500,000. Through PLAN JPA, the Town has additional insurance coverage from CARMA, Safety National, Everest, Hallmark Specialty Insurance, and AXIS Surplus Insurance. The Town pays an annual premium to PLAN JPA for its insurance coverage.

The Town's insurance coverage and the respective coverage providers are as follows:

Amounts Covered	Coverage Provider	Payment Source
General Liability:		
up to \$25,000	Self-Insured retention	Town Funds
\$25,001-\$1,000,000	PLAN JPA	Shared risk pool
\$1,000,001-\$10,000,000	California Affiliated Risk Management Authorities (CARMA) JPA	Alliant Insurance Services
\$10,000,001-\$15,000,000	Safety National	Alliant Insurance Services
\$15,000,001-\$20,000,000	Everest	Alliant Insurance Services
\$20,000,001-\$25,000,000	Starstone Specialty Insurance Company	Alliant Insurance Services
\$25,000,001-\$30,000,000	AXIS Surplus Insurance Company	Alliant Insurance Services
\$30,000,001-\$35,000,000	Navigators Excess Insurance Company	Alliant Insurance Services
Workers' Compensation Claims:		
up to \$250,000	SHARP JPA	Shared risk pool
\$250,001-\$5,000,000	Local Agency Workers' Compensation Excess Authority (LAWCX)	LAWCX
\$5,000,001 and up	Public Risk Innovation, Solutions, and Management (PRISM)	PRISM

Property insured includes: all buildings, structures, vehicles, personal property, data processing equipment, contractors' equipment, records, business interruption, and errors and omissions. Property limits of liability \$1,000,000 per occurrence. Deductibles are \$5,000 all property and vehicles, cyber liability included.

Employment Risk Management Authority (ERMA) is a self-insured joint powers authority created for the sole purpose of Employment Practices Liability Coverage. ERMA is comprised of various public entities who risk share up to \$1 million against potential unlawful employment practices and discrimination claims.

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Town's Miscellaneous and Public Employees' Pension Reform Act (PEPRA) Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Town 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.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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 non-duty 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	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 - 2.5%	1.0 - 2.5%
Required employee contribution rates	8.0%	7.75%
Required employer contribution rates	14.06%	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 both Plans are 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 Town is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 646,135

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

As of June 30, 2024, the Town reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 5,272,204

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

The Town's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan 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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Town's proportionate share of the net pension liability for each Plan as of June 30, 2022 and 2023 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2022	0.04180%
Proportion - June 30, 2023	0.10544%
Change - Increase (Decrease)	<u>0.06364%</u>

For the year ended June 30, 2024, the Town recognized pension expense of \$960,704. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 646,135	\$ -
Differences between actual and expected experience	269,333	(41,780)
Changes in assumptions	318,307	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	5,028	(57,077)
Change in employer proportion	62,321	(104,345)
Net differences between projected and actual earnings on plan investments	853,617	-
Total	<u>\$ 2,154,741</u>	<u>\$ (203,202)</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

\$646,135 reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a charge or an increase in pension expense as follows:

Miscellaneous	
Fiscal Year Ended	Annual
June 30	Amortization
2025	\$ 363,661
2026	253,464
2027	663,784
2028	24,495
Total	<u>\$ 1,305,404</u>

Actuarial Assumptions

For the measurement period ended June 30, 2023, the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method

Actuarial Assumptions:

Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Investment Rate of Return	6.90% (1)
Mortality Rate Table	Derived using CalPERS' membership data for all funds (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes generational mortality improvements using Society of Actuaries Scale 80% of Scale MP 2020. For more details on this table, please refer to the November 2021 experience study report (based on CalPERS demographic data from 2001 to 2019) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2022 valuations were based on the results of November 2021 actuarial experience study for the period from 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all period of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of 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 both short-term and long-term market return expectations. Using historical and forecasted information for all the funds' asset classes expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

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

For Miscellaneous and PEPR

Asset Class (a)	Assumed Asset Allocation	Real Return (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%	

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

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

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

The following presents the Town's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease Net Pension Liability	5.90% \$ 7,982,591
Current Discount Rate Net Pension Liability	6.90% \$ 5,272,204
1% Increase Net Pension Liability	7.90% \$ 3,041,322

Pension Plan Fiduciary Net Position

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

PARS Trust

During fiscal year 2020, the Town established an irrevocable trust with Public Agency Retirement Services (PARS) to set aside funds for pension liability. These trust funds are restricted funds. The Council reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the Town. Refer to Note 2, Cash and Investments for more details on the PARS Trust Investment.

As of June 30, 2024, the balance in the PARS trust is \$2,670,899.

Due to the interpretation of GASB 68 for the treatment of the secondary trust other than CERBT when Town has pension managed by CalPERS, the PARS trust balance is shown as restricted cash in General Fund, the contributing Fund.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

11. OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description. The Town of Woodside Retiree Healthcare Plan (Plan) is an agent multiple employers defined benefit healthcare plan administered by the Town. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. The Town provides retiree medical benefits through the California Public Employees' Retirement System healthcare program (PEMHCA). For eligible retirees and actives, the Town pays full employee premiums.

Commencing with fiscal year 2011, the Town participated in the California Employers' Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 and established to prefund retiree healthcare benefits. In fiscal year 2020, the Town closed CERBT and transferred the trust balances to the newly established Section 115 irrevocable trust with Public Agency Retirement Services (PARS). The investment balance in the Town's PARS Trust Investment Account (OPEB) as of June 30, 2024 was \$1,341,393. These trust funds are restricted. The Town Council elected to invest money through the PARS Trust, in partnership High Mark Capital Management in High Mark Capitals Capital Appreciation Portfolio Index Plus Fund, the same funds as is used for the PARS Trust Investments for purposes of future pension obligations. See below and Note 2 on page 70 for more details of the Town's PARS Trust investments through High Mark Capital.

Eligibility: Employees are eligible to participate in the Town's Retiree Healthcare Plan if they retire directly from the Town under CalPERS with five years of PERS service (there is no minimum service requirement if retirement is due to a service-connected disability.) Since PEMHCA is a community rated plan for most employers, an implied subsidy is not reflected under GASB 45. The Town does not provide dental, vision, life, or Medicare Part B reimbursement to retirees. The Retiree Healthcare Plan does not issue a financial report.

Funding Policy

The contribution requirements of the Plan participants and the Town are established by and may be amended by the Town. The Town funds plan benefits by contributing at least 100% of the Annual Determined Contribution (ADC). For FY 2024, the Town made a total payment of \$116,174 to the Plan, including \$90,585 for pay-as-go portion of payments unreimbursed by the Trust.

Employees Covered by benefit terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Employees Receiving Benefits	17
Inactive Employees Entitled to but not Receiving Benefits	-
Participating Active Employees	19
Total	36

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following actuarial methods and assumptions:

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Actuarial Assumptions	
Discount Rate	5.75%
Inflation	2.26%
Salary Increases	3.25% per annum
Net Investment Rate of Return	5.75%
Mortality Rate	Pre-Retirement: CalPERS 2021 Mortality pre-retirement Post-Retirement: CalPERS 2021 Mortality post-retirement
Healthcare Trend Rate	Pre-65: 7.57% down to an ultimate rate of 4.50% for 2052. Post-65: 4.93% down to an ultimate rate of 4.50% for 2052.

The long-term expected rate of return on OPEB plan investments was determined by an independent actuary using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Investment Class	Target Allocation	Long-Term Expected Real Rate of Return ¹
Equity	57.00%	5.30%
Fixed income	40.00%	0.90%
REITs	3.00%	3.30%
Total	100.00%	

¹Arithmetic Long Term Capital Market assumptions and expected inflation of 2.26%

The discount rate used by the independent actuary to measure the total OPEB liability was 5.75 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Measurement date at June 30, 2022	\$ 1,923,468	\$ 1,085,305	\$ 838,163
Changes Recognized for the Measurement Period:			
Service cost	65,769	-	65,769
Interest	120,697	-	120,697
Differences between expected and actual experience	182,513	-	182,513
Changes of assumptions	70,995	-	70,995
Contributions-Employer	-	116,174	(116,174)
Net investment income	-	111,567	(111,567)
Benefit payments	(116,174)	(116,174)	-
Administrative expense	-	(2,793)	2,793
Net changes	<u>323,800</u>	<u>108,774</u>	<u>215,026</u>
Measurement date at June 30, 2023	<u>\$ 2,247,268</u>	<u>\$ 1,194,079</u>	<u>\$ 1,053,189</u>

(a) As of June 30, 2024, the Town has an investment balance of \$1.3 million in its PARS Trust to pre-fund its future OPEB liability or obligation, and approximately \$1,194,079 is shown in this table as an offset or reduction to the Total OPEB Liability. These trust funds are restricted funds. The difference between the investment balance and reduction is due to a one year timing lag with the measurement date. Refer to other comments in this section about the PARS investment and Note 2, Cash and Investments.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The discount rate used for the fiscal year end 2024 is 5.75%. The following presents the net OPEB liability of the Town if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Net OPEB Liability		
	1% Decrease 4.75%	Current Rate 5.75%	1% Increase 6.75%
Change in Discount Rate			
Net OPEB Liability	\$ 1,353,888	\$ 1,053,189	\$ 804,297

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Town if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Net OPEB Liability		
	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate			
Net OPEB Liability	\$ 773,915	\$ 1,053,189	\$ 1,398,421

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

	<u>Expected average remaining service lifetime (EARSL)</u>
Net difference between projected and actual earnings on investments	4 Years
All other amounts	6.74 Years

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the Town recognized OPEB expense of \$113,709, an increase of \$40,860 or 56% compared to \$72,849 in the prior year. As of fiscal year ended June 30, 2024, the Town reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ 202,504	\$ (41,974)
Changes of assumptions	197,761	(252,020)
Net difference between projected and actual earnings on plan investments	23,888	-
Employer contributions made subsequent to the measurement date	140,798	-
Total	<u>\$ 564,951</u>	<u>\$ (293,994)</u>

The \$140,798 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as a charge or an increase of OPEB expenses as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2025	\$ (9,590)
2026	(12,421)
2027	52,932
2028	9,086
2029	33,374
Thereafter	56,778
Total	<u>\$ 130,159</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

At the commencement of a SBITA, the Town initially measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets. The Town recognizes SBITA liabilities with an initial, individual value of \$50,000 or more for all funds, based on the future SBITA payments remaining at the contract's start.

Key estimates and judgments related to SBITAs include how the Town determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments as follows:

- The Town uses the interest rate charged by the IT vendor as the discount rate. When the interest rate charged by the IT vendor is not provided, the Town uses its estimated incremental borrowing rate as the discount rate for subscription liabilities.
- The subscription term includes the noncancellable period of the subscription.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the Town is reasonably certain to exercise.

Subscription assets are reported with other capital assets and subscription liabilities are reported with liabilities on the statement of net position.

A summary of governmental activities SBITA transactions for the fiscal year ended June 30, 2024, are as follows:

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Current Portion</u>
Governmental Activities					
Subscription Liabilities					
Central Square - SaaS Community Develop	\$ -	\$ 189,775	\$ 37,342	\$ 152,433	\$ 32,649
Total Subscription Liabilities	<u>\$ -</u>	<u>\$ 189,775</u>	<u>\$ 37,342</u>	<u>\$ 152,433</u>	<u>\$ 32,649</u>

Town of Woodside
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

12. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
(SBITAs), Continued

In July 2023, the Town entered into a five-year SBITA for the use of Central Square software. An initial subscription liability was recorded for \$189,775 during the current fiscal year. As of June 30, 2024, the balance of the subscription liability was \$152,433. The Town must make annual principal and interest payments from \$39,585 to \$45,826. The software has an estimated five-year useful life. The net value of the right-to-use asset as of the end of the current fiscal year was \$151,820 and had accumulated amortization of \$37,955.

The future principal and interest subscription liability payment as of June 30, 2024, were as follows:

For the Year Ended June 30	Principal	Interest	Total
2025	\$ 32,649	\$ 6,936	\$ 39,585
2026	36,115	5,450	41,565
2027	39,837	3,807	43,644
2028	43,832	1,994	45,826
Totals	\$ 152,433	\$ 18,187	\$ 170,620

13. COMMITMENTS AND CONTINGENCIES

The Town is a party to claims and lawsuits arising in the ordinary course of business. The Town's management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the Town. The Town participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

14. JOINT POWERS AGREEMENT

The town participates in the City/County Association of Governments of San Mateo County (C/CAG), which is governed by a board consisting of a representative from each member. The board controls the operations of C/CAG, including selection of management and approval of operating budgets, independent of any influence by each member beyond member representation of the Board.

C/CAG was established under a 1990 Joint Exercise of Powers Agreement between the Town, San Mateo County and a majority of cities within San Mateo County for the purpose of developing State mandated plans such as an integrated waste management plan. The Town makes annual nonrefundable contributions to C/CAG which is used along with other member contributions to finance C/CAG operations. Audited financial statements may be obtained from the City of San Carlos, 666 Elm Street, San Carlos, CA, 94070. The Town's payments to C/CAG during the year totaled \$2,135. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

15. NEW ACCOUNTING PRONOUNCEMENTS

GASB 101 – Compensated Absences

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement is effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Town does not expect the new GASB to have any material impact on the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**Required Supplementary Information
Town of Woodside**

**Schedule of Changes in the Net OPEB Liability and Related Ratios
Agent Multiple Employers Other Post-Employment Benefit (OPEB) Plan
For the Measurement Periods Ended June 30,**

	Measurement Date:						
	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Total OPEB Liability							
Service Cost	\$ 83,302	\$ 51,592	\$ 54,172	\$ 41,260	\$54,972	\$ 62,637	\$ 65,769
Interest	133,804	124,981	129,611	131,467	129,119	117,261	120,697
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	118,115	(1,334)	39,938	(68,566)	(1,862)	(5,876)	182,513
Changes of assumptions	(328,057)	-	(74,298)	257,694	(248,829)	-	70,995
Benefit payments	(89,997)	(103,554)	(125,283)	(96,220)	(135,193)	(126,267)	(116,174)
Net change in total OPEB liability	(82,833)	71,685	24,140	265,635	(201,793)	47,755	323,800
Total OPEB liability - beginning (a)	1,798,879	1,716,046	1,787,731	1,811,871	2,077,506	1,875,713	1,923,468
Total OPEB liability - ending (b)	<u>\$ 1,716,046</u>	<u>\$ 1,787,731</u>	<u>\$ 1,811,871</u>	<u>\$ 2,077,506</u>	<u>\$ 1,875,713</u>	<u>\$ 1,923,468</u>	<u>\$ 2,247,268</u>
Plan fiduciary net position							
Contributions - employer	\$ 204,065	\$ 155,592	\$ 161,684	\$ 127,487	\$135,193	\$ 126,267	\$ 116,174
Contributions - employee	-	-	-	-	-	-	-
Net investment income	57,576	54,742	50,862	51,727	283,084	(163,658)	111,567
Benefit payments	(89,997)	(103,554)	(125,283)	(96,220)	(135,193)	(126,267)	(116,174)
Administrative expense	(292)	(375)	(173)	(1,704)	(2,760)	(3,104)	(2,793)
Net change in plan fiduciary net position	171,352	106,405	87,090	81,290	280,324	(166,762)	108,774
Plan fiduciary net position - beginning (c)	525,606	696,958	803,363	890,453	971,743	1,252,067	1,085,305
Plan fiduciary net position - ending (d)	<u>\$ 696,958</u>	<u>\$ 803,363</u>	<u>\$ 890,453</u>	<u>\$ 971,743</u>	<u>\$ 1,252,067</u>	<u>\$ 1,085,305</u>	<u>\$ 1,194,079</u>
Net OPEB liability - beginning (a)-(c)	<u>\$ 1,273,273</u>	<u>\$ 1,019,088</u>	<u>\$ 984,368</u>	<u>\$ 921,418</u>	<u>\$ 1,105,763</u>	<u>\$ 623,646</u>	<u>\$ 838,163</u>
Net OPEB liability - ending (b)-(d)	<u>\$ 1,019,088</u>	<u>\$ 984,368</u>	<u>\$ 921,418</u>	<u>\$ 1,105,763</u>	<u>\$ 623,646</u>	<u>\$ 838,163</u>	<u>\$ 1,053,189</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41%	45%	49%	47%	67%	56%	53%
Covered-employee payroll	N/A	<u>\$ 2,199,508</u>	<u>\$ 2,214,874</u>	<u>\$ 2,417,151</u>	<u>\$ 2,500,768</u>	<u>\$ 2,687,590</u>	<u>\$ 2,604,538</u>
Net OPEB liability as a percentage of covered-employee payroll	N/A	45%	42%	46%	25%	31%	40%

Notes to Schedules:

* Fiscal year 2018 was the first year of implementation.

**Required Supplementary Information
Town of Woodside**

**Net OPEB Liability Schedule of Contributions
Agent Multiple Employers Other Post-Employment Benefit (OPEB) Plan
For the Fiscal Year Ended June 30,**

Fiscal Year Ended June 30,	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 169,882	\$ 127,487	\$ 127,187	\$ 136,175	\$137,449	\$ 112,997	\$ 136,125
Contributions to the Trust	114,068	52,038	36,401	31,267	-	-	-
Pay-go Payments by Employer Unreimbursed by the Trust	89,997	73,408	90,786	96,220	96,664	86,795	90,585
Active Implicit Rate Subsidy Transferred to OPEB	-	30,146	34,497	-	38,529	39,472	25,589
	<u>\$ 204,065</u>	<u>\$ 155,592</u>	<u>\$ 161,684</u>	<u>\$ 127,487</u>	<u>\$ 135,193</u>	<u>\$ 126,267</u>	<u>\$ 116,174</u>
Contribution Deficiency (Excess)	\$ (34,183)	\$ (28,105)	\$ (34,497)	\$ 8,688	\$ 2,256	\$ (13,270)	\$ 19,951
Covered-employee payroll	N/A	<u>\$ 2,199,508</u>	<u>\$ 2,214,874</u>	<u>\$ 2,417,151</u>	<u>\$ 2,500,768</u>	<u>\$ 2,687,590</u>	<u>\$ 2,604,538</u>
Contributions as a percentage of covered-employee payroll	N/A	7.07%	7.30%	5.27%	5.41%	4.70%	4.46%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

**Required Supplementary Information
Town of Woodside**

**Schedule of the Town's Proportionate Share of the Net Pension Liability
CaIPERS Pension Miscellaneous Plan
Last 10 Fiscal Years***

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>
Measurement Date								
Plan's proportion of the Net Pension Liability (Asset)	0.10544%	0.04180%	0.04430%	0.03801%	0.03754%	0.09435%	0.09238%	0.09109%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 5,272,204	\$4,828,701	\$ 2,395,677	\$ 4,135,509	\$ 3,846,278	\$ 3,555,942	\$ 3,641,516	\$ 3,164,365
Plan's Covered Payroll (1)	<u>\$ 2,699,504</u>	<u>\$2,401,573</u>	<u>\$ 2,496,707</u>	<u>\$ 2,354,822</u>	<u>\$ 2,168,303</u>	<u>\$ 1,992,721</u>	<u>\$ 2,072,787</u>	<u>\$ 1,995,944</u>
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	195.30%	201.06%	95.95%	175.62%	177.39%	178.45%	175.68%	158.54%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	76.21%	83.14%	72.46%	73.17%	72.29%	74.23%	71.89%	72.29%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 613,942	\$703,495	\$ 568,516	\$ 526,765	\$ 452,056	\$ 390,081	\$ 352,418	\$ 307,486

Notes to Schedule:

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

*Due to change in CALPERS reporting, information prior to measurement date 2016 is not available.

**Required Supplementary Information
Town of Woodside**

**Schedule of Contributions
CALPERS Pension Miscellaneous Plan
Last 10 Fiscal Years***

Fiscal Year Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 646,135	\$ 620,766	\$ 590,923	\$ 540,208	\$ 469,749	\$ 404,929	\$ 390,376	\$ 323,181
Actuarially determined contributions	(646,135)	(620,766)	(590,923)	(540,208)	(469,749)	(404,929)	(390,376)	(323,181)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll (1)	\$ 2,699,504	\$ 2,401,573	\$ 2,496,707	\$ 2,354,822	\$ 2,168,303	\$ 1,992,721	\$ 2,072,787	\$ 1,995,944
Contributions as a percentage of covered payroll	23.94%	25.85%	23.67%	22.94%	21.66%	20.32%	18.83%	16.19%

Notes to Schedule:

1) Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

*Due to change in CALPERS reporting, information prior to measurement date 2016 is not available.

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SUPPLEMENTARY INFORMATION

Town of Woodside
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Projects Fund
For the year ended June 30, 2024

	Capital Projects		Variance w/Final Positive (Negative)
	Final	Actual	
REVENUES			
Intergovernmental	\$ 199,000	\$ 152,063	\$ (46,937)
Total revenues	<u>199,000</u>	<u>152,063</u>	<u>(46,937)</u>
EXPENDITURES			
Capital outlay	2,246,250	2,191,286	54,964
Total expenditures	<u>2,246,250</u>	<u>2,191,286</u>	<u>54,964</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,047,250)</u>	<u>(2,039,223)</u>	<u>8,027</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,756,402	2,191,286	434,884
Total other financing sources (uses)	<u>1,756,402</u>	<u>2,191,286</u>	<u>434,884</u>
Net change in funds balances	(290,848)	152,063	442,911
FUND BALANCES:			
Beginning of year		(539,278)	(539,278)
End of year	<u>\$ (290,848)</u>	<u>\$ (387,215)</u>	<u>\$ (96,367)</u>

NON-MAJOR GOVERNMENTAL FUNDS

Fund Type	Description
Special Revenue Funds:	
Traffic Safety	Accounts for receipts from fines and forfeitures from violations of the California Vehicle Code, utilized to support the Town's Road Program.
Road Impact Fees	Fund accounts for receipts from road impact fees, assessed against all building projects and used for road maintenance purposes.
Gas Tax	Fund accounts for receipts of State Gas Tax revenue, designated for road maintenance and construction.
Supplemental Law Enforcement Service	Fund accounts for receipts of State Revenues derived from the Citizens for Public Safety (COPS) Program that can only be spent on direct law enforcement/ public safety activities.
California Law Enforcement Equipment Program	Fund accounts for State of California grant funds available for law enforcement equipment acquisitions.
Measure W	Fund accounts for County of San Mateo sales tax on all qualified retail transactions.

**Town of Woodside
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
ASSETS			
Cash and investments	\$ 25,643	\$ 475,655	\$ 36,221
Receivables:			
Accounts	7,001	-	-
Interest	236	4,820	594
Taxes receivable	-	-	11,051
Total assets	\$ 32,880	\$ 480,475	\$ 47,866
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,879	\$ 8,835	\$ 330
Total liabilities	2,879	8,835	330
Fund Balances			
Restricted	30,001	471,640	47,536
Total fund balances	30,001	471,640	47,536
Total liabilities and fund balances	\$ 32,880	\$ 480,475	\$ 47,866

Supplemental Law Enforcement Program	Special Revenue Funds		Total Non-Major Governmental Funds
	California Law Enforcement Equipment Program	Measure W	
\$ 28,630	\$ 2,923	\$ 100,836	\$ 669,908
-	-	-	7,001
240	25	910	6,825
-	-	30,346	41,397
<u>\$ 28,870</u>	<u>\$ 2,948</u>	<u>\$ 132,092</u>	<u>\$ 725,131</u>
\$ -	\$ -	\$ -	\$ 12,044
-	-	-	12,044
28,870	2,948	132,092	713,087
28,870	2,948	132,092	713,087
<u>\$ 28,870</u>	<u>\$ 2,948</u>	<u>\$ 132,092</u>	<u>\$ 725,131</u>

Town of Woodside
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2024

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
REVENUES			
Taxes and assessment	\$ -	\$ -	\$ 258,225
Fines and forfeitures	25,999	-	-
Intergovernmental	-	-	-
Use of money and property	2,064	18,574	2,193
Charges for services	-	624,262	-
Other revenues	7,009	-	-
Total revenues	<u>35,072</u>	<u>642,836</u>	<u>260,418</u>
EXPENDITURES			
Current:			
Safety Services	-	-	-
Public Works	56,120	257,911	121,028
Total expenditures	<u>56,120</u>	<u>257,911</u>	<u>121,028</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(21,048)</u>	<u>384,925</u>	<u>139,390</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(200,000)	(458,972)	(167,230)
Total other financing sources (uses)	<u>(200,000)</u>	<u>(458,972)</u>	<u>(167,230)</u>
NET CHANGES IN FUND BALANCES	(221,048)	(74,047)	(27,840)
FUND BALANCES:			
Beginning of year	251,049	545,687	75,376
End of year	<u>\$ 30,001</u>	<u>\$ 471,640</u>	<u>\$ 47,536</u>

Special Revenue Funds			
Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	Measure W	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 171,716	\$ 429,941
-	-	-	25,999
186,159	-	-	186,159
1,321	90	3,433	27,675
-	-	-	624,262
-	-	-	7,009
<u>187,480</u>	<u>90</u>	<u>175,149</u>	<u>1,301,045</u>
200,000	-	-	200,000
-	-	-	435,059
<u>200,000</u>	<u>-</u>	<u>-</u>	<u>635,059</u>
<u>(12,520)</u>	<u>90</u>	<u>175,149</u>	<u>665,986</u>
-	-	(212,616)	(1,038,818)
-	-	(212,616)	(1,038,818)
(12,520)	90	(37,467)	(372,832)
<u>41,390</u>	<u>2,858</u>	<u>169,559</u>	<u>1,085,919</u>
<u>\$ 28,870</u>	<u>\$ 2,948</u>	<u>\$ 132,092</u>	<u>\$ 713,087</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Traffic Safety Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 90,000	\$ 25,999	\$ (64,001)
Use of money and property	4,000	2,064	(1,936)
Other revenues	5,500	7,009	1,509
Total revenues	<u>99,500</u>	<u>35,072</u>	<u>(64,428)</u>
EXPENDITURES			
Current:			
Public works	59,050	56,120	2,930
Total expenditures	<u>59,050</u>	<u>56,120</u>	<u>2,930</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>40,450</u>	<u>(21,048)</u>	<u>(61,498)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(250,000)	(200,000)	50,000
Total other financing sources (uses)	<u>(250,000)</u>	<u>(200,000)</u>	<u>50,000</u>
Net change in fund balances	(209,550)	(221,048)	(11,498)
FUND BALANCES:			
Beginning of year	-	251,049	251,049
End of year	<u>\$ (209,550)</u>	<u>\$ 30,001</u>	<u>\$ 239,551</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Road Impact Fees Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Use of money and property	\$ 7,200	\$ 18,574	\$ 11,374
Charges for services	475,000	624,262	149,262
Total revenues	<u>482,200</u>	<u>642,836</u>	<u>160,636</u>
EXPENDITURES			
Current:			
Public works	335,310	257,911	77,399
Total expenditures	<u>335,310</u>	<u>257,911</u>	<u>77,399</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>146,890</u>	<u>384,925</u>	<u>238,035</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(526,000)	(458,972)	67,028
Total other financing sources (uses)	<u>(526,000)</u>	<u>(458,972)</u>	<u>67,028</u>
Net change in fund balances	(379,110)	(74,047)	305,063
FUND BALANCES:			
Beginning of year	-	545,687	545,687
End of year	<u>\$ (379,110)</u>	<u>\$ 471,640</u>	<u>\$ 850,750</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Gas Tax Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Taxes and assessments	\$ 288,885	\$ 258,225	\$ (30,660)
Use of money and property	950	2,193	1,243
Total revenues	<u>289,835</u>	<u>260,418</u>	<u>(29,417)</u>
EXPENDITURES			
Current:			
Public works	116,820	121,028	(4,208)
Total expenditures	<u>116,820</u>	<u>121,028</u>	<u>(4,208)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>173,015</u>	<u>139,390</u>	<u>(33,625)</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(154,000)	(167,230)	(13,230)
Total other financing sources (uses)	<u>(154,000)</u>	<u>(167,230)</u>	<u>(13,230)</u>
Net change in fund balances	19,015	(27,840)	(46,855)
FUND BALANCES:			
Beginning of year	-	75,376	75,376
End of year	<u>\$ 19,015</u>	<u>\$ 47,536</u>	<u>\$ 28,521</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
Supplemental Law Enforcement Services Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 175,000	\$ 186,159	\$ 11,159
Use of money and property	1,130	1,321	191
Total revenues	<u>176,130</u>	<u>187,480</u>	<u>11,350</u>
EXPENDITURES			
Current:			
Safety services	200,000	200,000	-
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>(23,870)</u>	<u>(12,520)</u>	<u>11,350</u>
Net change in fund balances	(23,870)	(12,520)	11,350
FUND BALANCES:			
Beginning of year	<u>-</u>	<u>41,390</u>	<u>41,390</u>
End of year	<u>\$ (23,870)</u>	<u>\$ 28,870</u>	<u>\$ 52,740</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
California Law Enforcement Equipment Program Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	90	90
Total revenues	<u>-</u>	<u>90</u>	<u>90</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>-</u>	<u>90</u>	<u>90</u>
Net change in fund balances	-	90	90
FUND BALANCES:			
Beginning of year	<u>2,858</u>	<u>2,858</u>	<u>-</u>
End of year	<u>\$ 2,858</u>	<u>\$ 2,948</u>	<u>\$ 90</u>

Town of Woodside
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Measure W Special Revenue Fund
For the year ended June 30, 2024

	Final Budget	Actual	Variance w/Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 180,000	\$ 171,716	\$ (8,284)
Use of money and property	2,200	3,433	1,233
Total revenues	<u>182,200</u>	<u>175,149</u>	<u>(7,051)</u>
REVENUES OVER (UNDER)			
EXPENDITURES	<u>182,200</u>	<u>175,149</u>	<u>(7,051)</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(299,152)</u>	<u>(212,616)</u>	<u>86,536</u>
Total other financing sources (uses)	<u>(299,152)</u>	<u>(212,616)</u>	<u>86,536</u>
Net change in funds balances	(116,952)	(37,467)	79,485
FUND BALANCES:			
Beginning of year	-	169,559	169,559
End of year	<u>\$ (116,952)</u>	<u>\$ 132,092</u>	<u>\$ 249,044</u>

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SUPPLEMENTARY SCHEDULE

**Town of Woodside
Schedule of Land Assets**

For the year ended June 30, 2024

<u>Name/APN</u>	<u>Physical Address</u>	<u>Date Acquired</u>	<u>Value*</u>
Open Space/ APN 072-041-040	Raymundo Drive	9/23/1975	\$ 2,500
Equestrian Facility/ APN 072-111-160	3375 Tripp Rd	4/28/1976	53,778
Museum Parking/ APN 073-112-210	2961 Woodside Rd	6/13/1990	1,246,514
Open Space/ APN 069-170-450	Woodside Rd	12/29/1969	14,785
Open Space/ APN 073-082-280	Woodside Rd	2/8/1978	275,982
Woodside Town Hall/ APN 073-112-030	2955 Woodside Rd	12/1/1990	498,740
Town Center Parking/ APN 073-112-330	2955 Woodside Rd	1/7/1991	165,000
Library/ APN 072-162-100	3140 Woodside Rd	6/22/1967	40,340
Open Space/ APN 068-322-390	Woodhill Dr	3/10/1981	33,600
Open Space Joan Olsen Preserve	Otis Ave	4/21/1980	120,000
Kite Hill/ APN 073-280-998	Jane Dr	1/1/1985	280,000
Barkley Fields & Park/ APN 068-322-330	5001 Farm Hill Blvd	12/22/2005	6,737,134
Total Land			<u>\$ 9,468,373</u>

***Values were derived from historical cost records**

**INDEPENDENT AUDITOR'S 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***

To the Honorable Members of the Town Council
Town of Woodside

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 basic financial statements of the Town of Woodside (Town), California, as of and for the year ended June 30, 2024, and have issued our report thereon date September 15, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing 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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 Town'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 Town'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 determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

We have also issued a separate Memorandum on Internal Control dated September 15, 2024, which is an integral part of our audit and should be read in conjunction with this report.

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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Maze & Associates

Pleasant Hill, California
September 15, 2024