

**TOWN OF WOODSIDE, CALIFORNIA**  
**BASIC FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**

Prepared By:

**Kevin Bryant**  
Town Manager

**Cindy Safe**  
Administrative Services Manager

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**Town of Woodside, California  
 Basic Financial Statements  
 For the year ended June, 30, 2021**

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**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June, 30, 2021**

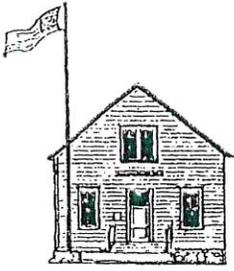
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The Town of  
Woodside

## TRANSMITTAL LETTER

December 7, 2021

*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, 2021. 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 accepting 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 sufficient 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 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, 2021, 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, 2021, 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 Town. The Woodside Town Council consists of seven members, who are each elected to represent a district to four-year overlapping terms. Council members must be residents of the Town. The positions of Mayor and Vice Mayor are chosen by the Town Council. The Mayor conducts the Council meetings and represents the Town on ceremonial occasions.

The Town Council serves as the policy board for the municipality. 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 also is 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 continues to conduct 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.

In March 2020, the County of San Mateo and the State of California took actions to contain and mitigate the impact of the novel coronavirus (“COVID-19”) pandemic. Since that time normal operation of many businesses and organizations has been disrupted. These disruptions have had an impact on the local and regional economy and consequently on the Town’s revenues. The Town’s adopted budget for 2021-22 assumes a start on the path back to pre-pandemic revenues in areas most sensitive to this disruption, including sales taxes and permit revenue.

## **Financial Information**

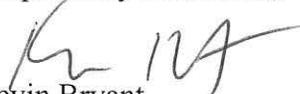
During the past fiscal year, there were no changes to the Town’s financial policies or items in which policies impacted the financial information or presentation. Information concerning significant accounting policies affecting the finances of the Town is summarized in the Notes to the Financial Statements.

## **Awards and Acknowledgements**

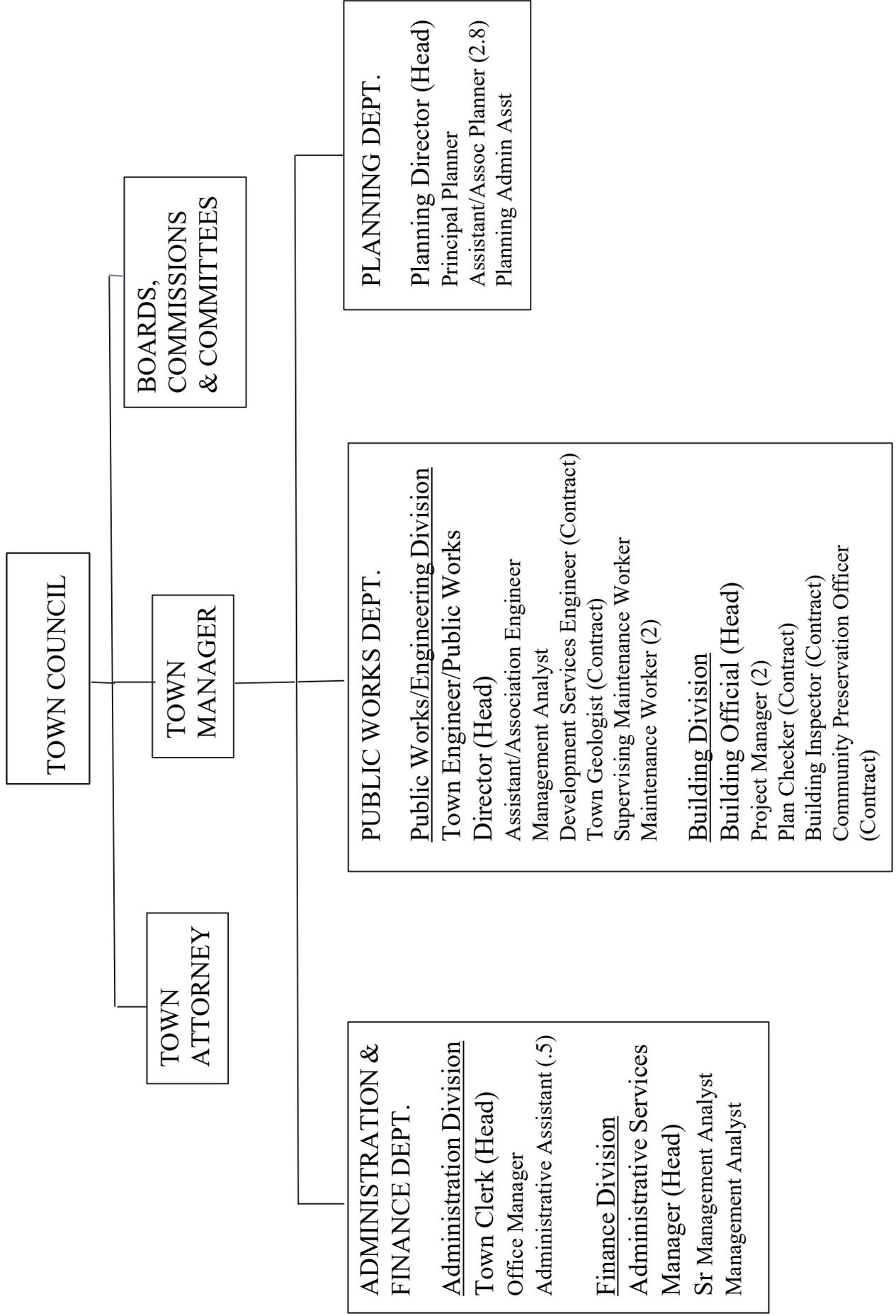
The preparation of this Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, particularly Administrative Services Manager Cindy Safe, Senior Management Analyst Patty Higashioka, and Management Analyst Paula Wong, 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, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**List of Officials**

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***TOWN COUNCIL***

- Brian Dombkowski, Mayor
- Dick Brown, Mayor Pro Tempore
- Jennifer Wall
- Chris Shaw
- Sean P. Scott
- John Carvell
- Ned Fluet

***AUDIT COMMITTEE***

- Dave Burow
- Dave Eichler
- Ron Karpovich

***TOWN OFFICIALS***

- Kevin Bryant, Town Manager
- Sean Rose, Town Engineer, PE, MBA
- Jennifer Li, Town Clerk, MPA, CMC
- Jackie Young, Planning Director, AICP CEP
- Cindy Safe, Administrative Services Manager, MBA
- Joanne Kurz, Building Official

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the Town Council  
Town of Woodside, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Woodside, California, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

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 fund information of the Town as of June 30, 2021, 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.

### ***Change in Accounting Principles***

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds as discussed in Note 7 to the financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the 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, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other 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 Introductory Section, Supplemental Information and Supplementary Schedule listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental 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. Such 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section and Supplementary Schedule have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2021, 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 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  
October 4, 2021

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**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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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, 2021. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

**Executive Summary**

The Town of Woodside began fiscal year 2021 in robust fiscal health with combined fund (excluding sewer funds) balances of \$10.8 million, a 5.5% increase from the beginning of fiscal year 2020.

The Town also began the fiscal year meeting the financial policy that requires adequate unrestricted reserves in the amount of 30% of estimated operating revenues in the General Fund. The General Fund unrestricted balance was \$7.2 million. This General Fund amount (which consists of revenue mostly from property tax, sales tax, and fees), is a figure that represents 76% of 2021 operating revenue, well over the 30% required by the Town financial reserve policy.

The expenditures budget for the year included \$8,937,726 for General Fund operations (Page 27 and 44) 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 facilities and information systems.

The Capital Improvement Program (CIP) budget includes revenue from the **General Fund** for partial funding of the Old La Honda Bridge Improvement of \$892,041 and \$42,981 for trails projects. The **General Fund** funded the beginning of the Portola Road Bridge replacement project in the amount of \$92,281.

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, Measure M (the Town's portion of the San Mateo County motor vehicle \$10 license fee), the Trails Fiduciary (donations) Fund, and federal grants. Projects funded this fiscal year include the annual road rehabilitation project, improvements to Old La Honda bridge, Portola Road bridge and Kings Mountain Road bridge, and the Center Equestrian Trail bridge. Town roads and bridges are capital expenses that are not depreciated (see page 16 for expense detail).

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 (at a rate of 2.5% interest and a term of 9 years) to replace the 30-year-old Town Center sewer pump. In April 2018 the Town Center pump station replacement was completed by McGuire & Hester at a total construction cost of \$1,073,755. The current balance of the advance from the General Fund is \$440,203.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**FINANCIAL HIGHLIGHTS, CONTINUED**  
**(Executive Summary, Continued)**

In April 2018, the Town had Bartle Wells Associates prepare a sewer rate study for the Town Center Sewer District which recommended a fee increase to cover future sewer expenses. New increased sewer rates were adopted beginning fiscal year 2019 and will continue through fiscal year 2023. Annual rates for residential parcels (Town Center Area) increase from \$1,450 to \$2,300 incrementally through fiscal year 2023. Commercial rates were also increased through 2023.

The Town Council voted to prefund pension obligations through an IRS Section 115 account through PARS (a retirement services organization) in fiscal year 2020. \$1.8 million total was deposited in a Town account for pension obligations in February and April 2020. The June 30, 2021, ending balance is \$2.5 million with fiscal year-to-date investment earnings of about \$558,087.

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 \$1.25 million and investment earnings of about \$280,000. This account is shown on the financial statements as a long-term liability offset of OPEB liabilities per GASB (Government Accounting Standards Board) regulations.

The Town of Woodside ended fiscal year 2021 with combined fund balances of \$11.7 million, a 8.0% increase from the prior fiscal year. This is due to underspending the expense budget by \$766,502 and revenues which were \$757,967 greater than what was budgeted.

The Town ended the fiscal year meeting the financial policy that requires adequate unrestricted reserves in the amount of 30% of estimated operating revenues from the Town's General Fund. There is a \$7.4 million balance in the General Fund in unrestricted funds, which is 75% of operating revenues for the year. This balance is exclusive of the new PARS Section 115 investment and includes 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 project improvements. In 2021-22, these include road rehabilitation, replacement of Portola Road Bridge over Alambique Creek and Broadband Connectivity. There are also planned improvements at Barkley Park and Fields and the Town Center Sewer system.

**Highlights**

- ◆ In total, Town assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$25.2 million, which is a \$589,585 increase compared to the beginning net position (Page 10).
- ◆ Business-type Activities net position increased \$186,966 to \$1.5 million. The net position includes \$440,203 which was the amount due from the Sewer fund to the General Fund (Page 10 and 23).

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED**

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 the Sewer Service Funds. Unlike governmental services, these services are completely supported by charges paid by users.

**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, 2021, the Town's major funds are as follows:

**OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED**

**GOVERNMENTAL FUNDS:**

- ◆ General Fund
- ◆ Library Operations Special Revenue Fund
- ◆ Measure A Special Revenue Fund
- ◆ Measure W 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

**PROPRIETARY FUND:**

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

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**FINANCIAL HIGHLIGHTS, CONTINUED**

- ◆ Governmental Activities net position slightly increased \$402,619 to \$23.7 million. Of this amount, \$3.2 million was unrestricted and available for spending at the Town's discretion (Page 10). \$2.5 million was restricted for retirement benefits and \$1.3 million were restricted special revenue funds for a total restricted amount of \$3.8 million (Statement of Net Position Page 31).
- ◆ The Town's total revenues for governmental and business-type activities decreased slightly by \$100,316 or -0.8% in fiscal year 2021. Decreases can mainly be attributed to decreases in one-time capital grants of \$913,541. Increases in all general revenue categories (property taxes and assessments and use of money and property are highest dollar increases) account for the offset revenue (Page 18).
- ◆ Overall actual general fund revenues of \$9,901,012 are \$757,967 greater than the final budget of \$9,143,045. General fund actual expenses of \$8,173,224 are \$766,502 less than the final budget of \$8,939,726. This resulted in an overall favorable variance of \$1,524,469 in revenues over expenses for fiscal year 2021 general fund (Page 44).

**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.

**The 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.

**The 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 the Town's programs. The Statement of Activities explains in detail the change in Net Position for the year.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED**

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.

**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. This is the first fiscal year of GASB 84 which limits the parameters of fiduciary funds to one at the Town of Woodside the Parking District. All other funds are reported as General funds.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

**OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED**

**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 59-91 of this report. Required Supplementary Information follows the notes starting on page 94.

**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 102-111 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 \$25,236,127 at the close of fiscal year 2021. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 72% 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.

Summary of Net Position

	2021			2020			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 13,021,326	\$ 305,317	\$ 13,326,643	\$ 12,397,549	\$ 51,869	\$ 12,449,418	\$ 877,225	7.0%
Noncurrent assets	16,697,179	1,356,112	18,053,291	16,805,809	1,415,594	18,221,403	(168,112)	-0.9%
Deferred outflows of resources	1,405,180	23,947	1,429,127	1,202,874	24,641	1,227,515	201,612	16.4%
Total assets and deferred outflows of resources	31,123,685	1,685,376	32,809,061	30,406,232	1,492,104	31,898,336	910,725	2.9%
Current and other liabilities	1,392,612	18,858	1,411,470	1,622,419	10,956	\$ 1,633,375	(221,905)	-13.6%
Long-term liabilities	5,610,885	138,859	5,749,744	4,964,470	137,457	5,101,927	647,817	12.7%
Deferred inflows of resources	408,973	2,747	411,720	510,747	5,745	516,492	(104,772)	-20.3%
Total liabilities and deferred inflows of resources	7,412,470	160,464	7,572,934	7,097,636	154,158	7,251,794	321,140	4.4%
Net position:								
Net investment in capital assets	16,697,179	1,356,112	18,053,291	16,805,809	1,415,594	18,221,403	(168,112)	-0.9%
Restricted	3,817,423	-	3,817,423	3,091,806	-	3,091,806	725,617	23.5%
Unrestricted	3,196,613	168,800	3,365,413	3,410,981	(77,648)	3,333,333	32,080	1.0%
<b>Total net position</b>	<b>\$ 23,711,215</b>	<b>\$ 1,524,912</b>	<b>\$ 25,236,127</b>	<b>\$ 23,308,596</b>	<b>\$ 1,337,946</b>	<b>\$ 24,646,542</b>	<b>\$ 589,585</b>	<b>2.4%</b>

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

The table is a 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 \$18,053,291. Total restricted funds are \$3,817,423. Of the total restricted funds \$2,489,094 represents the Town's Section 115 PARS pension account and \$1,328,329 represent Measure A and W, gas taxes, library fund, and law enforcement funds. \$3,196,613 represents unrestricted funds (General Funds) and is used to meet the Town's ongoing obligations to citizens and creditors.

One of the largest changes is a \$725,617 increase in restricted net position due largely to the increase of the PARS pension fund from \$1.9 million to \$2.5 million. This is because of the increase in value of the PARS accounts investments. This is also the reason for the increase in current and other assets of \$877,225 (a 7% increase from last fiscal year). \$558,087 is the increase in the ending balance of the PARS investment account. The remaining increase is primarily due to the addition of \$247,440 of fiduciary funds to the General Fund due to GASB 84, which gave a higher threshold for fiduciary accounts and required most of our fiduciary funds transfer to the General Fund.

Long term liabilities increased \$647,817 due to an increase in CalPERS pension liabilities, OPEB - Other Pension Employee Benefits – retiree health insurance premiums, and compensated absences (See page 26 and NOTE 6 for more detail). The increase in deferred outflows of resources and decrease in deferred inflows of resources are due to CalPERS and OPEB actuarial calculations.

Noncurrent assets and net investment in capital assets decreased \$168,112 due to capital asset depreciation and new capital asset purchases of \$126,801 in fiscal year 2021. There is also a decrease in current liabilities of \$221,905 or 13.6% mostly due to a decrease in accounts payable of \$264,910 from fewer invoices from vendors for services in fiscal year 2021 during the 60-day accrual period than fiscal year 2020. There was also an increase of \$27,058 in deposits payable in short term liabilities.

Unrestricted funds also increased by \$32,080 because business type activities increased \$246,448 due to increased charges for sewer and decreases in government funds of \$214,368 due to decreases in one-time grants for capital projects of \$913,541 and increases in most of the other revenue categories discussed below.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Revenues**

The Town's total revenues for governmental and business-type activities are \$12,585,826 (see table on Page 18) for the fiscal year ended June 30, 2021. Total revenue in fiscal year 2020 was \$12,686,142; therefore, revenue is \$100,316 less, a 0.8% overall decrease.

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

**1. Charges for Services** – Charges for services has gone up a total of \$101,475 or 3.3% from last year.

**Governmental activities** contributed \$18,976 to this increase. There were increases in public works related permits of \$121,917, which includes road impact fees and engineering and plan checks (building related fees). Penalty fees have also increased by \$2,500. No changes in the Town's Fee Schedule have taken place since May 2013.

There is a \$56,718 decrease in recreation fees mostly because recreation classes were held for the fall/winter of fiscal year 2020 and none in 2021 due to COVID, except for a \$8,750 Barkley user fee for spring/summer 2021. Development related fees and permits have also decreased by \$42,372 from last year, due to fewer building permits. There is also a \$2,212 decrease in the administration department, mostly due to a reduction of staff charges against deposits.

**Business type** activities (Sewer) accounted for \$82,499 of the total 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 22 and 23 for further details about the sewer fees).

**2. Grants and Contributions – Operating and Capital** – The Grants and Contributions category for fiscal year 2021 decreased a total of \$865,564 from last fiscal year.

**Operating grants** increased \$47,977 or 6.6%. The operating sub-categories include the State Citizens' Option for Public Safety (COPS) program, which stayed the same from last year; State of California gas tax which increased \$9,800 overall; Measure A tax (based on sales tax) which decreased \$21,193; and sale of a public works dump truck of \$11,500 last fiscal year and no sale of assets in fiscal year 2021. In addition, the federal government made a one-time Coronavirus grant to the Town of \$70,082.

**Capital (one time) grants** decreased by \$913,541 (\$1,138,047 last fiscal year and \$224,506 this fiscal year) and included: Old La Honda Bridge over drainage channel grant totaling \$31,082; Portola Road Bridge over Alambique Creek of \$156,024; \$34,407 in donations through the fiduciary fund for the Center Trail Equestrian Bridge; and a \$2,993 contribution from Canada College for the Farm Hill signal replacement.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**3. Property Taxes and Assessments** – The property taxes and assessments category for fiscal year 2021 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 2021 revenue shows an increase of 5.4% or \$291,544 due to increased property taxes. The largest of these assessments secured property taxes (any property that cannot be moved like homes or land) are up \$164,000 or 4.5% from last year due to an increase in secured property tax assessed value.

The library revenue (assessed through the county, paid to the San Mateo County Library JPA, and invoiced by the Town) also increased \$26,100 which is requested from the Town's share of the San Mateo County Library JPA funds (the Library JPA is explained in more detail on Page 25).

**4. Sales and use tax** – Sales tax experienced a \$69,732 or 12.6% increase in fiscal year 2021 due to an increase in sales tax revenues from the State of California. The increase is likely due to the COVID-19 pandemic last fiscal year which reduced sales revenue receipts by 38% in the 4<sup>th</sup> quarter. This fiscal year sales tax has almost reached the pre-pandemic level of \$622,011 per fiscal year.

**5. Property transfer tax** – Revenues increased \$61,911 or 19.9% due to increased taxes this fiscal year. These taxes are derived from the selling price of homes in Woodside and received from San Mateo County by the Town.

**6. Other taxes** – Revenues increased \$23,917 or 11.7% which is from Measure M (annual fee on motor vehicles registered in San Mateo County) and Measure W (a ½ cent sales tax used to improve transit and relieve traffic congestion).

**7. Franchises** - Revenues from this source have increased \$18,188 or 3.2% from last year. Franchise revenues for the Town of Woodside are derived from multiple year franchise agreements with gas (\$3,600 increase), electric (\$1,000 increase), water (\$18,000 increase), garbage (\$20,000 increase and new agreement January 2020), cable TV (\$47,500 decrease due to an accrual this fiscal year and none last fiscal year), and telecommunications providers (\$23,034 increase).

**8. Business licenses** – Revenues have increased \$22,504 or 14.8% due to increased licenses this fiscal year compared to last year. These licenses are primarily from contractors who do business in Town.

**9. Fines and forfeitures** – Revenues have increased \$2,389 or 2.4% due to increased parking fines in the Town.

**10. Use of Money and Property** – For the Town of Woodside this includes revenue from the PARS and LAIF investments. Revenues from money and property have gone up 49.5% or \$189,552 from last fiscal year.

**Governmental Activities** contributed \$198,641 to this increase in use of money and property due to the new PARS pension account opened March 2020. This account derives investment earnings from the "Capital Appreciation" PARS portfolio and has a current balance of approximately \$2.5 million. The only investments the Town participated in before March 2020 was LAIF (Local Agency Investment Fund) operated by the State of California with a return of 0.262% and a balance of \$9.4 million at the end of fiscal year 2021 (See Note 2).

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Business Activities contributed a \$8,499 decrease from last fiscal year in the category of use of money and property due to all sewer funds being held in the LAIF investment rather than the PARS pension account investment and earning a much lower rate explained in the above paragraph.

**Expenses**

Governmental and business-type activities expenses of the Town totaled \$12,243,681 (see table on Page 18) for the year, a 2.5% or \$311,303 decrease from last fiscal year. Governmental activities expenses totaled \$11,876,602 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 as calculated by the CalPERS actuarial report and the Nicolay GASB 75 OPEB actuarial report. Each of the departments expense highlights follow in the order it appears on Page 18 on the 'Changes in Net Position' table.

**Town Council** expenses increased \$20,860 or 40% due to COVID relief programs to Woodside businesses.

**Administration and Finance** Department expenses decreased by \$70,701 or 4.0% from fiscal year 2020 to fiscal year 2021. The largest decrease was \$90,000 in professional services due to the services of a consultant to review fees and charges and a garbage contract negotiator in fiscal year 2020 and none this year and \$11,000 decrease in travel/conferences/meetings due to no in person meetings this fiscal year.

Salaries and benefits increased about \$27,800 or 2.5%. There is \$20,000 in increases in the remaining categories (including audit services). Pension, OPEB, and compensated absences costs remain about the same and are reported in the Administration and Finance Department expenses and not included in expenses of other departments.

**Planning** Department had increased expenses of \$71,389 a 6.4% increase, mostly due to increase in salaries and benefits of \$133,100 partly due to the January 2020 hiring of a part time Planning staff. Professional services were down \$56,700 due to a decrease in contract Planning services.

**Building and Grounds** costs were up \$63,637 or 34%, due to increased janitorial contractor maintenance expenses and increased cleaning and disinfecting products and services due to the COVID pandemic. In addition, there is a \$43,011 expense for the exterior painting of the Town Hall complex.

**Town-wide Overhead** expense increased 1.4% or \$5,681 from fiscal year 2020 to fiscal year 2021, mostly due to an increase in insurance and bonds of \$25,945. These are due to increased premiums from the Town's risk management carrier PLAN (Note 9). Offsetting this increase was a \$7,420 decrease in contractual data processing, \$6,200 decrease in phone services, and a \$12,000 decrease in office supplies due to decreased in person office staffing during the pandemic.

**Safety Services** costs represented 27.5% or \$3,269,092 of total governmental activities expenses. There was a \$126,329 or 4% increase from last year.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Most of the increase is due to a \$70,000 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 \$12,200 increase in the expense for the Town's Defensible Space Matching Fund Program. There are also increases to the San Mateo County Animal Control contract of \$7,600 and contractual civil defense of \$1,300.

There was one capital asset purchase of \$11,376 for a speed trailer in September 2020.

**Trails and Stables** expenses increased \$9,275 or 12.7%, mostly due to an increase in materials costs.

**Barkley Fields** expenses decreased by \$12,953 or 3.8%. This is mostly due to a \$10,238 decrease in contractual services expenses. This year only \$12,500 was paid for the upgrade of the infield while last year there were expenses of \$22,700 for landscape, fence, and the addition of a pet fountain.

**Library** expenses increased \$37,287 or 25.2%. This was mostly due to \$22,000 for the addition of two new EV charger parking spaces. There is also a \$10,300 increase in contractor services for the library for \$5,800 in tree work, \$2,100 in parking lot lighting, and increased janitorial cleaning and disinfecting due to the pandemic and no similar expenses last fiscal year.

**Public Works** costs amounted to \$4,362,214 or 37% of total governmental expenses, public works costs decreased \$432,218 or 9.0% from fiscal year 2020. Capital projects of \$682,945 contributed most to the decrease. (see table below)

Most operations expenses remained the same. There is an increase in salaries and benefits of \$190,664 due to annual increases in salary and benefits for ten public works staff members and a new permit technician hired at the end of fiscal year 2020. There is also a \$63,347 increase in road repair including clearing brush and trees from the sides of the road, culvert repair and signage.

The largest single capital asset (depreciable) expense this year in Public Works is the Spring 2021 purchase and installation of four EV charging stations at Town Hall which cost \$115,425.

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 2021 decreased \$682,945 or 27%. The following are capital project expenses for this year and the last four years:

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

<b>Capital Projects</b>	<b>2020-21 Expenses</b>	<b>2019-20 Expenses</b>	<b>2018-19 Expenses</b>	<b>2017-18 Expenses</b>	<b>2016-17 Expenses</b>
Storm Drain Project	\$ -	\$ 44,735	\$ 143,549	\$ 75,017	\$ 496,337
Annual Road Improvement Project	302,120	479,432	614,501	173,954	873,257
Woodside School Path	-	574,223	32,465	79,277	108,633
Portola Rd Culvert Project	-	-	-	5,695	76,740
Trails Projects	-	-	8,201	27,625	59,214
Bicycle and Ped Impv Fernside/Alam	-	-	-	241,405	52,486
Old La Honda Bridge Improvement	1,035,870	188,137	21,784	3,997	-
Kings Mountain Road Bridge Impv	254,360	-	25,091	15,811	-
Portola Rd Bridge Improvement	92,281	373,830	8,884	31,926	-
Kings Mountain Road Bank Repair	-	2,680	38,128	54,530	-
Bike Ped Kings Mtn Rd Safety	-	2,680	33,134	14,613	-
Mt Home Rd Metal Beam Guard Rail	-	-	207,653	13,662	-
Kings Mt Rd ROW Stabilization	-	361,872	161,625	-	-
Glens Pathway	-	340,463	53,534	-	-
Solar/EV Installation	115,425	17,380	16,150	-	-
Barkley Improvements	-	7,791	117,853	-	-
Center Trail Equestrian Bridge*	77,387	167,165	-	-	-
<b>TOTAL</b>	<b>\$ 1,877,443</b>	<b>\$ 2,560,388</b>	<b>\$ 1,482,553</b>	<b>\$ 737,511</b>	<b>\$ 1,666,668</b>

Capital projects are funded through transfers in of a variety of budgeted funds. For fiscal year 2021 the following funds were used to fund the capital projects listed above:

General Fund	\$ 1,142,727
Measure A	378,089
Measure W	117,999
Gas Tax (SB1)	98,138
Measure M	75,000
*Trails Fiduciary Funds (private donations)	34,407
Grant-Fed	31,082
<b>Total</b>	<b>\$ 1,877,443</b>

**Recreation** expenses decreased significantly, \$48,129 or 92.8%, due to the cancellation of the fun run, yoga (and other recreation) classes, W-ball for the spring/summer of 2020 due to COVID-19. The only expenses are \$1,700 for the janitorial services in Independence Hall and \$2,000 for tennis court repairs. There is also a similar decrease in revenue as Recreation classes are full cost recovery.

**Business type activities** (the Town's small sewer system) had overall revenues that were \$74,000 or 14% higher than last fiscal year. The main reason for the increase is because of an overall increase in sewer fees of \$68,250, one new sewer connection fee of \$14,250, along with a decrease of \$8,500 in LAIF interest on the sewer fund balance.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Expenses for the sewer system were \$81,760 or 18% lower than last fiscal year. Last fiscal year there was a \$44,174 capital expense to the Redwood Creek Sewer and no capital expenses this fiscal year. In addition, this fiscal year the contractual sewer maintenance was \$29,235 lower, contractual treatment and transport was \$11,000 less, and the interest expense for the interfund loan was \$3,022 less.

For more details about Business type activities (revenues and expenses) see Pages 22-24.

The change in net position for the fiscal years ended June 30, 2021, and 2020, follows:

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Changes in Net Position

	2021			2020			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
<b>Revenues:</b>								
<b>Program revenues:</b>								
Charges for services	\$ 2,560,971	\$ 607,913	\$ 3,168,884	\$ 2,541,995	\$ 525,414	\$ 3,067,409	\$ 101,475	3.3%
<b>Grants and contributions:</b>								
Operating	777,954	-	777,954	729,977	-	729,977	47,977	6.6%
Capital	224,506	-	224,506	1,138,047	-	1,138,047	(913,541)	-80.3%
	<u>3,563,431</u>	<u>607,913</u>	<u>4,171,344</u>	<u>4,410,019</u>	<u>525,414</u>	<u>4,935,433</u>	<u>(764,089)</u>	<u>-15.5%</u>
<b>General revenues:</b>								
Property taxes & assessments	5,715,189	-	5,715,189	5,423,645	-	5,423,645	291,544	5.4%
Sales and use tax	622,011	-	622,011	552,279	-	552,279	69,732	12.6%
Property transfer tax	372,260	-	372,260	310,349	-	310,349	61,911	19.9%
Other taxes	227,880	-	227,880	203,963	-	203,963	23,917	11.7%
Franchises	580,641	-	580,641	562,453	-	562,453	18,188	3.2%
Business licenses	174,681	-	174,681	152,177	-	152,177	22,504	14.8%
Fines and forfeitures	102,010	-	102,010	99,621	-	99,621	2,389	2.4%
Use of money and property	569,564	2,632	572,196	371,513	11,131	382,644	189,552	49.5%
Other general revenues	47,614	-	47,614	63,578	-	63,578	(15,964)	-25.1%
<b>Total revenues</b>	<b>11,975,281</b>	<b>610,545</b>	<b>12,585,826</b>	<b>12,149,597</b>	<b>536,545</b>	<b>12,686,142</b>	<b>(100,316)</b>	<b>-0.8%</b>
<b>Expenses:</b>								
<b>Governmental activities:</b>								
Town Council	72,945	-	72,945	52,085	-	52,085	20,860	40.0%
Administration and Finance	1,724,315	-	1,724,315	1,795,016	-	1,795,016	(70,701)	-3.9%
Planning Department	1,182,588	-	1,182,588	1,111,199	-	1,111,199	71,389	6.4%
Buildings and Grounds	251,562	-	251,562	187,925	-	187,925	63,637	33.9%
Town-wide Overhead	414,287	-	414,287	408,606	-	408,606	5,681	1.4%
Safety Services	3,269,092	-	3,269,092	3,142,763	-	3,142,763	126,329	4.0%
Trails and Stables	82,284	-	82,284	73,009	-	73,009	9,275	12.7%
Barkley Fields	328,333	-	328,333	341,286	-	341,286	(12,953)	-3.8%
Library Services	185,269	-	185,269	147,982	-	147,982	37,287	25.2%
Public Works	4,362,214	-	4,362,214	4,794,432	-	4,794,432	(432,218)	-9.0%
Recreation and Open Space	3,713	-	3,713	51,842	-	51,842	(48,129)	-92.8%
<b>Business-type activities:</b>								
Redwood Creek Sewer	-	-	-	-	44,174	44,174	(44,174)	-100.0%
Sewer Utility	-	329,503	329,503	-	368,253	368,253	(38,750)	-10.5%
Cañada Corridor Sewer	-	37,576	37,576	-	36,412	36,412	1,164	3.2%
<b>Total expenses</b>	<b>11,876,602</b>	<b>367,079</b>	<b>12,243,681</b>	<b>12,106,145</b>	<b>448,839</b>	<b>12,554,984</b>	<b>(311,303)</b>	<b>-2.5%</b>
<b>Excess (Deficiency) of revenues over expenditures before transfers</b>								
Transfers	98,679	243,466	342,145	43,452	87,706	131,158	210,987	160.9%
Change in net position	56,500	(56,500)	-	56,000	(56,000)	-	-	0.0%
	<u>155,179</u>	<u>186,966</u>	<u>342,145</u>	<u>99,452</u>	<u>31,706</u>	<u>131,158</u>	<u>210,987</u>	<u>160.9%</u>
<b>Net position:</b>								
Beginning of year	23,308,596	1,337,946	24,646,542	23,209,144	1,306,240	24,515,384	131,158	0.5%
Restatements	247,440	-	247,440	-	-	-	247,440	100%
Beginning, as adjusted	<u>23,556,036</u>	<u>1,337,946</u>	<u>24,893,982</u>	<u>23,209,144</u>	<u>1,306,240</u>	<u>24,515,384</u>	<u>378,598</u>	<u>1.5%</u>
<b>End of year</b>	<b>\$ 23,711,215</b>	<b>\$ 1,524,912</b>	<b>\$ 25,236,127</b>	<b>\$ 23,308,596</b>	<b>\$ 1,337,946</b>	<b>\$ 24,646,542</b>	<b>\$ 589,585</b>	<b>2.4%</b>

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Governmental Activities**

The cost of all **governmental activities** this year (exclusive of business/sewer activities) is \$11,876,602. Of this amount (as shown in the Statement of Activities on Page 32) the amount that taxpayers ultimately financed for **governmental activities** was \$8,313,171. Those who directly benefited from town programs paid \$2,560,971. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$777,954 for operations and \$224,506 for capital. The Town paid the remaining "public benefit" portion of **government activities** with \$5,715,189 in property taxes, \$2,127,097 in other general revenues, and \$572,196 in use of money and property.

Referring to the Changes in Net Position table (Page 18), total resources available during the year to finance **governmental operations** were \$11,975,281. This consisted of \$3,563,431 (charges for services and grants) in program revenues and \$8,411,850 in general revenues.

Total **governmental activities** operating expenses during the year is \$11,876,602. Net position beginning balance on July 1, 2020, was \$23,556,036. This increased by \$155,179 to an ending balance net position of \$23,711,215 on June 30, 2021. This slight net position increase is primarily due to a 2% decrease of \$229,543 in expenses and a little less of a decrease in revenue of \$174,316.

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, 2021, and 2020, are as follows:

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Governmental Activities, Continued**

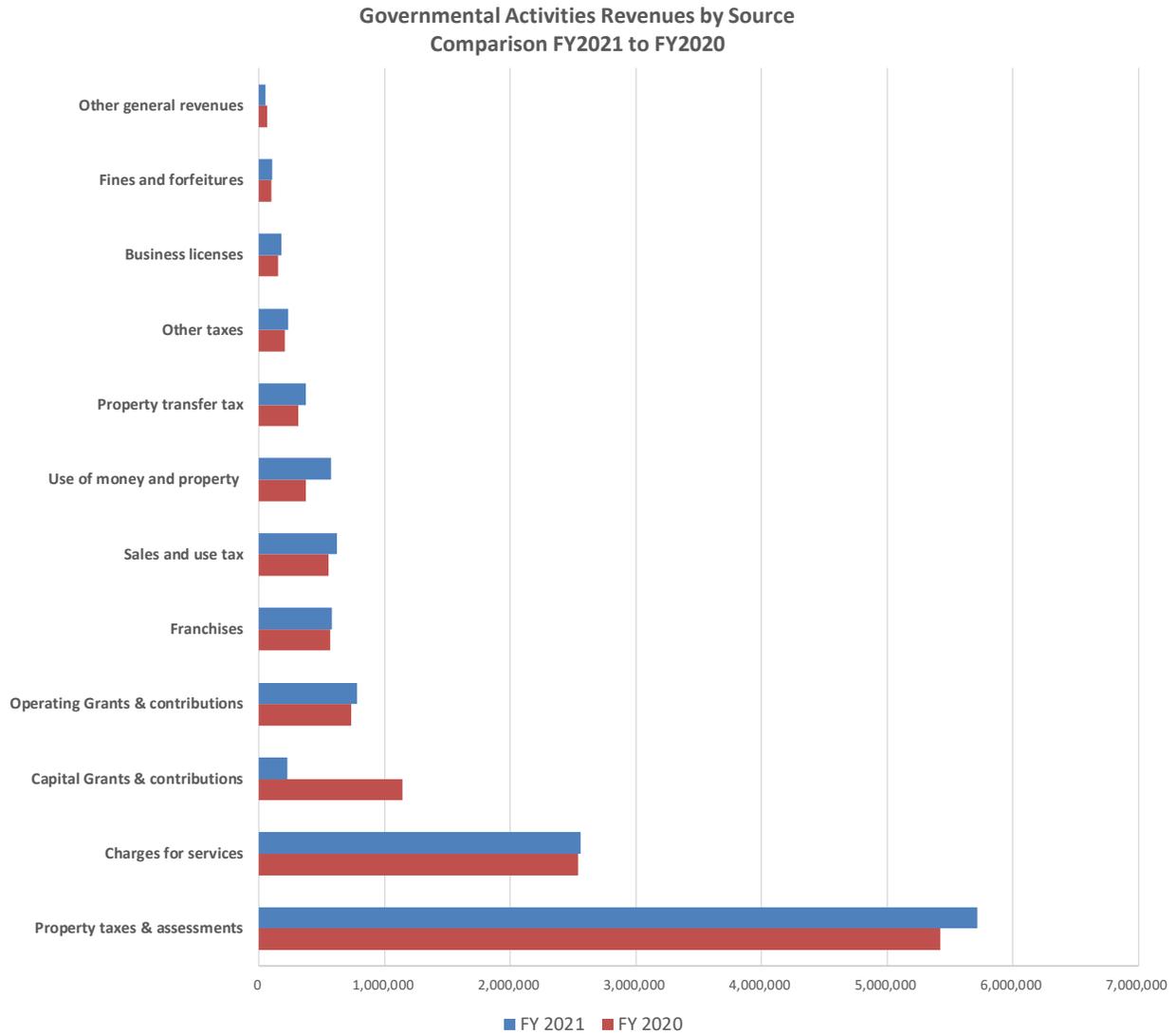
	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Position	
	2021	2020	2021	2020	2021	2020
	<b>Governmental activities:</b>					
Town Council	\$ -	\$ -	\$ 72,945	\$ 52,085	\$ (72,945)	\$ (52,085)
Administration and Finance	111,807	114,019	1,724,315	1,795,016	(1,612,508)	(1,680,997)
Planning Department	751,739	794,111	1,182,588	1,111,199	(430,849)	(317,088)
Buildings and Grounds	-	-	251,562	187,925	(251,562)	(187,925)
Town-wide Overhead	-	-	414,287	408,606	(414,287)	(408,606)
Safety Services	190,158	191,968	3,269,092	3,142,763	(3,078,934)	(2,950,795)
Trails and Stables	917	896	82,284	73,009	(81,367)	(72,113)
Barkley Fields	8,750	7,875	328,333	341,286	(319,583)	(333,411)
Library Services	-	-	185,269	147,982	(185,269)	(147,982)
Public Works	2,476,660	3,221,032	4,362,214	4,794,432	(1,885,554)	(1,573,400)
Recreation and Open Space	23,400	80,118	3,713	51,842	19,687	28,276
<b>Total governmental activities</b>	<b>\$ 3,563,431</b>	<b>\$ 4,410,019</b>	<b>\$ 11,876,602</b>	<b>\$ 12,106,145</b>	<b>\$ (8,313,171)</b>	<b>\$ (7,696,126)</b>

**Town of Woodside, California**  
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**Management’s Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

A comparison of revenues by source for the fiscal years ended June 30, 2021, and 2020, are as follows:



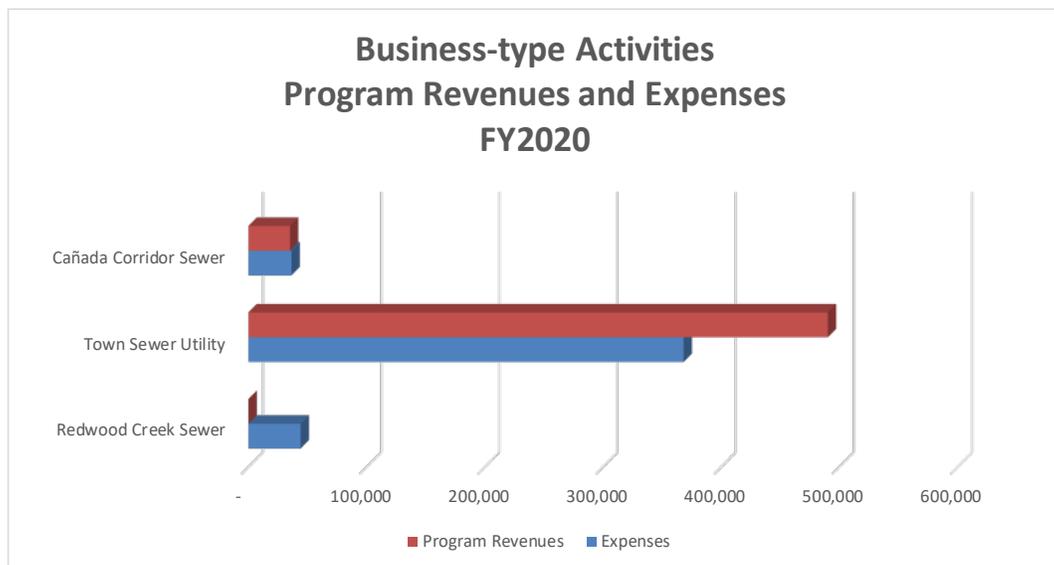
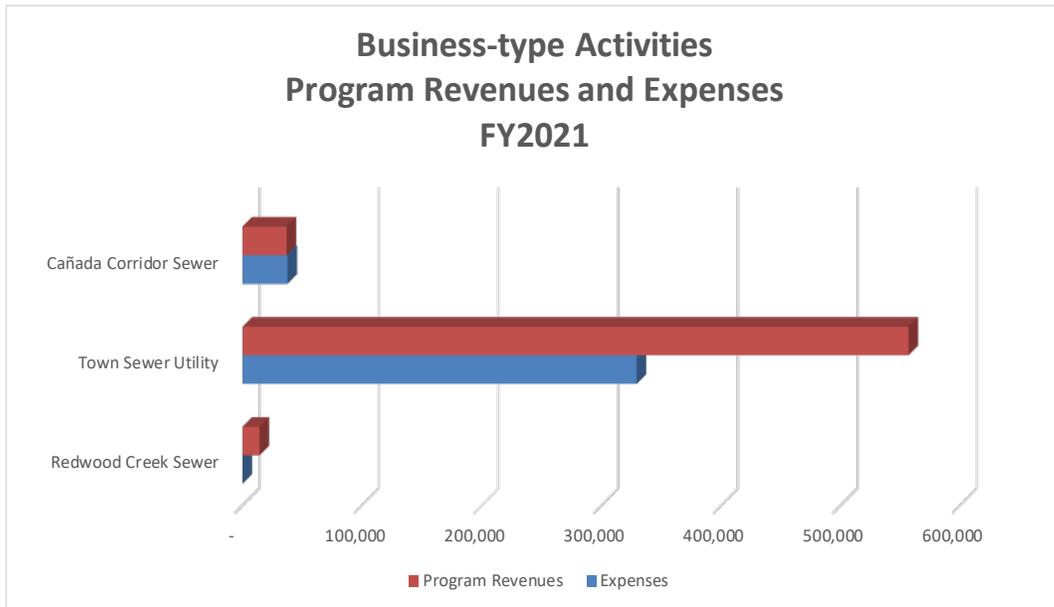
**Town of Woodside, California**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Business-type Activities**

Business-type activities incurred \$367,079 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, 2021, and 2020, are as follows:



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**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, 2021, increased \$186,966 from fiscal year 2020. The following table is the Statement of Business-type Activities outlining the components of this increase.

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

	<u>2021</u>	<u>2020</u>	Change	% Change
<b>Revenues:</b>				
Charges for Services	\$ 607,913	\$ 525,414	\$ 82,499	15.7%
Operating grants and contributions	-	-	-	100.0%
Sewer Contractor Settlement	-	-	-	100.0%
Use of money and property (interest)	2,632	11,131	(8,499)	-76.4%
<b>Total</b>	<b>\$ 610,545</b>	<b>\$ 536,545</b>	<b>\$ 74,000</b>	<b>13.8%</b>
<b>Expenses:</b>				
Redwood Creek Sewer	\$ -	\$ 44,174	\$ (44,174)	-100.0%
Town Sewer Utility	329,503	368,253	(38,750)	-10.5%
Cañada Corridor Sewer	37,576	36,412	1,164	3.2%
<b>Total</b>	<b>\$ 367,079</b>	<b>\$ 448,839</b>	<b>\$ (81,760)</b>	<b>-18.2%</b>
Excess (Deficiency) of revenues over expenditures before transfers	\$ 243,466	\$ 87,706	\$ 155,760	177.6%
Transfers	(56,500)	(56,000)	(500)	0.9%
<b>Change in Net Position</b>	<b>\$ 186,966</b>	<b>\$ 31,706</b>	<b>\$ 155,260</b>	<b>489.7%</b>

**Business-type activities** total revenue for fiscal year 2021 is \$610,545. Revenues for this year exceeded expenses by \$186,966. These revenues are received from two sources, Charges for Sewer Services \$607,913 and LAIF Investment Earnings \$2,632. .

Charges for sewer services were up 15.7% or \$82,499. 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 2021. There is one new connection to the Town Center Sewer which resulted in a \$14,250 connection fee and no new connection last fiscal year. In addition, there were decreases in LAIF interest rates this year which resulted in a reduction of interest for the sewer fund balance over the fiscal year of \$8,499.

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 2021 the fourth payment of \$100,000 was paid back to the general fund from the Town Center Sewer pump fund and a \$440,203 principal balance remains.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Sewer expenses were \$81,760 lower in fiscal year 2021. Expenses are mainly maintenance, transportation and treatment contracts that cover operations of the sewer. These operating expenses have stayed about the same as last fiscal year. The expenses that contributed to the decrease include a Town Sewer Utility manhole rehabilitation last fiscal year of \$36,000 (and none this year) and the Redwood City (entity that transports and treats the Town sewage) capital improvement contribution decrease \$3,000 this fiscal year. Another item that caused a decrease is a \$44,174 improvement in the Redwood Creek Sewer last fiscal year and none this fiscal year. Depreciation expenses were the same year to year, since all the assets were the same and straight line depreciation method is used for all assets.

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

**FUND FINANCIAL STATEMENTS ANALYSIS**

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 36.

The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2021, the Town's governmental funds reported combined fund balances of \$11,681,277 (Page 37). This is an increase of \$869,531, or 8%, from the balance ending fiscal year 2020 of \$10,811,746. This is about the same percent increase as last fiscal year. This increase results primarily from an increase in General Fund revenues from taxes and assessments and decreased department expenses, primarily from Capital Outlay.

- ◆ The increase of **General Fund Taxes and assessments** of \$697,551 this fiscal year is mostly due to a continued overall increase in property taxes and an additional payment of \$327,477 in August 2021 from San Mateo County for prior years taxes for Excess ERAF (Education Revenue Augmentation Fund).

Excess ERAF occurs when local property taxes are sufficient to support local schools without major State of California aid, a condition that occurs in counties with high property values and relatively few school children. This additional payment during the accrual period (August) also contributed to the increases in the receivable asset category of **Taxes Receivable** of \$262,303.

As discussed earlier (Page 11), the **Use of Money and Property** revenue category increased \$198,051, or 53%, due to larger investment returns in the PARS pension account than the State run LAIF (mostly fixed income) account.

This full year of the PARS pension account also resulted in a \$558,087, or 29%, increase in **Restricted Cash and Investments** (see Note 2).

**Capital Outlay** department expenditures decreased \$441,209, or 16%, due to decreased expenses in capital projects discussed in part on page 16 and 25.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management’s Discussion and Analysis**

**FUND FINANCIAL STATEMENTS ANALYSIS, CONTINUED**

**Accounts Payable** liabilities also decreased \$272,812 or 28% due to the decrease in capital expenses at the end of fiscal year 2021.

- ◆ There is a decrease in the **Library Operations Fund** balance of \$14,029. 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 2021, \$968,489 was added to the JPA fund through property taxes. This left the JPA Woodside balance at \$3,582,114 as of June 30, 2021.
- ◆ 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 slight decrease in Measure A fund balance this fiscal year of \$29,979 mostly due to \$343,596 transfer to capital projects last fiscal year and a \$378,089 transfer for fiscal year 2021.
- ◆ The **Capital Projects Fund** was a new major fund in fiscal year 2016, created to update infrastructure . A 5-year (fiscal year 2021-2025) \$10,322,350 capital improvement program budget was approved by Town Council in fiscal year 2021 of which \$2,502,350 was appropriated for fiscal year 2021. 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 close to zero at year end.

**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, 2021, net capital assets of the governmental activities totaled \$16,697,179. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the Town’s Capital Assets net of depreciation:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	7,006,825	7,095,331	-	-
Machinery and equipment	221,981	242,105	-	-
Pumps and collection systems	-	-	1,356,112	1,415,594
<b>Total</b>	<b>\$ 16,697,179</b>	<b>\$ 16,805,809</b>	<b>\$ 1,356,112</b>	<b>\$ 1,415,594</b>

Additional information on the Town’s capital assets can be found in Note 4 on page 75 of this report.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**FUND FINANCIAL STATEMENTS ANALYSIS, CONTINUED**

**Capital Asset Activity**

New governmental capital assets included: \$115,425 for four new EV Charging stations at Town Hall and \$11,376 for a third speed limit trailer to reduce speed on Woodside roads. No new capital assets were added for business (sewer) type activities. Additional information on the Town's capital assets can be found in Note 4 on Page 75 of this report.

**Long Term Liabilities**

Governmental and Business-type Activities total for long term liabilities increased by a total of \$765,821 (includes \$52,563 in short term compensated absences) or 15%. Additional information can be found in Note 6 (Page 76).

The largest increase is \$385,388, or 10%, due to an increase in net pension liability and recognized \$737,856 in pension expense during the period, a decrease of \$64,989 or 8% compared to \$802,845 in the prior year. Effective June 30, 2015, a new GASB 68 requirement stated that the Town net pension liabilities be included in municipal financial statements. The increase is due to the CalPERS actuarial report increasing the Town's liability in their 2020 report from \$3,750,121 to \$4,135,509. See Note 10 starting on Page 82. \$4,032,050 represents the governmental-type portion of the liability and \$103,459 is the business-type portion.

Compensated absences due at year end increased a total of \$196,088 or 59%, due to employees electing to not take as much time off due to COVID shelter in place orders. The total compensated absences liability is \$525,635 of which \$473,072 is a long-term liability and \$52,563 is a short-term liability. The compensated absences liability is accounted for in the government-type activities.

There was a net increase of \$184,345 due to an increase in Other Postemployment Benefits (OPEB) liabilities. During the current fiscal year, \$104,737 was recognized as OPEB expense, with an increase of \$9,545 or 10%, compared to \$95,192 in the prior year. Effective June 30, 2018, a new GASB 75 requirement stated that the Town show net OPEB on the Town's financial statements. The amount is calculated by using the Actuarially determined OPEB Liability of \$2,077,506, net of market value of assets (Town of Woodside's PARS OPEB account) of \$971,743, which is \$1,105,763 (\$184,345 more than fiscal year 2020). (See Note 11 Page 89, first chart). The entire long-term liability is accounted for in the government-type activities.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management’s Discussion and Analysis**

**NEXT YEAR’S BUDGETED APPROPRIATIONS**

The 2021-22 budget adopted by Town Council for all Town funds (excluding Sewer, Parking District, Capital, and transfers in and out) is \$10,674,124. Final budget for fiscal year 2020-21 is found in the ‘Budget to Actual’ statement of Page 44 and the differences are summarized as follows:

	FY2021-22 (Budget)	FY2020-21 (Budget)	Amount Change	Percentage Change
<b>General fund:</b>				
Town Council	\$ 145,500	\$ 55,988	\$ 89,512	159.9%
Administration and Finance	1,530,420	1,450,140	80,280	5.5%
Planning Department	1,225,572	1,131,872	93,700	8.3%
Buildings and Grounds	185,350	221,745	(36,395)	-16.4%
Town-wide Overhead	672,500	451,000	221,500	49.1%
Safety Services	3,852,732	3,520,593	332,139	9.4%
Trails and Stables	116,525	100,938	15,587	15.4%
Barkley Fields (incl construction)	242,810	231,450	11,360	4.9%
Public Works	1,737,700	1,705,500	32,200	1.9%
Recreation and Open Space	70,000	70,500	(500)	-0.7%
<b>Total general fund:</b>	<b>9,779,109</b>	<b>8,939,726</b>	<b>839,383</b>	<b>9.4%</b>
<b>Special revenue funds:</b>				
Library Operations	113,040	121,559	(8,519)	-7.0%
Measure A and W	201,205	209,005	(7,800)	-3.7%
Traffic Safety	42,650	42,650	-	0.0%
Road Impact Fees	277,300	243,386	33,914	13.9%
Gas Tax	85,820	89,495	(3,675)	-4.1%
Supplemental Law Enforcement	175,000	190,000	(15,000)	-7.9%
<b>Total special revenue funds:</b>	<b>895,015</b>	<b>896,095</b>	<b>(1,080)</b>	<b>-0.1%</b>
<b>Total Budget:</b>	<b>\$ 10,674,124</b>	<b>\$ 9,835,821</b>	<b>\$ 838,303</b>	

1. **General Fund** – Overall there is a \$839,383 increase in the General Fund budget.

Almost all the departments have increased spending. The highlights include increased spending of \$89,512 in **Town Council** due to funding for special election resulting from a citizen initiative in fiscal year 2022 and nothing similar in fiscal year 2021; **Safety Services** \$332,139 increase based on annual San Mateo County Sherriff contract increases of \$234,987, increase in defensible space expenses of \$50,000, and increase in San Mateo County Animal Control Services of \$10,000. **Town-wide Overhead** increase of \$221,500 mostly due to a \$170,000 one-time increase in building and planning software upgrades and \$27,000 increase in insurance premiums; **Planning** increase of \$93,700 due to \$35,500 advance planning professional services and the rest due to salaries and benefits; **Administration and Finance** \$80,280 due to \$28,000 demographer professional services and the rest due to salaries and benefits.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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**NEXT YEAR'S BUDGETED APPROPRIATIONS, CONTINUED**

Decreased spending in **Building and Grounds** of \$36,395 due to the painting of Town and Independence Hall fiscal year 2021, and no similar work in fiscal year 2022.

Those departments that stayed about the same are **Recreation, Barkley Fields, Public Works, and Trails**.

2. **Library Services** – Budget from year to year remained about the same.
3. **Measure A**– Budget from year to year remained about the same.
4. **Traffic Safety, Road Impact Fees, and Gas Tax** – Budget from year to year remained about the same, except for Road Impact Fees which are directly related to increases in capital road projects. There are increased revenue in Road Impact Fees due to increases in Building permits.
5. **Supplemental Law Enforcement** - Budget decreased \$15,000 due to decreased reserves in the fund.

**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](http://www.woodsidetown.org).

## **BASIC FINANCIAL STATEMENTS**

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**Town of Woodside, California**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 9,315,294	\$ 713,300	\$ 10,028,594
Receivables:			
Accounts receivable	89,109	31,698	120,807
Interest receivable	7,400	522	7,922
Intergovernmental receivable	65,396	-	65,396
Taxes receivable	602,142	-	602,142
Other receivable	12,688	-	12,688
Restricted cash and investments (Note 2)	2,489,094	-	2,489,094
Internal balances	440,203	(440,203)	-
Capital assets (Note 4):			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	7,228,806	1,356,112	8,584,918
<b>Total assets</b>	<b>29,718,505</b>	<b>1,661,429</b>	<b>31,379,934</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Plan (Note 10)	933,287	23,947	957,234
OPEB (Note 11)	471,893	-	471,893
<b>Total deferred outflows of resources</b>	<b>1,405,180</b>	<b>23,947</b>	<b>1,429,127</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	705,280	18,858	724,138
Deposit payable	634,769	-	634,769
Compensated absences- current portion	52,563	-	52,563
Long-term liabilities (Note 6):			
Compensated absences	473,072	-	473,072
Note payable	-	35,400	35,400
Net OPEB liability (Note 11)	1,105,763	-	1,105,763
Net pension liability (Note 10)	4,032,050	103,459	4,135,509
<b>Total liabilities</b>	<b>7,003,497</b>	<b>157,717</b>	<b>7,161,214</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan (Note 10)	107,074	2,747	109,821
OPEB (Note 11)	301,899	-	301,899
<b>Total deferred inflows of resources</b>	<b>408,973</b>	<b>2,747</b>	<b>411,720</b>
<b>NET POSITION</b>			
Net investment in capital assets	16,697,179	1,356,112	18,053,291
Restricted	3,817,423	-	3,817,423
Unrestricted	3,196,613	168,800	3,365,413
<b>Total Net Position</b>	<b>\$ 23,711,215</b>	<b>\$ 1,524,912</b>	<b>\$ 25,236,127</b>

The accompanying notes are an integral part of these financial statements

**Town of Woodside, California**  
**Statement of Activities**  
**June 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Town Council	\$ 72,945	\$ -	\$ -	\$ -
Administration and Finance	1,724,315	111,807	-	-
Planning Department	1,182,588	751,739	-	-
Buildings and Grounds	251,562	-	-	-
Town-wide Overhead	414,287	-	-	-
Safety Services	3,269,092	33,431	156,727	-
Trails and Stables	82,284	917	-	-
Barkley Fields	328,333	8,750	-	-
Library Services	185,269	-	-	-
Public Works	4,362,214	1,630,927	621,227	224,506
Recreation and Open Space	3,713	23,400	-	-
<b>Total governmental activities</b>	<b>11,876,602</b>	<b>2,560,971</b>	<b>777,954</b>	<b>224,506</b>
<b>Business-Type Activities:</b>				
Redwood Creek Sewer	-	14,250	-	-
Sewer Utility	329,503	556,778	-	-
Cañada Corridor Sewer	37,576	36,885	-	-
<b>Total business-type activities</b>	<b>367,079</b>	<b>607,913</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 12,243,681</b>	<b>\$ 3,168,884</b>	<b>\$ 777,954</b>	<b>\$ 224,506</b>

**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, as restated (Note 7)

**Net position - Ending**

The accompanying notes are an integral part of these financial statements

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (72,945)	\$ -	\$ (72,945)
(1,612,508)	-	(1,612,508)
(430,849)	-	(430,849)
(251,562)	-	(251,562)
(414,287)	-	(414,287)
(3,078,934)	-	(3,078,934)
(81,367)	-	(81,367)
(319,583)	-	(319,583)
(185,269)	-	(185,269)
(1,885,554)	-	(1,885,554)
19,687	-	19,687
<b>(8,313,171)</b>	<b>-</b>	<b>(8,313,171)</b>
-	14,250	14,250
-	227,275	227,275
-	(691)	(691)
-	<b>240,834</b>	<b>240,834</b>
<b>(8,313,171)</b>	<b>240,834</b>	<b>(8,072,337)</b>
5,715,189	-	5,715,189
622,011	-	622,011
372,260	-	372,260
227,880	-	227,880
580,641	-	580,641
174,681	-	174,681
102,010	-	102,010
569,564	2,632	572,196
47,614	-	47,614
8,411,850	2,632	8,414,482
56,500	(56,500)	-
<b>8,468,350</b>	<b>(53,868)</b>	<b>8,414,482</b>
<b>155,179</b>	<b>186,966</b>	<b>342,145</b>
23,556,036	1,337,946	24,893,982
<b>\$ 23,711,215</b>	<b>\$ 1,524,912</b>	<b>\$ 25,236,127</b>

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## FUND FINANCIAL STATEMENTS

### MAJOR FUNDS

The Fund Financial Statements present only individual major funds, while non-major funds are combined in a single column. Major funds are defined as having significant activities or balances in the current year.

<u>Fund</u>	<u>Description</u>
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, California**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Special Revenue Funds</b>	
		<b>Library Operations</b>	<b>Measure A</b>
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 7,682,248	\$ 1,365	\$ 618,608
Receivable:			
Accounts receivable	89,109	-	-
Interest receivable	6,345	-	309
Intergovernmental receivable	-	-	24,557
Taxes receivable	602,142	-	-
Other receivable	-	-	-
Restricted cash and investments (Note 2)	2,489,094	-	-
Advances to other funds	440,203	-	-
<b>Total assets</b>	<b>\$ 11,309,141</b>	<b>\$ 1,365</b>	<b>\$ 643,474</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 321,424	\$ 3,744	\$ 486
Deposits payable	634,769	-	-
<b>Total liabilities</b>	<b>956,193</b>	<b>3,744</b>	<b>486</b>
<b>Fund balances:</b>			
Nonspendable	440,203	-	-
Restricted	2,489,094	-	642,988
Unassigned	7,423,651	(2,379)	-
<b>Total fund balances</b>	<b>10,352,948</b>	<b>(2,379)</b>	<b>642,988</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,309,141</b>	<b>\$ 1,365</b>	<b>\$ 643,474</b>

The accompanying notes are an integral part of these financial statements

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 59,688	\$ 953,385	\$ 9,315,294
-	-	89,109
-	746	7,400
-	40,839	65,396
-	-	602,142
-	12,688	12,688
-	-	2,489,094
-	-	440,203
<u>\$ 59,688</u>	<u>\$ 1,007,658</u>	<u>\$ 13,021,326</u>

\$ 372,725	\$ 6,901	\$ 705,280
-	-	634,769
<u>372,725</u>	<u>6,901</u>	<u>1,340,049</u>
-	-	440,203
-	1,000,757	4,132,839
(313,037)	-	7,108,235
<u>(313,037)</u>	<u>1,000,757</u>	<u>11,681,277</u>
<u>\$ 59,688</u>	<u>\$ 1,007,658</u>	<u>\$ 13,021,326</u>

**Town of Woodside, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

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**Fund Balances - Total Governmental Funds** \$ 11,681,277

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. 16,697,179

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)	\$	(525,635)	
Net OPEB liability		(1,105,763)	
Net pension liability		(4,032,050)	(5,663,448)

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		1,405,180	
Deferred inflows of resources		(408,973)	996,207

**Net Position of Governmental Activities** **\$ 23,711,215**

See accompanying notes to financial statements

**Town of Woodside, California**  
**Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position**  
**Governmental Activities**  
**June 30, 2021**

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 9,315,294	\$ -	\$ -	\$ 9,315,294
Receivables:				
Accounts receivable	89,109	-	-	89,109
Interest receivable	7,400	-	-	7,400
Intergovernmental receivable	65,396	-	-	65,396
Taxes receivable	602,142	-	-	602,142
Other receivables	12,688	-	-	12,688
Internal balances	-	527,028	-	527,028
Restricted cash and investments	2,489,094	-	-	2,489,094
Advances to other funds	440,203	(527,028)	-	(86,825)
Capital assets, net	-	-	16,697,179	16,697,179
<b>Total assets</b>	<b>13,021,326</b>	<b>-</b>	<b>16,697,179</b>	<b>29,718,505</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan	-	-	933,287	933,287
OPEB	-	-	471,893	471,893
<b>Total assets and deferred outflows of resources</b>	<b>\$ 13,021,326</b>	<b>\$ -</b>	<b>\$ 18,102,359</b>	<b>\$ 31,123,685</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 705,280	\$ -	\$ -	\$ 705,280
Deposits payable	634,769	-	-	634,769
Compensated absences - current	-	-	52,563	52,563
<b>Total current liabilities</b>	<b>1,340,049</b>	<b>-</b>	<b>52,563</b>	<b>1,392,612</b>
Compensated absences	-	-	473,072	473,072
Net OPEB liability	-	-	1,105,763	1,105,763
Net pension liability	-	-	4,032,050	4,032,050
<b>Total liabilities</b>	<b>1,340,049</b>	<b>-</b>	<b>5,663,448</b>	<b>7,003,497</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan	-	-	107,074	107,074
OPEB	-	-	301,899	301,899
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>408,973</b>	<b>408,973</b>
<b>FUND BALANCES/NET POSITION</b>				
Nonspendable reported in:				
General Fund	440,203	(440,203)	-	-
Restricted reported in:				
Special revenue funds	4,132,839	(4,132,839)	-	-
Unassigned (deficit), reported in:				
General Fund	7,423,651	(7,423,651)	-	-
Special revenue funds	(315,416)	315,416	-	-
<b>Net position:</b>				
Net investment in capital assets	-	-	16,697,179	16,697,179
Restricted	-	-	3,817,423	3,817,423
Unrestricted	-	11,681,277	(8,484,664)	3,196,613
<b>Total fund balances/net position</b>	<b>\$ 11,681,277</b>	<b>\$ -</b>	<b>\$ 12,029,938</b>	<b>\$ 23,711,215</b>

The accompanying notes are an integral part of these financial statements

**Town of Woodside, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2021**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>Special Revenue Funds</b>	
		<b>Library Operations</b>	<b>Measure A</b>
<b>REVENUES</b>			
Taxes and assessments	\$ 6,707,600	\$ 140,600	\$ 303,605
Licenses and permits	947,073	-	-
Fines and forfeitures	76,015	-	-
Intergovernmental	606,375	-	-
Use of money and property	564,676	-	2,310
Charges for service	952,875	-	-
Other revenues	46,398	-	-
<b>Total revenues</b>	<b>9,901,012</b>	<b>140,600</b>	<b>305,915</b>
<b>EXPENDITURES</b>			
Current:			
Town Council	72,945	-	-
Administration and Finance	1,366,033	-	-
Planning Department	1,181,214	-	-
Buildings and Grounds	198,091	-	-
Town-wide Overhead	397,761	-	-
Safety Services	3,077,523	-	-
Trails and Stables	82,284	-	-
Barkley Fields	236,512	-	-
Library Services	-	126,629	-
Public Works	1,557,148	-	205,804
Recreation and Open Space	3,713	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>8,173,224</b>	<b>126,629</b>	<b>205,804</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,727,788</b>	<b>13,971</b>	<b>100,111</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 8)	404,500	-	425,000
Transfers out (Note 8)	(1,677,727)	(28,000)	(555,090)
<b>Total other financing sources (uses)</b>	<b>(1,273,227)</b>	<b>(28,000)</b>	<b>(130,090)</b>
<b>Net change in fund balances</b>	<b>454,561</b>	<b>(14,029)</b>	<b>(29,979)</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated (Note 7)	9,898,387	11,650	672,967
End of year	<b>\$ 10,352,948</b>	<b>\$ (2,379)</b>	<b>\$ 642,988</b>

The accompanying notes are an integral part of these financial statements

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ -	\$ 381,028	\$ 7,532,833
-	-	947,073
-	91,883	167,898
463,513	156,726	1,226,614
-	3,791	570,777
-	523,102	1,475,977
-	7,711	54,109
<u>463,513</u>	<u>1,164,241</u>	<u>11,975,281</u>
-	-	72,945
-	-	1,366,033
-	-	1,181,214
-	-	198,091
-	-	397,761
-	190,000	3,267,523
-	-	82,284
-	-	236,512
-	-	126,629
-	411,568	2,174,520
-	-	3,713
<u>2,302,465</u>	<u>-</u>	<u>2,302,465</u>
<u>2,302,465</u>	<u>601,568</u>	<u>11,409,690</u>
<u>(1,838,952)</u>	<u>562,673</u>	<u>565,591</u>
1,811,955	-	2,641,455
-	(324,138)	(2,584,955)
<u>1,811,955</u>	<u>(324,138)</u>	<u>56,500</u>
(26,997)	238,535	622,091
(286,040)	762,222	11,059,186
<u>\$ (313,037)</u>	<u>\$ 1,000,757</u>	<u>\$ 11,681,277</u>

**Town of Woodside, California**  
**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, 2021**

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<b>Net change in fund balances - total governmental funds</b>	\$	622,091
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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:

Capital outlay and other capitalized expenditures	\$ 126,801		
Depreciation expense	<u>(235,431)</u>		(108,630)

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)	(196,088)		
Change in net pension liability	(192,650)		
Change in net OPEB liability	<u>30,456</u>		<u>(358,282)</u>

<b>Change in net position of governmental activities</b>	\$	<u>155,179</u>
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The accompanying notes are an integral part of these basic financial statements.

**Town of Woodside, California**  
**Reconciliation of Fund Basis Statements to Government-wide Statement of Activities**  
**For the year ended June 30, 2021**

	<b>Fund Based Expenditures Totals</b>	<b>Compensated Absences</b>	<b>Depreciation</b>	<b>Capital Asset (Additions), Retirements &amp; Adjustments</b>	<b>(a) OPEB Expense</b>	<b>(b) Pension Plan</b>	<b>Government- wide Expenses Totals</b>
<b>Governmental activities:</b>							
Town Council	\$ 72,945	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,945
Administration and Finance	1,366,033	196,088	-	-	(30,456)	192,650	1,724,315
Planning Department	1,181,214	-	1,374	-	-	-	1,182,588
Buildings and Grounds	198,091	-	53,471	-	-	-	251,562
Town-wide Overhead	397,761	-	16,526	-	-	-	414,287
Safety Services	3,267,523	-	1,569	-	-	-	3,269,092
Trails and Stables	82,284	-	-	-	-	-	82,284
Barkley Fields	236,512	-	91,821	-	-	-	328,333
Library Services	126,629	-	58,640	-	-	-	185,269
Public Works	2,174,520	-	12,030	2,175,664	-	-	4,362,214
Recreation and Open Space	3,713	-	-	-	-	-	3,713
Capital outlay	2,302,465	-	-	(2,302,465)	-	-	-
<b>Total governmental activities</b>	<b>\$ 11,409,690</b>	<b>\$ 196,088</b>	<b>\$ 235,431</b>	<b>\$ (126,801)</b>	<b>\$ (30,456)</b>	<b>\$ 192,650</b>	<b>\$ 11,876,602</b>

The accompanying notes are an integral part of these financial statements

- (a) For the year ended June 30, 2021 the Town recognized \$104,737 in total OPEB expense with the difference between the amount shown above of \$(30,456) in Administration and Finance expense line and the remaining amount of \$135,193 representing the Employer contribution made subsequent to the measurement date (Note 11)
- (b) For the year ended June 30, 2021 we recognized \$732,858 in total pension expense with the difference between the amount shown above \$192,650 in the Administration and Finance expense line and the remaining amount of \$840,208 representing the Pension contribution made subsequent to the measurement date (Note 10)

**Town of Woodside, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund and Major Special Revenue Funds**  
**For the year ended June 30, 2021**

	<b>General Fund</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 5,944,000	\$ 5,944,000	\$ 6,707,600	\$ 763,600
Licenses and permits	682,000	682,000	947,073	265,073
Fines and forfeitures	14,000	14,000	76,015	62,015
Intergovernmental	801,000	1,461,745	606,375	(855,370)
Use of money and property	116,600	116,600	564,676	448,076
Charges for services	890,950	890,950	952,875	61,925
Other revenues	33,750	33,750	46,398	12,648
<b>Total revenues</b>	<u>8,482,300</u>	<u>9,143,045</u>	<u>9,901,012</u>	<u>757,967</u>
<b>EXPENDITURES</b>				
Current:				
Town Council	55,988	55,988	72,945	(16,957)
Administration and Finance	1,450,140	1,450,140	1,366,033	84,107
Planning Department	1,131,872	1,131,872	1,181,214	(49,342)
Buildings and Grounds	221,745	221,745	198,091	23,654
Town-wide Overhead	451,000	451,000	397,761	53,239
Safety Services	3,520,593	3,520,593	3,077,523	443,070
Trails and Stables	100,938	100,938	82,284	18,654
Barkley Fields	228,950	231,450	236,512	(5,062)
Library Services	-	-	-	-
Public Works	1,705,500	1,705,500	1,557,148	148,352
Recreation and Open Space	70,500	70,500	3,713	66,787
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>8,937,226</u>	<u>8,939,726</u>	<u>8,173,224</u>	<u>766,502</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(454,926)</u>	<u>203,319</u>	<u>1,727,788</u>	<u>1,524,469</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	404,460	404,500	(40)
Transfers (out)	-	(1,739,705)	(1,677,727)	61,978
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(1,335,245)</u>	<u>(1,273,227)</u>	<u>61,938</u>
<b>Net change in fund balances</b>	<u>(454,926)</u>	<u>(1,131,926)</u>	<u>454,561</u>	<u>1,586,407</u>
<b>FUND BALANCE:</b>				
Beginning of year	9,650,947	9,650,947	9,898,387	247,440
End of year	<u>\$ 9,196,021</u>	<u>\$ 8,519,021</u>	<u>\$ 10,352,948</u>	<u>\$ 1,833,847</u>

The accompanying notes are an integral part of these financial statements

<b>Library Operations</b>				<b>Measure A</b>			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final			Original	Final		
\$ 120,000	\$ 120,000	\$ 140,600	\$ 20,600	\$ 275,000	\$ 275,000	\$ 303,605	\$ 28,605
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,300	11,300	2,310	(8,990)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>120,000</u>	<u>120,000</u>	<u>140,600</u>	<u>20,600</u>	<u>286,300</u>	<u>286,300</u>	<u>305,915</u>	<u>19,615</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
90,559	121,559	126,629	(5,070)	-	-	-	-
-	-	-	-	209,005	209,005	205,804	3,201
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>90,559</u>	<u>121,559</u>	<u>126,629</u>	<u>(5,070)</u>	<u>209,005</u>	<u>209,005</u>	<u>205,804</u>	<u>3,201</u>
29,441	(1,559)	13,971	15,530	77,295	77,295	100,111	22,816
-	-	-	-	500,000	500,000	425,000	(75,000)
(28,000)	(28,000)	(28,000)	-	(696,445)	(696,445)	(555,090)	141,355
(28,000)	(28,000)	(28,000)	-	(196,445)	(196,445)	(130,090)	66,355
1,441	(29,559)	(14,029)	15,530	(119,150)	(119,150)	(29,979)	89,171
11,650	11,650	11,650	-	672,967	672,967	672,967	-
<u>\$ 13,091</u>	<u>\$ (17,909)</u>	<u>\$ (2,379)</u>	<u>\$ 15,530</u>	<u>\$ 553,817</u>	<u>\$ 553,817</u>	<u>\$ 642,988</u>	<u>\$ 89,171</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.

<b>Fund</b>	<b>Description</b>
<b>MAJOR FUNDS:</b>	
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, California**  
**Statement of Net Position**  
**Enterprise Funds**  
**June 30, 2021**

	Redwood Creek Sewer	Sewer Utility	Cañada Corridor Sewer	Totals
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 229,371	\$ 377,456	\$ 106,473	\$ 713,300
Receivables:				
Accounts	-	31,698	-	31,698
Interest	139	317	66	522
<b>Total current assets</b>	<u>229,510</u>	<u>409,471</u>	<u>106,539</u>	<u>745,520</u>
<b>Noncurrent assets:</b>				
Capital assets, net	-	1,147,982	208,130	1,356,112
<b>Total assets</b>	<u>229,510</u>	<u>1,557,453</u>	<u>314,669</u>	<u>2,101,632</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Plan	10,713	13,234	-	23,947
<b>Total assets and deferred outflows of resources</b>	<u>\$ 240,223</u>	<u>\$ 1,570,687</u>	<u>\$ 314,669</u>	<u>\$ 2,125,579</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 18,858	\$ -	\$ 18,858
<b>Total current liabilities</b>	<u>-</u>	<u>18,858</u>	<u>-</u>	<u>18,858</u>
<b>Noncurrent Liabilities:</b>				
Advance from other funds	-	440,203	-	440,203
Net pension liability	27,021	76,438	-	103,459
Note payable	-	35,400	-	35,400
<b>Total Liabilities</b>	<u>27,021</u>	<u>570,899</u>	<u>-</u>	<u>597,920</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Plan	8,921	(6,174)	-	2,747
<b>Total deferred inflows of resources</b>	<u>8,921</u>	<u>(6,174)</u>	<u>-</u>	<u>2,747</u>
<b>Net Position</b>				
Net investment in capital assets	-	1,147,982	208,130	1,356,112
Restricted for capital projects	-	-	-	-
Unrestricted	204,281	(142,020)	106,539	168,800
<b>Total Net Position</b>	<u>204,281</u>	<u>1,005,962</u>	<u>314,669</u>	<u>1,524,912</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 240,223</u>	<u>\$ 1,570,687</u>	<u>\$ 314,669</u>	<u>\$ 2,125,579</u>

The accompanying notes are an integral part of these financial statements

**Town of Woodside, California**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the year ended June 30, 2021**

	<b>Redwood Creek Sewer</b>	<b>Sewer Utility</b>	<b>Cañada Corridor Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 14,250	\$ 497,742	\$ 36,885	\$ 548,877
Other	-	59,036	-	59,036
<b>Total operating revenues</b>	<u>14,250</u>	<u>556,778</u>	<u>36,885</u>	<u>607,913</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	-	36,685	-	36,685
Professional services	-	226,833	21,566	248,399
Materials and supplies	-	8,941	-	8,941
Depreciation	-	43,472	16,010	59,482
<b>Total operating expenses</b>	<u>-</u>	<u>315,931</u>	<u>37,576</u>	<u>353,507</u>
<b>OPERATING INCOME(LOSS)</b>	<u>14,250</u>	<u>240,847</u>	<u>(691)</u>	<u>254,406</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	931	1,307	394	2,632
Interest expense	-	(13,572)	-	(13,572)
<b>Total non-operating revenues, net</b>	<u>931</u>	<u>(12,265)</u>	<u>394</u>	<u>(10,940)</u>
<b>NET INCOME BEFORE TRANSFERS</b>	<u>15,181</u>	<u>228,582</u>	<u>(297)</u>	<u>243,466</u>
Transfers out (Note 8)	-	(53,000)	(3,500)	(56,500)
<b>Total transfers</b>	<u>-</u>	<u>(53,000)</u>	<u>(3,500)</u>	<u>(56,500)</u>
<b>CHANGE IN NET POSITION</b>	<u>15,181</u>	<u>175,582</u>	<u>(3,797)</u>	<u>186,966</u>
<b>NET POSITION:</b>				
Beginning of year	189,100	830,380	318,466	1,337,946
End of year	<u>\$ 204,281</u>	<u>\$ 1,005,962</u>	<u>\$ 314,669</u>	<u>\$ 1,524,912</u>

The accompanying notes are an integral part of these financial statements

**Town of Woodside, California**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the year ended June 30, 2021**

	<b>Redwood Creek Sewer</b>	<b>Sewer Utility</b>	<b>Cañada Corridor Sewer</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received (refunds paid) from (to) customers/users for services provided	\$ 14,834	\$ 539,405	\$ 39,126	\$ 593,365
Cash payments to suppliers for goods and services	-	(222,874)	(21,566)	(244,440)
Cash payments to employees for services	-	(36,685)	-	(36,685.00)
<b>Net cash provided by operating activities</b>	<b>14,834</b>	<b>279,846</b>	<b>17,560</b>	<b>312,240</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Loan received (paid)	-	(5,900)	-	(5,900)
Advance received (paid)	-	(86,825)	-	(86,825)
Transfers received (paid)	-	(53,000)	(3,500)	(56,500)
<b>Net cash used by noncapital financing activities</b>	<b>-</b>	<b>(145,725)</b>	<b>(3,500)</b>	<b>(149,225)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest paid	-	(13,572)	-	(13,572)
Investment income received	931	1,307	394	2,632
<b>Net cash provided by investing activities</b>	<b>931</b>	<b>(12,265)</b>	<b>394</b>	<b>(10,940)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>15,765</b>	<b>121,856</b>	<b>14,454</b>	<b>152,075</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	213,606	255,600	92,019	561,225
End of year	<u>\$ 229,371</u>	<u>\$ 377,456</u>	<u>\$ 106,473</u>	<u>\$ 713,300</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 14,250	\$ 240,847	\$ (691)	\$ 254,406
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	43,472	16,010	59,482
Pension expense	-	4,998		4,998
(Increase) decrease in current assets:				
Accounts receivable	-	(18,228)	2,030	(16,198)
Interest receivable	584	855	211	1,650
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	-	7,902	-	7,902
<b>Net cash provided by operating activities</b>	<b>\$ 14,834</b>	<b>\$ 279,846</b>	<b>\$ 17,560</b>	<b>\$ 312,240</b>

The accompanying notes are an integral part of these financial statements

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**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.

<b>Fund Type</b>	<b>Description</b>
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, California**  
**Fiduciary Funds**  
**Statement of Net Position**  
**June 30, 2021**

	<u><b>Custodial Fund</b></u>
	1999 Woodside Road/Whiskey Hill Road Parking District
	<u>259,296</u>
<b>ASSETS</b>	
Cash and investments	\$ 109,232
Receivables:	
Interest	64
Special assessments	<u>150,000</u>
<b>Total assets</b>	<u>259,296</u>
<b>NET POSITION:</b>	
Restricted for Parking District	<u>259,296</u>
<b>Total Net Position</b>	<u><u>\$ 259,296</u></u>

See accompanying notes to financial statements

**Town of Woodside, California**  
**Fiduciary Funds**  
**Statement of Changes in Net Position**  
**For the Year Ended June 30, 2021**

	<u><b>Custodial Fund</b></u>
	1999 Woodside Road/Whiskey Hill Road Parking District
<b>ADDITIONS</b>	
Members contributions	\$ 30,000
Investment earnings	229
<b>Total Additions</b>	<u>30,229</u>
<b>DEDUCTIONS</b>	
Debt services payments	<u>5,940</u>
<b>Total Deductions</b>	<u>5,940</u>
<b>Net increase(decrease) in fiduciary net position</b>	<u>24,289</u>
Net Position - Beginning of the Year, as restated (Note 7)	235,007
<b>Net Position - End of the Year</b>	<u><u>\$ 259,296</u></u>

See accompanying notes to financial statements

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Town of Woodside, California  
Basic Financial Statements  
For the year ended June, 30, 2021**

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**Town of Woodside, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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**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.

## **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. 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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*Basis of Presentation, Continued*

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.

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 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.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### ***Basis of Presentation, Continued***

#### **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. There are six custodial funds, five of which account for fees collected for other agencies for capital facilities and development and the sixth accounts for improvement assessments paid by businesses.

##### ***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.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### ***Basis of Accounting, Continued***

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.

### ***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.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### **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.

### **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. Costs related to road CIP projects are expensed.

#### *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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

*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 the same way as in the 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 resources are received by the Town before it has legal claim to them, (i.e., when grant monies are received prior to the incurrence of qualifying expenses).

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, 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 one item reported as a deferred outflow of resources. The item is a deferred charge on pension plan contributions in the government-wide statement of net position.

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 one item reported as a deferred inflow of resources. The item is the net difference between projected and actual earnings on pension plan investments and is reported in the government-wide statement of net position.

### **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 by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

#### *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:

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***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).
- 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 such purposes are enacted by the Town Council.

***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).

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

### ***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 ownership of property 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 method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow 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.

#### **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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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, 2021. 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020
Fiscal Year End	June 30, 2021

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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	\$50 million
US Government Agency Issues	N/A	80%	None
Negotiable Certificates of Deposits	N/A	30%	None
Mutual funds	Upon Demand	20%	10%

At June 30, 2021, 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	\$ 739,029
Petty Cash	600
Total cash in hand	739,629
State of California Local Agency Investment Fund (LAIF)	9,398,197
<b>Subtotal cash and investments</b>	<b>10,137,826</b>
<u>Restricted cash and investments</u>	
PARS Trust Pension Investment Fund	2,489,094
<b>Subtotal restricted cash and investments</b>	<b>2,489,094</b>
<b>Total Cash and Investments</b>	<b>\$ 12,626,920</b>
<b>Amounts reported in:</b>	
Governmental activities	\$ 11,804,388
Business-type activities	713,300
Fiduciary activities	109,232
<b>Total Cash and Investments</b>	<b>\$ 12,626,920</b>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2021, the total fair value amount invested by all public agencies in LAIF is \$193.3 million, with the Town's pro-rata share of the fair value investment amount is \$9.4 million.

As of June 30, 2021, the reported LAIF portfolio investment allocation is as follows; 0.41% is in loans, 0.06% in corporate bonds, 5.12% in commercial paper, 2.11% in time deposits, 7.68% in certificates of deposits and bank notes, 14.0% in government agencies and 70.61% in U.S. Treasuries. At June 30, 2021, the average investment maturity for the LAIF is 291 days, with an average annual investment yield of 0.50%.

In fiscal year 2021, the Town earned \$47,321 in income from its' investments in the LAIF, with the quarterly annual yields ranging from a low of 0.33% in the June quarter to a high of 0.84% in the first quarter of fiscal 2021. 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. PARS is a non-governmental organization that offers retirement services designed for public agencies, primarily in the State of California.

Participating government agencies maintain oversight of investment management and control over the risk tolerance level of the portfolio. Assets held in the PARS Trust allow for greater investment flexibility and risk diversification compared to a government agencies general fund investments. The Town Council elected to invest money through the PARS Trust, in partnership with High Mark Capital Management in High Mark Capitals Capital Appreciation Portfolio Index Plus Fund. 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. The High Mark Capital Appreciation Portfolio Index Plus Fund is a fund of diversified funds designed to balance return expectations with risk tolerance with a primary objective being growth of principal. Key features include sophisticated asset allocation and optimization (asset classes, style manager and security). The target asset allocations for this Fund are as follows:

Asset Allocation-Capital Appreciation Portfolio Index Plus Fund	
	<u>Strategic Range</u>
Equity	65-85%
Fixed Income	10-30%
Cash	0-20%

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**2. CASH AND INVESTMENTS, Continued**

At June 30, 2021, the Town's \$2.5 million PARS Investment (High Mark Capital Appreciation Index Plus) asset allocation was \$1.9 million or 76.7% in equity securities (i.e. international and domestic large cap, mid and small cap companies), \$0.5 million or 20.3% in fixed income securities (i.e. intermediate and short term bonds), \$50K or 2% in real assets and \$24K or 1% in cash equivalents.

As of June 30, 2021 in the stated investment returns for the Town's PARS Trust Pension Investment Fund were:

<u>1 month</u>	<u>3 months</u>	<u>1 year</u>
1.39%	5.84%	29.65%

During the fiscal year ended June 30, 2021 the PARS investment had investment income of \$558,087.

As of June 30, 2021 the fair value of the PARS Trust account was approximately \$2.5 million, which represents approximately 60% of the Town's estimated unfunded pension liability as of June 30, 2021. Due to the interpretation of GASB 68 for the treatment of the secondary trust other than CERBT, when Town has a pension managed by CalPERS, the PARS trust balance is reflected as restricted cash in the General Fund, the contributing Fund.

The Town 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 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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**2. CASH AND INVESTMENTS, Continued**

Information on the fair values of the Town's investments at June 30, 2021, is provided by the following table:

	<u>12 months or less</u>
State of California Local Agency Investment Fund (LAIF)	\$ 9,398,197 (a)
PARS Trust Pension Investment Fund	<u>2,489,094 (b)</u>
Total investments	<u>\$ 11,887,291</u>

- (a) At June 30, 2021, the average investment maturity for the LAIF is 291 days, or approximately 9 ½ months  
(b) At June 30, 2021, \$505,352 was invested in fixed income securities, the maturity of which is unknown.

**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	\$ 9,398,197
PARS Trust Pension Investment Fund	<u>2,489,094</u>
Total investments	<u>\$ 11,887,291</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>Yield To Date</u>
First Quarter (7/1 - 9/30)	0.84%	\$ 18,473	\$ 18,473
Second Quarter (10/1 - 12/31)	0.63%	11,178	29,651
Third Quarter (1/1 - 3/31)	0.44%	9,762	39,413
Fourth Quarter (4/1 - 6/30)	0.33%	7,908	47,321

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**2. CASH AND INVESTMENTS, Continued**

**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, 2021, 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,

**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, 2021, the Town had balances in the financial institutions of \$861,373, with a book balance of cash in bank of \$739,029. 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 failure of the counterparty, 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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2021:

	Governmental Activities (SNP)	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 89,109	\$ 31,698	\$ -	\$ 120,807
Interest	7,400	522	64	7,986
Intergovernmental	65,396	-	-	65,396
Taxes	602,142	-	-	602,142
Other	12,688	-	150,000	162,688
Total accounts receivable	<u>\$ 776,735</u>	<u>\$ 32,220</u>	<u>\$ 150,064</u>	<u>\$ 959,019</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	86.6%
Individuals / Businesses	12.6%
Financial	0.8%

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

**4. CAPITAL ASSETS**

Capital asset of Governmental activities for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Balance June 30, 2021
<b>Governmental Activities</b>			
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>9,468,373</u>
Capital assets being depreciated:			
Buildings and improvements	9,857,080	115,425	9,972,505
Machinery and equipment	1,000,388	11,376	1,011,764
Total capital assets being depreciated	<u>10,857,468</u>	<u>126,801</u>	<u>10,984,269</u>
Less accumulated depreciation for:			
Buildings and improvements	(2,761,749)	(203,931)	(2,965,680)
Machinery and equipment	(758,283)	(31,500)	(789,783)
Total accumulated depreciation	<u>(3,520,032)</u>	<u>(235,431)</u>	<u>(3,755,463)</u>
Total depreciable assets, net	<u>7,337,436</u>	<u>(108,630)</u>	<u>7,228,806</u>
Capital assets, net	<u>\$ 16,805,809</u>	<u>\$ (108,630)</u>	<u>\$ 16,697,179</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**4. CAPITAL ASSETS, Continued**

Capital asset of Business type activities for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Balance June 30, 2021
<b>Business-type Activities</b>			
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	<u>(2,615,073)</u>	<u>(59,482)</u>	<u>(2,674,555)</u>
Total accumulated depreciation	<u>(2,756,779)</u>	<u>(59,482)</u>	<u>(2,816,261)</u>
Total depreciable assets, net	<u>1,415,594</u>	<u>(59,482)</u>	<u>1,356,112</u>
Capital assets, net	<u>\$ 1,415,594</u>	<u>\$ (59,482)</u>	<u>\$ 1,356,112</u>

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

<b>Governmental Activities</b>	
Planning Department	\$ 1,374
Buildings and Grounds	53,471
Town-wide Overhead	16,526
Safety Services	1,569
Barkley Fields	91,821
Library Services	58,640
Public Works	<u>12,030</u>
Total Governmental Activities	<u>\$ 235,431</u>
<b>Business-type Activities</b>	
Town center pump sewer	\$ 43,472
Canada Corridor sewer	<u>16,010</u>
Total Business-type Activities	<u>\$ 59,482</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2021:

	Governmental Activities	Business-type Activities	Total
Accounts payable and accrued liabilities	\$ 705,280	\$ 18,858	\$ 724,138
Deposits payable	634,769	-	634,769
Total	<u>\$ 1,340,049</u>	<u>\$ 18,858</u>	<u>\$ 1,358,907</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, 2021:

	Balance 7/1/2020	Net Change	Balance 6/30/2021	Due Within One year
Compensated Absences	\$ 329,547	\$ 196,088	\$ 525,635	\$ 52,563
Net OPEB Liability	921,418	184,345	1,105,763	-
Net Pension Liability	3,750,121	385,388	4,135,509	-
Total noncurrent liabilities	<u>\$ 5,001,086</u>	<u>\$ 765,821</u>	<u>\$ 5,766,907</u>	<u>\$ 52,563</u>

**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**

A net OPEB obligation is the cumulative differences between annual OPEB cost and an employer's contributions to a plan. At June 30, 2021, the Town had a Net OPEB Liability of \$1,105,763. See Note 11 for further discussion on OPEB.

**Net Pension Liability**

A 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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**7. NET POSITION/ FUND BALANCES**

**Net Position**

	Governmental Activities	Business-type Activities
Net investment in capital assets	\$ 16,697,179	\$ 1,356,112
Restricted	3,817,423	-
Unrestricted	3,196,613	168,800
Total	<u>\$ 23,711,215</u>	<u>\$ 1,524,912</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.

**Fund Balance**

Restricted and Unassigned fund balance consisted of the following at June 30, 2021:

**Nonspendable:**

**Major funds**

General Fund	\$ 440,203
<b>Total Nonspendable:</b>	<u>\$ 440,203</u>

**Restricted:**

**Major Funds:**

General Fund	\$ 2,489,094
Measure A	642,988
<b>Total Major Funds-Restricted</b>	<u>3,132,082</u>

**Nonmajor Funds:**

Traffic Safety	170,929
Road Impact Fees	681,433
Gas Tax	58,241
Supplemental Law Enforcement Service	70,887
California Law Enforcement Equipment Program	2,799
Measure W	16,468
<b>Total Nonmajor Funds-Restricted</b>	<u>1,000,757</u>
<b>Total Restricted</b>	<u>\$ 4,132,839</u>

**Unassigned (deficit):**

**Major Funds:**

General Fund	\$ 7,423,651
Library Operations	(2,379)
Capital Projects	(313,037)
<b>Total Major Funds-Unassigned</b>	<u>7,108,235</u>

**Total Fund Balance**

\$ 11,681,277

## **7. NET POSITION/ FUND BALANCES, Continued**

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

### **Restricted**

- **Library Operations** - represents amounts restricted for revenues and expenditures derived from the Town's membership in the San Mateo County Library System Joint Powers Authority (JPA).
- **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.
- **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, 2021:

Capital Projects - (\$313,037) - This fund represents all the expenses for budgeted capital projects. Transfers in are made on a quarterly basis so that the fund is close to zero at year end.

### **Restatement and Closure of Agency Funds:**

The Town implemented the provisions of Governmental Accounting Standards Board Statement No. 84 – Fiduciary Activities during the year ended June 30, 2021. The activities of the former agency funds are now reported as custodial funds, and certain former agency funds which do not meet Custodial Fund's criteria are merged into the General Fund. As a result, the General Fund beginning fund balance was restated and increased by \$247,440, and the beginning net position of the Statement of Activities for the Governmental Activities was also restated and increased by the same amount. The beginning net position of the 1999 Woodside Road/Whiskey Hill Road Parking District custodial fund was also restated and increased by \$235,007.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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, 2021:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Governmental Activities</b>		
<b>Major Funds:</b>		
General Fund	\$ 404,500	\$ 1,677,727
Library Operations	-	28,000
Measure A	425,000	555,090
Capital Projects	1,811,955	-
Total Major Funds	<u>2,641,455</u>	<u>2,260,817</u>
<b>Non-major Funds:</b>		
<b>Special Revenue Funds:</b>		
Road Impact Fees	-	68,000
Measure W	-	118,000
Gas Tax	-	138,138
Total Non-major Special Revenue Funds	<u>-</u>	<u>324,138</u>
Total Non-major Funds	<u>-</u>	<u>324,138</u>
Total Governmental Activities	<u>2,641,455</u>	<u>2,584,955</u>
<b>Business-type Activities</b>		
Sewer Utility	-	53,000
Canada Corridor Sewer	-	3,500
Total Business-type Activities	<u>-</u>	<u>56,500</u>
<b>Total Transfers</b>	<u>\$ 2,641,455</u>	<u>\$ 2,641,455</u>

**9. RISK MANAGEMENT**

The Town of Woodside, California 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 Old Republic, Peleus Insurance Company, QBE Specialty Insurance Company, Gemini Insurance Company, Hallmark Specialty Insurance Company, and Arch Insurance Company. The Town pays an annual premium to PLAN JPA for its insurance coverage.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**9. RISK MANAGEMENT, Continued**

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

Amount	Coverage Provider	Payment Source
<b>General Liability Claims:</b>		
up to \$25,000	Self-Insured retention	Town Funds
\$25,001-\$2,500,000	PLAN JPA	Shared risk pool
\$2,500,001-\$5,000,000	Old Republic (reinsurance)	Alliant Insurance Services
\$5,000,001-\$10,000,000	Peleus Insurance Company	Alliant Insurance Services
\$10,000,001-\$15,000,000	QBE Specialty Insurance Company	Alliant Insurance Services
\$15,000,001-\$20,000,000	Gemini Insurance Company	Alliant Insurance Services
\$20,000,001-\$25,000,000	Hallmark Specialty Insurance Company	Alliant Insurance Services
\$25,000,001-\$30,000,000	Arch Insurance Company	Alliant Insurance Services
<b>Workers' Compensation Claims</b> up to \$1,000,000	State Compensation Insurance Fund	State Compensation Insurance Fund

**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.

***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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Classic</u>	<u>PEPRA</u>
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
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%	6.75%
Required employer contribution rates	12.361%	7.732%

**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 CaIPERS. 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, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 540,208

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

As of June 30, 2021, 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	\$ 4,135,509
Total Net Pension Liability	<u>\$ 4,135,509</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2019	0.03754%
Proportion - June 30, 2020	<u>0.03801%</u>
Change - Increase (Decrease)	<u><u>0.00047%</u></u>

For the year ended June 30, 2021, the Town recognized pension expense of \$732,858, a decrease of \$69,687 or 8.7% compared to \$802,845 in the prior year. At June 30, 2021, 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	\$ 540,208	\$ -
Differences between actual and expected experience	213,115	-
Changes in assumptions	-	(29,496)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	62	(64,335)
Change in employer proportion	80,997	(15,990)
Net differences between projected and actual earnings on plan investments	<u>122,852</u>	<u>-</u>
Total	<u><u>\$ 957,234</u></u>	<u><u>\$ (109,821)</u></u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

\$540,208 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended	Annual
June 30	Amortization
2022	\$ 38,157
2023	117,675
2024	92,450
2025	58,923
Total	<u>\$ 307,205</u>

**Actuarial Assumptions** - The total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2019, actuarial accounting valuation to June 30, 2020. The June 30, 2019, total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68

Actuarial Assumptions:

Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality Rate Table	Derived using CalPERS' membership data for all funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance floor on Purchasing Power applies

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

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuations were based on the results of December 2017 actuarial experience study for the period from 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

**Discount Rate** - The discount rate used to measure the total pension liability for the Plan was 7.15%. 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes expected compound (geometric) returns were calculated over the short-term (first 10-years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rates of return by asset class by CalPERS.

**For Miscellaneous and PEPR**

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive		0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	<u>100%</u>		

(a) In the CalPERS Comprehensive Annual Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

**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	6.15%
Net Pension Liability	\$ 6,254,782
Current Discount Rate	7.15%
Net Pension Liability	\$ 4,135,509
1% Increase	8.15%
Net Pension Liability	\$ 2,384,420

*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. 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, 2021 the balance in the PARS trust was \$2,489,094, which is approximately 60% of the Town's estimated unfunded pension liability. 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 (Page 36).

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2021 was \$1.2 million. 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 2021, the Town made a total payment of \$127,487 to the Plan, including \$96,220 for pay-as-go portion of payments unreimbursed by the Trust.

**Employees Covered by benefit terms**

At June 30, 2021, the following employees were covered by the benefit terms:

Inactive Employees Receiving Benefits	12
Inactive Employees Entitled to But Not Receiving Benefits	0
Participating Active Employees	18
Total	30

**Net OPEB Liability**

The Town's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**11. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

<b>Actuarial Assumptions</b>	
Discount Rate	6.25%
Inflation	2.26%
Salary Increases	3.25% per annum
Net Investment Rate of Return	6.25%
Mortality Rate	<b>Pre-Retirement:</b> CalPERS 2017 Non-Safety Mortality pre-retirement <b>Post-Retirement:</b> CalPERS 2017 Non-Safety Mortality post-retirement
Healthcare Trend Rate	<b>Pre-65:</b> 6.95% in 2021 decreasing to 5% in 2029 and later <b>Post-65:</b> 5%

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	Rate of Return
	Allocation	
Equity	73.25%	5.65%
Fixed income	20.00%	1.39%
REITS	1.75%	5.06%
Cash	5.00%	0.00%
Total	100.00%	

The discount rate used by the independent actuary to measure the total OPEB liability was 6.25 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, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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:

	<b>Total OPEB Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net OPEB Liability (a) - (b)</b>
Balance at June 30, 2020	\$ 1,811,871	\$ 890,453	\$ 921,418
Changes Recognized for the Measurement Period:			
Service cost	41,260	-	41,260
Interest	131,467	-	131,467
Differences between expected and actual experience	(68,566)	-	(68,566)
Changes of assumptions	257,694	-	257,694
Contributions-Employer	-	127,487	(127,487)
Net investment income	-	51,727	(51,727)
Benefit payments	(96,220)	(96,220)	-
Administrative expense	-	(1,704)	1,704
Net changes	265,635	81,290	184,345
Balance at June 30, 2021	\$ 2,077,506	\$ 971,743	\$ 1,105,763

(a) As of June 30, 2021 the Town has an investment balance of \$1.2 million in its PARS Trust to pre-fund its future OPEB liability or obligation. As of June 30, 2021 approximately \$971,743 is shown in this table as an offset or reduction to the Total OPEB Liability. 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 2021 is 6.25%. 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, 2020:

	Total OPEB Liability/(Asset)		
	1% Decrease 5.25%	Current Rate 6.25%	1% Increase 7.25%
Change in Discount Rate			
Net OPEB Liability	\$ 1,382,750	\$ 1,105,763	\$ 878,785

*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, 2020:

	Total OPEB Liability/(Asset)		
	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate			
Net OPEB Liability	\$ 872,606	\$ 1,105,763	\$ 1,392,068

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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:

Net difference between projected and actual earnings on OPEB plan investments	4 Years
All other amounts	Expected average remaining service lifetime (EARSL) (5.0 Years at June 30, 2019)

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

For the fiscal year ended June 30, 2021, the Town recognized OPEB expense of \$104,737, an increase of \$9,545 or 10% compared to \$95,192 in the prior year. As of fiscal year ended June 30, 2021, the Town reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 96,679	\$ 61,360
Changes of assumptions	227,255	240,539
Net difference between projected and actual earnings on plan investments	12,766	-
Employer contributions made subsequent to the measurement date	135,193	-
Total	<u>\$ 471,893</u>	<u>\$ 301,899</u>

The \$135,193 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Annual Amortization
2022	\$ (3,810)
2023	(763)
2024	(333)
2025	(2,116)
2026	(4,947)
Thereafter	46,770
Total	<u>\$ 34,801</u>

## **12. 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.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. It is at least reasonably possible that this matter will negatively impact the Town. The ultimate financial impact and duration of these events cannot be reasonably estimated at this time.

## **13. 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 \$1,942. The Town's share of year-end assets, liabilities, or fund equity has not been calculated by C/CAG.

#### **14. NEW ACCOUNTING PRONOUNCEMENTS**

In May 2020, the Government Accounting Standards Board (GASB) issued statement No. 95, "Postponement of the Effective Date of Certain Authoritative Guidance." This Statement provides temporary relief in light of the Covid-19 pandemic by delaying the effective dates of various statements mentioned below by one year in most cases to as long as eighteen months. The revised implementation dates are indicated below.

The GASB has issued Statement No. 87, "*Leases.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 91, "*Conduit Debt Obligations.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Woodside, California**  
**Required Supplementary Information – 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
<b>Total OPEB Liability</b>				
Service Cost	\$ 83,302	\$ 51,592	\$ 54,172	\$ 41,260
Interest	133,804	124,981	129,611	131,467
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	118,115	(1,334)	39,938	(68,566)
Changes of assumptions	(328,057)	-	(74,298)	257,694
Benefit payments	(89,997)	(103,554)	(125,283)	(96,220)
<b>Net change in total OPEB liability</b>	(82,833)	71,685	24,140	265,635
<b>Total OPEB liability - beginning (a)</b>	1,798,879	1,716,046	1,787,731	1,811,871
<b>Total OPEB liability - ending (b)</b>	<u>\$ 1,716,046</u>	<u>\$ 1,787,731</u>	<u>\$ 1,811,871</u>	<u>\$ 2,077,506</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 204,065	\$ 155,592	\$ 161,684	\$ 127,487
Contributions - employee	-	-	-	-
Net investment income	57,576	54,742	50,862	51,727
Benefit payments	(89,997)	(103,554)	(125,283)	(96,220)
Administrative expense	(292)	(375)	(173)	(1,704)
<b>Net change in plan fiduciary net position</b>	171,352	106,405	87,090	81,290
<b>Plan fiduciary net position - beginning ( c )</b>	525,606	696,958	803,363	890,453
<b>Plan fiduciary net position - ending (d)</b>	<u>\$ 696,958</u>	<u>\$ 803,363</u>	<u>\$ 890,453</u>	<u>\$ 971,743</u>
Net OPEB liability - beginning (a)-(c)	\$ 1,273,273	\$ 1,019,088	\$ 984,368	\$ 921,418
Net OPEB liability - ending (b)-(d)	<u>\$ 1,019,088</u>	<u>\$ 984,368</u>	<u>\$ 921,418</u>	<u>\$ 1,105,763</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41%	45%	49.0%	47.0%
Covered-employee payroll	N/A	\$ 2,199,508	\$ 2,214,874	\$ 2,417,151
Net OPEB liability as a percentage of covered-employee payroll	N/A	45%	42%	46%

**Notes to Schedules:**

\* Fiscal year 2018 was the first year of implementation.

**Town of Woodside, California**  
**Required Supplementary Information**  
**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,	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 169,882	\$ 127,487	\$ 127,187	\$ 136,175
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
Active Implicit Rate Subsidy transferred to OPEB	-	30,146	34,497	-
	<u>\$ 204,065</u>	<u>\$ 155,592</u>	<u>\$ 161,684</u>	<u>\$ 127,487</u>
Covered-employee payroll	<u>N/A</u>	<u>\$2,199,508</u>	<u>\$2,214,874</u>	<u>\$2,417,151</u>
Contributions as a percentage of covered-employee payroll	N/A	7.07%	7.30%	5.27%

**Notes to Schedule:**

\* Fiscal year 2018 was the first year of implementation.

**Town of Woodside, California**  
**Required Supplementary Information**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Miscellaneous Plan**  
**Last 10 Fiscal Years**

Measurement Date:	<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>
Plan's proportion of the Net Pension Liability (Asset)	0.03801%	0.03754%	0.09435%	0.09238%	0.09109%
Plan's proportion share of the Net Pension Liability (Asset)	<u>\$ 4,135,509</u>	<u>\$ 3,846,278</u>	<u>\$ 3,555,942</u>	<u>\$ 3,641,516</u>	<u>\$ 3,164,365</u>
Plan's Covered-Employee Payroll	<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	175.62%	177.39%	178.45%	175.68%	158.54%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	73.17%	72.29%	74.23%	71.89%	72.29%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 526,765	\$ 452,056	\$ 390,081	\$ 352,418	\$ 307,486

**Notes to Schedule:**

1) Covered employee 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 a change in CalPERS reporting information prior to measurement year of 2016 were unavailable. Additional years will be presented as they become available.

**Town of Woodside, California**  
**Required Supplementary Information**  
**Schedule of Contributions – CalPERS Pension Miscellaneous Plan**  
**Last 10 Fiscal Years\***

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Fiscal Year Ended June 30,	2021	2020	2019	2018	2017
Contractually required contribution (actuarially determined)	\$ 540,208	\$ 469,749	\$ 404,929	\$ 390,376	\$ 323,181
Contributions in relation to the actuarially determined contributions	(540,208)	(469,749)	(404,929)	(390,376)	(323,181)
Contribution deficiency (excess)	<u>\$ -</u>				
 Covered payroll	 <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>
 Contributions as a percentage of covered payroll	 22.94%	 21.66%	 20.32%	 18.83%	 16.19%

**Notes to Schedule:**

1) Covered employee 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 a change in CalPERS reporting information prior to Fiscal year 2017 were unavailable. Additional years will be presented as they become available.

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**SUPPLEMENTAL INFORMATION**

**Town of Woodside, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - Capital Projects Fund**  
**For the year ended June 30, 2021**

	<b>Capital Projects</b>		Variance w/Final Positive (Negative)
	Final	Actual	
<b>REVENUES</b>			
Intergovernmental	\$ 368,130	\$ 463,513	\$ 95,383
Use of money and property	-	-	-
<b>Total revenues</b>	<u>368,130</u>	<u>463,513</u>	<u>95,383</u>
<b>EXPENDITURES</b>			
Capital outlay	2,427,350	2,302,465	124,885
<b>Total expenditures</b>	<u>2,427,350</u>	<u>2,302,465</u>	<u>124,885</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,059,220)</u>	<u>(1,838,952)</u>	<u>220,268</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	2,059,220	1,811,955	(247,265)
<b>Total other financing sources (uses)</b>	<u>2,059,220</u>	<u>1,811,955</u>	<u>(247,265)</u>
<b>Net change in funds balances</b>	-	(26,997)	(26,997)
<b>FUND BALANCES:</b>			
Beginning of year	(286,040)	(286,040)	-
End of year	<u>\$ (286,040)</u>	<u>\$ (313,037)</u>	<u>\$ (26,997)</u>

**NON-MAJOR GOVERNMENTAL FUNDS**

<b>Fund Type</b>	<b>Description</b>
<b>Special Revenue Funds:</b>	
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, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
<b>ASSETS</b>			
Cash and investments	\$ 164,067	\$ 681,641	\$ 31,955
Receivables:			
Interest	101	413	110
Intergovernmental	10,611	-	15,918
Other receivable	2,430	-	10,258
<b>Total assets</b>	<b>\$ 177,209</b>	<b>\$ 682,054</b>	<b>\$ 58,241</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 6,280	\$ 621	\$ -
<b>Total liabilities</b>	<b>6,280</b>	<b>621</b>	<b>-</b>
<b>Fund Balances</b>			
Restricted	170,929	681,433	58,241
<b>Total fund balances</b>	<b>170,929</b>	<b>681,433</b>	<b>58,241</b>
<b>Total liabilities and fund balances</b>	<b>\$ 177,209</b>	<b>\$ 682,054</b>	<b>\$ 58,241</b>

Special Revenue Funds				Total Non-Major Governmental Funds
Supplemental Law Enforcement Program	California Law Enforcement Equipment Program	Measure W		
\$ 70,825	\$ 2,797	\$ 2,100		\$ 953,385
62	2	58		746
-	-	14,310		40,839
-	-	-		12,688
<u>\$ 70,887</u>	<u>\$ 2,799</u>	<u>\$ 16,468</u>		<u>\$ 1,007,658</u>
\$ -	\$ -	\$ -		\$ 6,901
<u>-</u>	<u>-</u>	<u>-</u>		<u>6,901</u>
<u>70,887</u>	<u>2,799</u>	<u>16,468</u>		<u>1,000,757</u>
<u>70,887</u>	<u>2,799</u>	<u>16,468</u>		<u>1,000,757</u>
<u>\$ 70,887</u>	<u>\$ 2,799</u>	<u>\$ 16,468</u>		<u>\$ 1,007,658</u>

**Town of Woodside, California**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2021**

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
<b>REVENUES</b>			
Taxes and assessment	\$ -	\$ -	\$ 247,540
Fines and forfeitures	91,883	-	-
Intergovernmental	-	-	-
Use of money and property	565	2,476	72
Charges for services	-	523,102	-
Other revenues	7,711	-	-
<b>Total revenues</b>	<u>100,159</u>	<u>525,578</u>	<u>247,612</u>
<b>EXPENDITURES</b>			
Current:			
Safety Services	-	-	-
Public Works	47,341	273,066	91,161
<b>Total expenditures</b>	<u>47,341</u>	<u>273,066</u>	<u>91,161</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>52,818</u>	<u>252,512</u>	<u>156,451</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	(68,000)	(138,138)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(68,000)</u>	<u>(138,138)</u>
<b>NET CHANGES IN FUND BALANCES</b>	52,818	184,512	18,313
<b>FUND BALANCES:</b>			
Beginning of year	118,111	496,921	39,928
End of year	<u>\$ 170,929</u>	<u>\$ 681,433</u>	<u>\$ 58,241</u>

Special Revenue Funds			
Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	Measure W	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 133,488	\$ 381,028
-	-	-	91,883
156,726	-	-	156,726
500	12	166	3,791
-	-	-	523,102
-	-	-	7,711
<u>157,226</u>	<u>12</u>	<u>133,654</u>	<u>1,164,241</u>
190,000	-	-	190,000
-	-	-	411,568
<u>190,000</u>	<u>-</u>	<u>-</u>	<u>601,568</u>
<u>(32,774)</u>	<u>12</u>	<u>133,654</u>	<u>562,673</u>
-	-	(118,000)	(324,138)
-	-	(118,000)	(324,138)
(32,774)	12	15,654	238,535
<u>103,661</u>	<u>2,787</u>	<u>814</u>	<u>762,222</u>
<u>\$ 70,887</u>	<u>\$ 2,799</u>	<u>\$ 16,468</u>	<u>\$ 1,000,757</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual**  
**Traffic Safety Special Revenue Fund**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance w/Final Positive (Negative)
<b>REVENUES</b>			
Fines and forfeitures	\$ 75,000	\$ 91,883	\$ 16,883
Use of money and property	525	565	40
Other revenues	4,400	7,711	3,311
<b>Total revenues</b>	<u>79,925</u>	<u>100,159</u>	<u>20,234</u>
<b>EXPENDITURES</b>			
Current:			
Public works	42,650	47,341	(4,691)
<b>Total expenditures</b>	<u>42,650</u>	<u>47,341</u>	<u>(4,691)</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>37,275</u>	<u>52,818</u>	<u>24,925</u>
<b>Net change in fund balances</b>	37,275	52,818	24,925
<b>FUND BALANCES:</b>			
Beginning of year	<u>118,111</u>	<u>118,111</u>	<u>-</u>
End of year	<u>\$ 155,386</u>	<u>\$ 170,929</u>	<u>\$ 24,925</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual**  
**Road Impact Fees Special Revenue Fund**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance w/Final Positive (Negative)
<b>REVENUES</b>			
Use of money and property	\$ 14,000	\$ 2,476	\$ (11,524)
Charges for services	275,000	523,102	248,102
Other revenues			
<b>Total revenues</b>	<u>289,000</u>	<u>525,578</u>	<u>236,578</u>
<b>EXPENDITURES</b>			
Current:			
Public works	<u>293,386</u>	<u>273,066</u>	<u>20,320</u>
<b>Total expenditures</b>	<u>293,386</u>	<u>273,066</u>	<u>20,320</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>(4,386)</u>	<u>252,512</u>	<u>216,258</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(68,000)</u>	<u>(68,000)</u>	
<b>Total other financing sources (uses)</b>	<u>(68,000)</u>	<u>(68,000)</u>	
<b>Net change in fund balances</b>	(72,386)	184,512	216,258
<b>FUND BALANCES:</b>			
Beginning of year	<u>496,921</u>	<u>496,921</u>	<u>-</u>
End of year	<u>\$ 424,535</u>	<u>\$ 681,433</u>	<u>\$ 216,258</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual**  
**Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance w/Final Positive (Negative)
<b>REVENUES</b>			
Taxes and assessments	\$ 237,000	\$ 247,540	\$ 10,540
Use of money and property	1,000	72	(928)
<b>Total revenues</b>	<u>238,000</u>	<u>247,612</u>	<u>9,612</u>
<b>EXPENDITURES</b>			
Current:			
Public works	89,495	91,161	(1,666)
<b>Total expenditures</b>	<u>89,495</u>	<u>91,161</u>	<u>(1,666)</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>148,505</u>	<u>156,451</u>	<u>11,278</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(133,070)	(138,138)	5,068
<b>Total other financing sources (uses)</b>	<u>(133,070)</u>	<u>(138,138)</u>	<u>5,068</u>
<b>Net change in fund balances</b>	15,435	18,313	16,346
<b>FUND BALANCES:</b>			
Beginning of year	<u>39,928</u>	<u>39,928</u>	<u>-</u>
End of year	<u>\$ 55,363</u>	<u>\$ 58,241</u>	<u>\$ 16,346</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual**  
**Supplemental Law Enforcement Services Special Revenue Fund**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance w/Final Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 100,000	\$ 156,726	\$ 56,726
Use of money and property	2,800	500	(2,300)
<b>Total revenues</b>	<u>102,800</u>	<u>157,226</u>	<u>54,426</u>
<b>EXPENDITURES</b>			
Current:			
Safety services	<u>190,000</u>	<u>190,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>(87,200)</u>	<u>(32,774)</u>	<u>54,426</u>
<b>Net change in fund balances</b>	(87,200)	(32,774)	54,426
<b>FUND BALANCES:</b>			
Beginning of year	<u>103,661</u>	<u>103,661</u>	<u>-</u>
End of year	<u>\$ 16,461</u>	<u>\$ 70,887</u>	<u>\$ 54,426</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget to Actual**  
**California Law Enforcement Equipment Program Special Revenue Fund**  
**For the year ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
<b>REVENUES</b>			
Intergovernmental			
Use of money and property	\$ -	\$ 12	\$ 12
<b>Total revenues</b>	<u>-</u>	<u>12</u>	<u>12</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>-</u>	<u>12</u>	<u>12</u>
<b>Net change in fund balances</b>	-	12	12
<b>FUND BALANCES:</b>			
Beginning of year	<u>\$2,787</u>	<u>2,787</u>	<u>-</u>
End of year	<u>\$ 2,787</u>	<u>\$ 2,799</u>	<u>\$ 12</u>

**Town of Woodside, California**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual**  
**Measure W Special Revenue Fund**  
**For the year ended June 30, 2021**

	Budget	Actual	Variance w/Final Positive (Negative)
<b>REVENUES</b>			
Intergovernmental	\$ 106,000	\$ 133,488	\$ 27,488
Use of money and property	-	166	166
<b>Total revenues</b>	<u>106,000</u>	<u>133,654</u>	<u>27,654</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(120,000)	(118,000)	2,000
<b>Total other financing sources (uses)</b>	<u>(120,000)</u>	<u>(118,000)</u>	<u>2,000</u>
<b>Net change in funds balances</b>	(14,000)	15,654	29,654
<b>FUND BALANCES:</b>			
Beginning of year		814	(814)
End of year	<u>\$ (14,000)</u>	<u>\$ 16,468</u>	<u>\$ 28,840</u>

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**SUPPLEMENTARY SCHEDULES**

**Town of Woodside, California  
Schedule of Land Assets**

**For the year ended June 30, 2021**

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<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		4/21/1980	120,000
Kite Hill		1/1/1985	280,000
Barkley Fields & Park/ APN 068-322-330	5001 Farm Hill Blvd	12/22/2005	6,737,134
<b>Total Land</b>			<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, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Town of Woodside, California, as of and for the year ended June 30, 2021, and have issued our report thereon dated October 4, 2021.

***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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 may exist that have not been identified.

***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 October 4, 2021 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  
October 4, 2021