

**Town of Woodside, California**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2020**

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, 2020**

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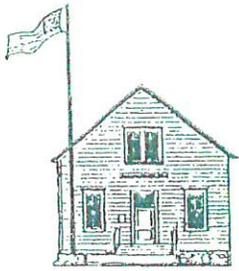
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The Town of  
Woodside

## TRANSMITTAL LETTER

December 11, 2020

*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, 2020. 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, 2020, 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, 2020, 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 2020-21 assumes a reduction in revenues most sensitive to this disruption, including sales taxes and permit revenue, as well as a corresponding reduction in revenue growth in the early years of the Town’s Ten-Year General Fund forecast.

## **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, Management Analyst Patty Higashioka, and Accounts Payable Specialist 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, Alex Lam, and the staff of Maze & Associates who assisted and contributed to the preparation of the Report.

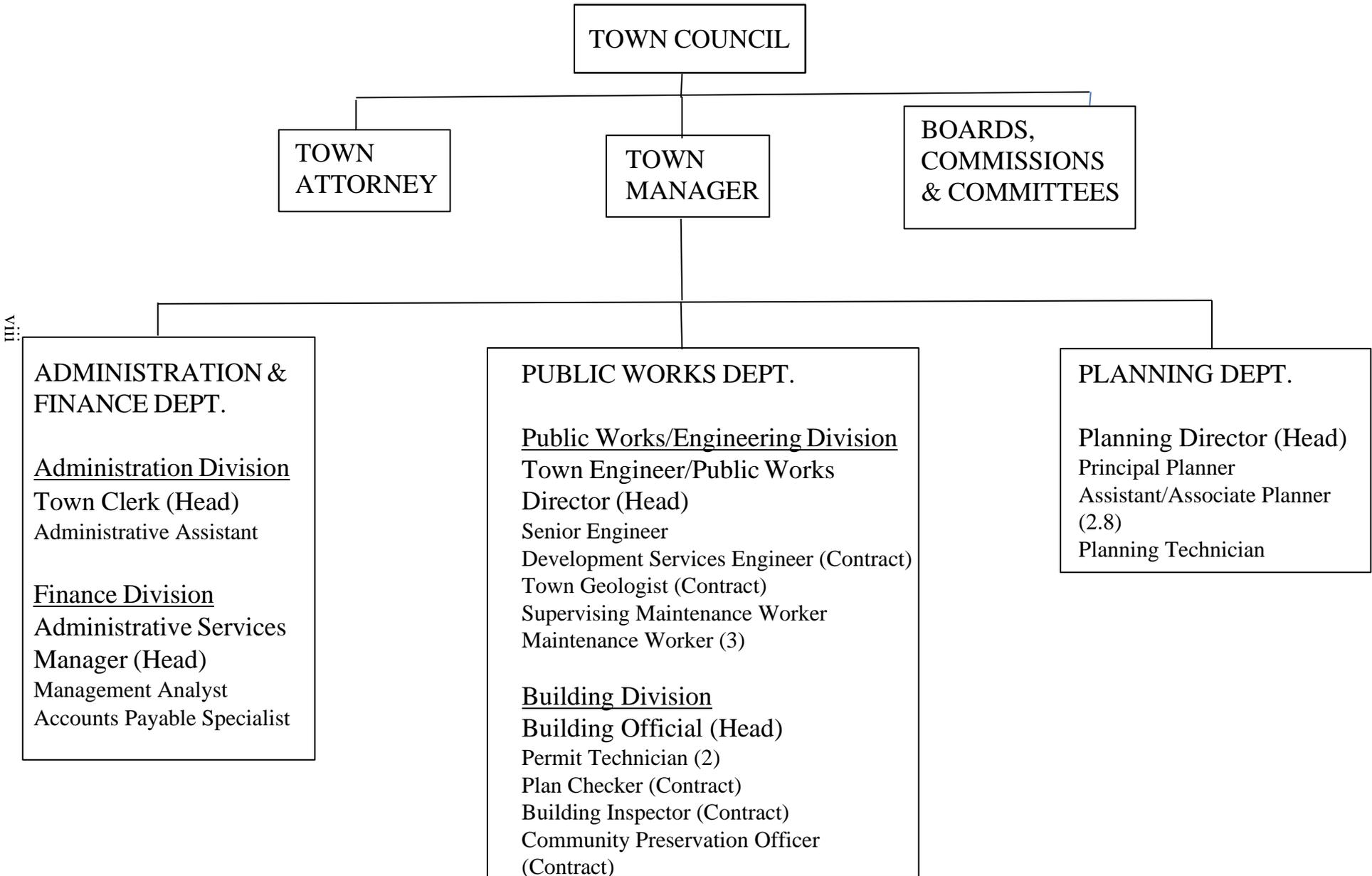
I would also like to thank members of the Town Council and the various departments for their cooperation and support in planning and conducting the financial operations of the Town during the fiscal year.

Respectfully Submitted,



Kevin Bryant  
Town Manager

# TOWN OF WOODSIDE ORGANIZATION CHART



**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**List of Officials**

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***TOWN COUNCIL***

- Ned Fluet, Mayor
- Brian Dombkowski, Mayor Pro Tempore
- Daniel Yost
- Chris Shaw
- Sean P. Scott
- Thomas H. Livermore
- Dick Brown

***AUDIT COMMITTEE***

- Phillip Whalen
- Dave Burow
- Dave Eichler

***TOWN OFFICIALS***

- Kevin Bryant, Town Manager
- Sean Rose, Town Engineer, PE, MBA
- Jennifer Li, Town Clerk, MPA, CMC
- Jackie Young, Planning Director
- Cindy Safe, Administrative Services Manager
- 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, 2020, 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, 2020, 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.

***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 September 15, 2020, 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  
September 15, 2020

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**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, 2020. 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 2020 in robust fiscal health with combined fund (excluding sewer funds) balances of \$10.25 million, a 1.5% increase from the beginning of fiscal year 2019.

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. This general fund balance is \$8.3 million. This General Fund amount (which consists of revenue mostly from property tax, sales tax, and fees), is a figure that represents close to 100% of 2020 operating revenue, well over the 30% required by the Town financial reserve policy.

The budget for the year included \$8,839,666 for General Fund operations (Page 25 and 40) which consists mainly of Town personnel and the many contract services the Town manages. Contract services include the police contract with the San Mateo County Sheriff's Department; plan check, building inspection, code enforcement, and engineering services; as well as the Town Attorney. The operating budget also includes routine maintenance of the Town's facilities and information systems.

The Capital Improvement Program (CIP) budget includes revenue from the General Fund for a continuing Town storm drain rehabilitation project of \$45,000 and \$400,000 to support road projects, such as the Kings Mountain Road ROW (Right of Way) stabilization project. The CIP fund includes funds from other sources as well; the State of California's gas tax (including SB1), fines, road impact fees, the San Mateo County Measure A and W (new this fiscal year) sales tax, Measure M (the Town's portion of the San Mateo County motor vehicle \$10 license fee), the Trails Fiduciary (donations) Fund, and state and federal grants. Projects funded include the annual road rehabilitation project; Old La Honda Bridge over Drainage Channel, Portola Road Bridge over Alambique Creek, Center Equestrian Trail Bridge, and the Glens Pathway. Town road and bridges are capital expenses that are not depreciated.

The Town's only enterprise 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 \$527,028.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**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 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.

Also, in FY2020 the Town Council voted to prefund pension obligations through an IRS Section 115 account through PARS (a retirement services organization). \$1.8 million total was deposited in a Town account for pension obligations in February and April 2020. The June 30, 2020 ending balance is \$1.93 million with year to date investment earnings of \$131,000. The Other Pension Employment Benefits (OPEB – retiree health premiums) account was also transferred to PARS (from a separate CalPERS account) with a beginning balance of \$940,000 and ending balance of \$972,000 with investment earnings of \$32,000.

The Town of Woodside ended FY 2020 in an even better financial position, with combined fund balances of \$10.8 million, a 5.4% increase from the prior fiscal year. This is due to underspending the expense budget and revenues which were 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 \$7.04 million balance in the General Fund in unrestricted funds, which is 77% 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 improvements. In 2020-21, these include road rehabilitation, Old La Honda Bridge over drainage channel, Kings Mountain Road safety program and the Electric Vehicle charger installation.

**Highlights**

- ◆ In total, Town assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$24.6 million, which is a \$131,158 increase compared to the beginning net position (Page 9).
- ◆ Business-type Activities net position increased \$31,706 to \$1.3 million. The net position includes \$527,028 which was the amount due from the Sewer fund to the General Fund (Page 9).

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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- ◆ Governmental Activities net position slightly increased \$99,452 to \$23.3 million. Of this amount, \$3.4 million was unrestricted and available for spending at the Town's discretion. \$1.16 million was restricted special revenue funds and \$1.93 million was restricted for retirement cost and benefits (Page 16).
- ◆ The Town's total revenues for governmental and business-type activities increased \$2,212,692 or 21% in fiscal year 2020. Increases can be attributed to increases in charges for services and capital grants. There was unusually high building and planning activity, which increased revenues in charges for service by \$725,468 (permits, plan check, and road impact fees) and increased one-time capital grants of \$1,066,335 (Page 16).
- ◆ Overall actual general fund revenues of \$9,423,426 are \$902,626 greater than budget of \$8,520,800. General fund expenses of \$8,112,235 are \$727,431 less than budget of \$8,839,666. This resulted in an overall favorable variance of \$1,630,057 in revenues over expenses for FY 2020 general fund (Page 40).

**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, 2020**

**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, 2020, the Town's major funds are as follows:

**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:**

- ◆ Sewer Capital Improvement
- ◆ Sewer Utility
- ◆ Cañada Corridor Sewer

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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**OVERVIEW OF FINANCIAL STATEMENTS, CONTINUED**

**FIDUCIARY FUNDS:**

- ◆ 1999 Woodside Road/ Whiskey Hill Road Parking District
- ◆ Trail Gifts and Donations Fund
- ◆ Mathiesen House
- ◆ Marva Oaks
- ◆ Town Hall Window
- ◆ Barkley Reserve
- ◆ Arts and Culture Fund

**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 as a result 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.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 53-85 of this report. Required Supplementary Information follows the notes starting on page 88.

**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 96-105 of this report.

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 \$24,646,542 at the close of FY 2020. Capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related debt used to acquire those assets, represent 74% of the Town's net position.

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

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management’s Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Summary of Net Position

	2020			2019			Total change	
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Amount	Percent
Current and other assets	\$ 12,397,549	\$ 51,869	\$ 12,449,418	\$ 11,288,189	\$ (36,460)	\$ 11,251,729	\$ 1,197,689	10.6%
Noncurrent assets	16,805,809	1,415,594	18,221,403	16,892,862	1,475,076	18,367,938	(146,535)	-0.8%
Deferred outflows of resources	1,202,874	24,641	1,227,515	1,253,349	28,886	1,282,235	(54,720)	-4.3%
Total assets and deferred outflows of resources	30,406,232	1,492,104	31,898,336	29,434,400	1,467,502	30,901,902	996,434	3.2%
Current and other liabilities	1,622,419	10,956	1,633,375	1,067,830	13,840	1,081,670	551,705	51.0%
Long-term liabilities	4,964,470	137,457	5,101,927	4,680,163	134,993	4,815,156	286,771	6.0%
Deferred inflows of resources	510,747	5,745	516,492	477,263	12,429	489,692	26,800	5.5%
Total liabilities and deferred inflows of resources	7,097,636	154,158	7,251,794	6,225,256	161,262	6,386,518	865,276	13.5%
Net position:								
Net investment in capital assets	16,805,809	1,415,594	18,221,403	16,892,862	1,475,076	18,367,938	(146,535)	-0.8%
Restricted	3,091,806	-	3,091,806	1,233,252	-	1,233,252	1,858,554	150.7%
Unrestricted	3,410,981	(77,648)	3,333,333	5,083,030	(168,836)	4,914,194	(1,580,861)	-32.2%
<b>Total net position</b>	<b>\$ 23,308,596</b>	<b>\$ 1,337,946</b>	<b>\$ 24,646,542</b>	<b>\$ 23,209,144</b>	<b>\$ 1,306,240</b>	<b>\$ 24,515,384</b>	<b>\$ 131,158</b>	<b>0.5%</b>

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 of \$18,221,403. Total restricted funds are \$1,160,799 and represent Measure A and W, gas taxes, library fund, and law enforcement funds. \$5,264,340 represents unrestricted funds (General Funds) and is used to meet the Town’s ongoing obligations to citizens and creditors.

The largest change is a \$1,197,689 increase of current and other assets from \$11,251,729 to \$12,449,418. This is primarily due to a \$548,366 increase in cash and investments due to increased Building and Planning revenues this fiscal year 2020. In addition, there is an increase in receivables (\$300,000 for taxes and \$100,000 for other receivables) which is likely due to more FY2020 revenue payments during the July and August accrual period, probably due to the pandemic. There is also an increase in short term liabilities of \$551,705 mostly due to \$456,637 in accounts payable also due to more invoices from vendors for services in FY2020 during the 60-day accrual period. Long-term liabilities increased \$286,771 due to the net increase in both OPEB (Other Post-Employment Benefits – retiree healthcare premiums) and pension plan obligations. Restricted funds also decreased by \$72,453 due to the drawdown of Measure A and gas tax funds used for capital projects this fiscal year. Unrestricted funds increased \$350,146 mainly due to increased property taxes.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Revenues**

The Town's total revenues for governmental and business-type activities were \$12,686,142 (see table on Page 16) for the fiscal year ended June 30, 2020. Approximately 90% of the Town's revenues are generated from five major sources, Charges for Services, Property Taxes and Assessments, Operating and Capital Grants and Contributions, Sales and use tax, and Franchises. Total revenue last fiscal year was \$10,473,450; therefore, revenue is \$2,212,692 more, a 21% total increase.

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

- 1. Charges for Services** – Charges for services has gone up \$654,652 or 27% from last year. Development related fees and permits have contributed the most to this increase. Specifically, in FY 2020 there was an approximately \$260,000 increase in building permits in Woodside. Increases in public works related permits was \$563,000, which includes road impact fees and engineering and plan checks (building related fees). No changes in the Town's Fee Schedule have taken place since May 2013.

There is a \$33,000 decrease in recreation fees because yoga classes were cancelled for the spring/summer of 2020 and a \$3,500 decrease in Barkley user fees also due to cancellations this spring/summer. There is also a decrease in the administration department, consisting mostly of staff charges against deposits, of approximately \$59,500. Parking fines decrease \$1,500.

There is a decrease in Sewer revenue of \$71,000 resulting from no new sewer connection fees of \$51,000 and a decrease of penalties fees of \$7,000. The remaining difference of \$12,000 is due to a decrease in the payment of sewer fees, due to decreased usage by commercial properties who are charged based on use of the sewer.

- 2. Property Taxes and Assessments** – The property taxes and assessments category for FY 2020 includes not only Property Tax – secured, unsecured, SB 813, prior years, but also the additional categories of Homeowner Property Tax Relief (HOPTR), and Property Tax in-lieu. FY 2020 revenue shows an increase of 3% or \$170,779 due to increased property taxes. Overall secured property taxes are up \$190,000 or 5% from last year due to an increase in secured property tax value. The Library revenue decreased \$55,500 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 23).

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

- 3. Grants and Contributions – Operating and Capital** – The Grants and Contributions category for FY 2020 increased a total of \$1,090,895 from last fiscal year.

**Operating grants** increased \$24,500 or 3%. The operating sub-categories include: State Citizens' Option for Public Safety (COPS) program, which increased \$7,000 from last year; State of California gas tax (which included the second year of the new state gas tax SB1 of \$100,721) which increased \$19,600 overall; Measure A tax (based on sales tax) which decreased \$14,000; and sale of a public works dump truck of \$11,500 this fiscal year and none last fiscal year.

**Capital (one time) grants** increased by \$1,066,335 (\$71,712 last fiscal year and \$1,138,047 this fiscal year) and included: Old La Honda Bridge over drainage channel grant totaling \$63,000; Portola Rd Bridge over Alambique Creek of \$327,000; Kings Mountain and Mt Home Rd Bridges for \$5,400; Two grants for Woodside Elementary School Path one from the State for \$527,900 and another from the federal government for \$30,000; \$153,000 in donations through the fiduciary fund for the Equestrian Bridge; \$30,000 from C/CAG (County/City Association of Governments) for environmental tree work on Old La Honda; and \$1,930 contribution from Canada college for the Farm Hill signal replacement.

- 4. Sales and use tax** – Sales tax experienced a \$121,000 or 18% decrease in FY 2020 due to a decrease in sales tax revenues from last fiscal year from the State of California. The decrease is likely due to the COVID-19 pandemic which reduced sales revenue receipts by 38% in the 4<sup>th</sup> quarter.
- 5. Franchises** - Revenues from this source have increased \$57,314 or 11% from last year. Franchise revenues for the Town of Woodside are derived from multiple year franchise agreements with gas (\$4,000 increase), electric (\$9,000 increase), water (remained the same), garbage (\$19,000 increase and new agreement January 2020), cable TV (\$25,000 increase), and telecommunications providers (remained the same).

**Expenses**

Governmental and business-type activities expenses of the Town totaled \$12,554,984 (see table on Page 16) for the year, a 21% or \$2,198,053 increase from last fiscal year. Governmental activities expenses totaled \$12,106,145 or 97% of total expenses. Each of the departments expense highlights follow in the order it appears on Page 16 on the 'Changes in Net Position' table.

**Town Council** expenses decreased \$6,412 or 11% due to no elections in fiscal year 2020.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

The **Administration and Finance** Department expenses increased by \$285,994 or 19% from FY 2019 to FY 2020. This increase was primarily due to higher estimated pension costs of approximately \$124,000 offset in part by lower, net estimated OPEB costs due to changes in assumptions in the actuarial report. Pension and OPEB costs are reported in the Administration and Finance Department expenses and not included in expenses of other departments.

Expenses increased about \$59,000 (6%) due to increases in salary and benefits and \$23,000 in professional services (legal, actuarial, archival, contract negotiations, and broadband expansion). There is \$12,000 in decreases in the remaining categories (including audit services).

**Planning** Department had increased expenses of \$73,613 a 7% increase, mostly due to there being more and larger planning projects in FY 2020, than FY 2019 and in salaries and benefits due to the January 2020 hiring of a part time Planning staff.

**Building and Grounds** costs were up \$12,884 or 7%, due to increased contractors expenses. This increase is mostly due to the Town Hall landscape planting project expenses of \$15,500.

The **Town-wide Overhead** expense increased 7% or \$25,304 from FY 2019 to FY 2020, mostly due to an increase in insurance and bonds of \$14,000. These are due to increased premiums from the Town's risk management carrier PLAN (Note 9). There is also a \$13,000 increase in contractual data processing due to a new public workstation in Building and Planning, server upgrades, and a Museum WIFI project.

**Safety Services** costs represented 26% or \$3,142,763 of total governmental activities expenses, a \$591,916 or 23% increase from last year.

The majority of the increase \$374,000 is due to a 60% increase in the expense for the Town's Defensible Space Matching Fund Program. In 2019 there was a modification in the Defensible Space Matching Fund Program (increasing matching grant from \$2,000 to \$3,000 per year per property) to encourage a higher use. In FY 2020 there were 159 grants an increase of 24 grants from FY 2019 which had 135 grants. The utilization of grants increased 18% while the amount granted increased 60%. There is also an additional \$55,000 spent on Eucalyptus and other tree removal, the chipper program and CERPP (emergency services with the Woodside fire protection district) coordinator contribution.

The safety services increase is partially (\$175,000 in FY 2020) due to a new contractual increase for services from San Mateo County Sheriff Services which began in FY 2019. This new contract increase includes continuation of the current level of basic services, plus the enhancement of one additional deputy on duty during the day shift.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

There was also one capital asset (depreciable) purchased this fiscal year in the safety services department which is a speed limit trailer and cost \$7,825.

**Trails and Stables** expenses decreased \$12,000 or 14%, mostly due to a project to remove dirt fill at Raymundo and Runnymede in FY 2019 and no similar project in FY 2020.

**Barkley Fields** expenses increased by \$88,480 or 35% due to a \$48,000 increase in contractual services which upgraded the maintenance of the park and playing fields, increased landscaping and fire prevention tree work. There is also an increase of \$24,000 to improve amenities at the park: a new pet fountain, improved fence and irrigation, and field improvements. There is also a \$15,000 increase in water.

**Library** expenses increased slightly \$1,230 or 1% due to a slight increase in contractor services for the library in FY 2020.

**Recreation** expenses decreased significantly \$24,234 or 32% due to the cancellation of the fun run, yoga (and other recreation) classes, W-ball and softball for the spring/summer of 2020 due to COVID-19. One new capital expense in the fall before the pandemic was a new computerized timing system for \$6,874 to use for the annual May Day Fun Run. There is also a similar decrease in revenue as Recreation classes are full cost recovery.

**Public Works** costs amounted to \$4,794,432 or 40% of total governmental expenses, an increase of \$1,030,056 or 27% from FY2019. Capital outlay of one million dollars contributed most to the increase. Most operations expenses remained the same, there were modest increases in salaries and benefits of \$107,207 and contractual plan checking of \$120,544 which is tied to the increase in building and planning permits in FY 2020.

The largest single capital asset (depreciable) expense this year in Public Works is the July 2019 purchase of a 2019 Ram 5500 dump truck (replacing a 2002 dump truck) which cost \$93,681.

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 FY 2020 increased \$1,077,835 or 73%. The following are capital project expenses for this year and the last three years:

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

<b>Capital Projects</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	479,432	614,501	173,954	873,257
Library Remodel Project			-	196,368
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	188,137	21,784	3,997	-
Kings Mountain Road Bridge Impv	-	25,091	15,811	-
Portola Rd Bridge Improvement	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	17,380	16,150		
Barkley Improvements	7,791	117,853		
Center Trail Equestrian Bridge*	167,165			
<b>TOTAL</b>	<b>2,560,388</b>	<b>1,482,553</b>	<b>\$ 737,511</b>	<b>\$ 1,863,037</b>

Capital projects are funded through Transfers In of a variety of budgeted funds. For FY 2020 the following funds were used to fund the capital projects listed above:

General Fund - \$564,954
Measure A - \$472,559
Federal Grants - \$425,266
State Grants - \$527,911
Road Impact - \$312,869
Gas Tax - \$103,972
*Trails Fiduciary Funds (private donations) - \$152,858
TOTAL - \$2,560,388

Business type activities (the Town's small sewer system) had revenues that were \$70,663 or 12% lower than last fiscal year. The main reason for the decrease is because last fiscal year there was a new sewer connection fee of \$51,000 and a decrease of penalties fees of \$7,000 and none in FY2020. The remaining difference of \$12,000 is due to a small (2%) decrease in the payment of sewer fees, due to decreased usage by commercial properties who are charged based on use of the sewer.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Expenses for the sewer system were \$131,473 or 41% higher than last fiscal year. Additional expenses include a \$36,600 manhole rehabilitation project and a \$48,500 payment to the Silicon Valley Clean Water for Bond Payments made by Redwood City for the rehabilitation/construction of a new water treatment system, and Redwood Creek capital improvement of \$44,174. (Page 21)

For more details about Business type activities (revenues and expenses) see Pages 20-22.

The change in net position for the fiscal years ended June 30, 2020, and 2019, follows:

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**Changes in Net Position**

	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,541,995	\$ 525,414	\$ 3,067,409	\$ 1,816,527	\$ 596,230	\$ 2,412,757
Grants and contributions:						
Operating	729,977	-	729,977	705,417	-	705,417
Capital	1,138,047	-	1,138,047	71,712	-	71,712
	<b>4,410,019</b>	<b>525,414</b>	<b>4,935,433</b>	<b>2,593,656</b>	<b>596,230</b>	<b>3,189,886</b>
General revenues:						
Property taxes and assessments	5,423,645	-	5,423,645	5,252,866	-	5,252,866
Sales and use tax	552,279	-	552,279	673,074	-	673,074
Property transfer tax	310,349	-	310,349	163,529	-	163,529
Other taxes	203,963	-	203,963	75,000	-	75,000
Franchises	562,453	-	562,453	505,139	-	505,139
Business licenses	152,177	-	152,177	165,305	-	165,305
Fines and forfeitures	99,621	-	99,621	49,805	-	49,805
Use of money and property	371,513	11,131	382,644	282,792	10,978	293,770
Other general revenues	63,578	-	63,578	105,076	-	105,076
Loss on sale of capital assets	-	-	-	-	-	-
<b>Total revenues</b>	<b>12,149,597</b>	<b>536,545</b>	<b>12,686,142</b>	<b>9,866,242</b>	<b>607,208</b>	<b>10,473,450</b>
<b>Expenses:</b>						
Governmental activities:						
Town Council	52,085	-	52,085	58,497	-	58,497
Administration and Finance	1,795,016	-	1,795,016	1,509,022	-	1,509,022
Planning Department	1,111,199	-	1,111,199	1,037,586	-	1,037,586
Buildings and Grounds	187,925	-	187,925	175,041	-	175,041
Town-wide Overhead	408,606	-	408,606	383,302	-	383,302
Safety Services	3,142,763	-	3,142,763	2,550,847	-	2,550,847
Trails and Stables	73,009	-	73,009	85,260	-	85,260
Barkley Fields	341,286	-	341,286	252,806	-	252,806
Library Services	147,982	-	147,982	146,752	-	146,752
Public Works	4,794,432	-	4,794,432	3,764,376	-	3,764,376
Recreation and Open Space	51,842	-	51,842	76,076	-	76,076
Business-type activities:						
Redwood Creek Sewer	-	44,174	44,174	-	-	-
Sewer Utility	-	368,253	368,253	-	288,022	288,022
Cañada Corridor Sewer	-	36,412	36,412	-	29,344	29,344
<b>Total expenses</b>	<b>12,106,145</b>	<b>448,839</b>	<b>12,554,984</b>	<b>10,039,565</b>	<b>317,366</b>	<b>10,356,931</b>
Excess (Deficiency) of revenues over expenditures before transfers						
	43,452	87,706	131,158	(173,323)	289,842	116,519
Transfers	56,000	(56,000)	-	38,900	(38,900)	-
Change in net position	99,452	31,706	131,158	(134,423)	250,942	116,519
Net position:						
Beginning of year	23,209,144	1,306,240	24,515,384	23,343,567	1,055,298	24,398,865
Adjustments	-	-	-	-	-	-
Beginning, as adjusted	23,209,144	1,306,240	24,515,384	23,343,567	1,055,298	24,398,865
<b>End of year</b>	<b>\$23,308,596</b>	<b>\$1,337,946</b>	<b>\$24,646,542</b>	<b>\$23,209,144</b>	<b>\$1,306,240</b>	<b>\$24,515,384</b>

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Governmental Activities**

The cost of all governmental activities this year is \$12,106,145. However, as shown in the Statement of Activities on Page 29 and 30, the amount that taxpayers ultimately financed for governmental activities was \$7,696,126. Those who directly benefited from town programs paid \$2,541,995. Other governments and organizations subsidized certain programs with grants and contributions in the amount of \$729,977 for operations and \$1,138,047 for capital. The Town paid the remaining "public benefit" portion of government activities with \$5,423,645 in property taxes, \$1,944,420 in other general revenues, and \$371,513 in use of money and property.

Referring to the Changes in Net Position statement (Page 16), total resources available during the year to finance governmental operations were \$12,149,597. This consisted of \$4,410,019 (charges for services and grants) in program revenues and \$7,739,578 in general revenues.

Total governmental activities operating expenses during the year were \$12,106,145. Net position beginning balance at July 1, 2019, was \$23,209,144. This increased by \$99,452 to an ending balance net position of \$23,308,596 at June 30, 2020. This slight net position increase is primarily due to a \$2,283,355 or 23% increase in revenues and only a 21% increase of \$2,066,580 in expenses.

The specific increases in revenue are charges for services by \$654,652 which includes increased building and planning activity and public works fees (plan check and road impact fees). Capital and operating grants increased by \$1,090,895. This is due to several state and federal grants this fiscal year of \$1,162,607 and only \$71,712 last fiscal year. Another increase is use of money and property of \$88,874 due to the revenue from the PARS investment (\$1,930,000 and \$131,000 in investment earnings at year end) and only LAIF low interest rate investments last fiscal year. Other increases include property taxes (\$170,779), franchise fees (\$57,314), transfer taxes (\$146,820), fines and forfeitures (\$49,816) and other taxes (\$128,963).

Expenses were \$2,066,580 more (differences in departments noted above on Page 11 and 12). The largest increase was in Public Works \$1,030,056 due to one-time capital project expenses, see table of capital projects above.

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, 2020, and 2019, are as follows:

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Governmental Activities, Continued**

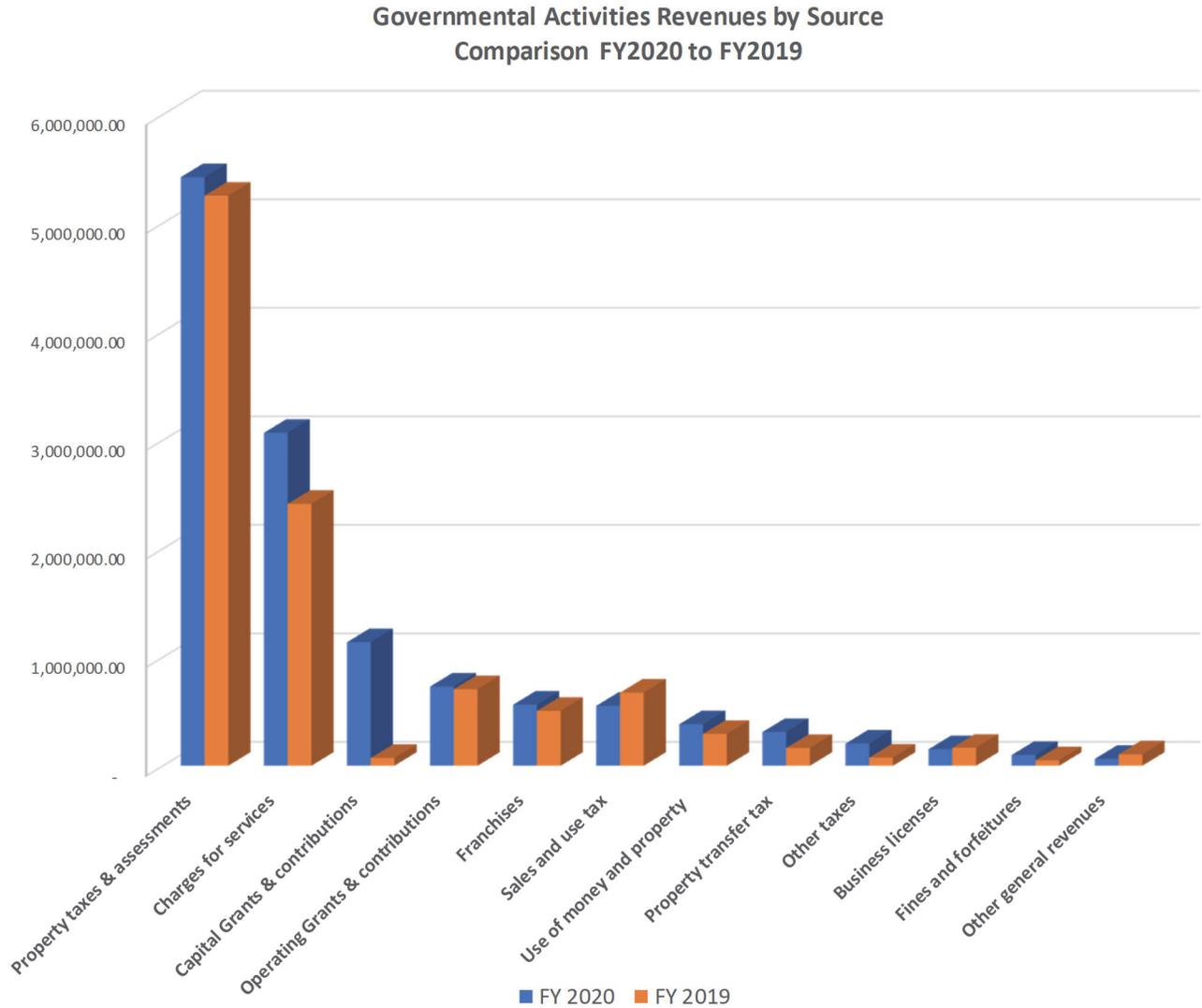
	Operating Revenue		Operating Expenses		Net (Expense) and Changes in Net Position	
	2020	2019	2020	2019	2020	2019
	<b>Governmental activities:</b>					
Town Council	\$ -	\$ -	\$ 52,085	\$ 58,497	\$ (52,085)	\$ (58,497)
Administration and Finance	114,019	173,553	1,795,016	1,509,022	(1,680,997)	(1,335,469)
Planning Department	794,111	534,423	1,111,199	1,037,586	(317,088)	(503,163)
Buildings and Grounds	-	-	187,925	175,041	(187,925)	(175,041)
Town-wide Overhead	-	-	408,606	383,302	(408,606)	(383,302)
Safety Services	191,968	186,197	3,142,763	2,550,847	(2,950,795)	(2,364,650)
Trails and Stables	896	945	73,009	85,260	(72,113)	(84,315)
Barkley Fields	7,875	11,375	341,286	252,806	(333,411)	(241,431)
Library Services	-	-	147,982	146,752	(147,982)	(146,752)
Public Works	3,221,032	1,574,330	4,794,432	3,764,376	(1,573,400)	(2,190,046)
Recreation and Open Space	80,118	112,833	51,842	76,076	28,276	36,757
<b>Total governmental activities</b>	<b>\$ 4,410,019</b>	<b>\$ 2,593,656</b>	<b>\$ 12,106,145</b>	<b>\$ 10,039,565</b>	<b>\$ (7,696,126)</b>	<b>\$ (7,445,909)</b>

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

A comparison of revenues by source for the fiscal years ended June 30, 2020, and 2019, are as follows:



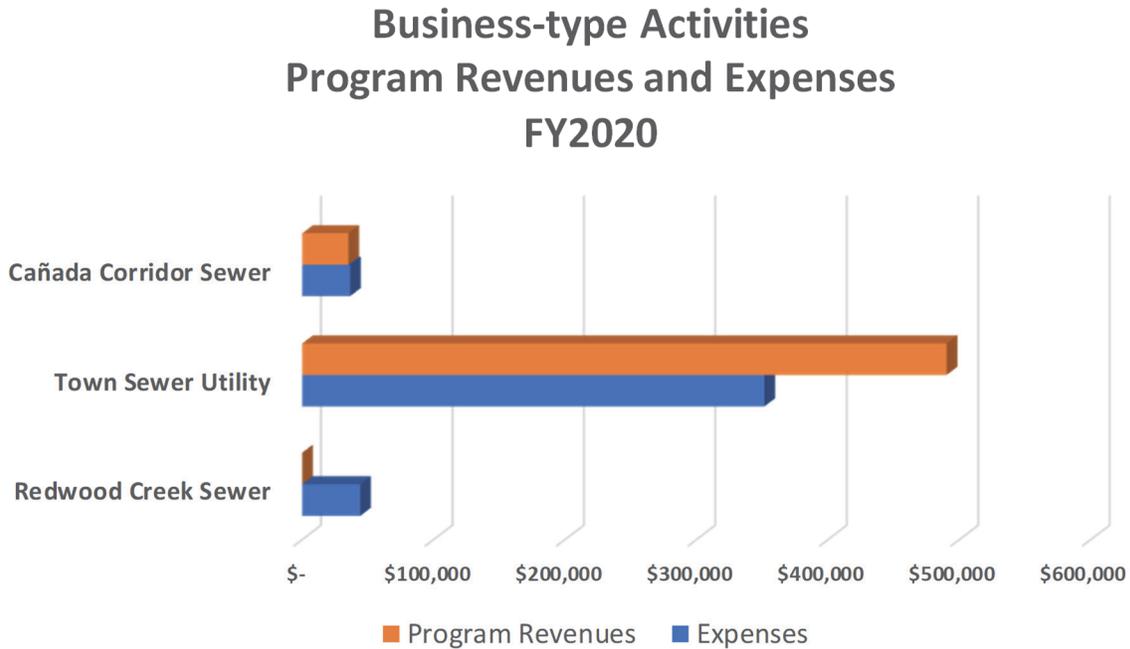
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**Business-type Activities**

Business-type activities incurred \$448,839 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, 2020, and 2019, are as follows:

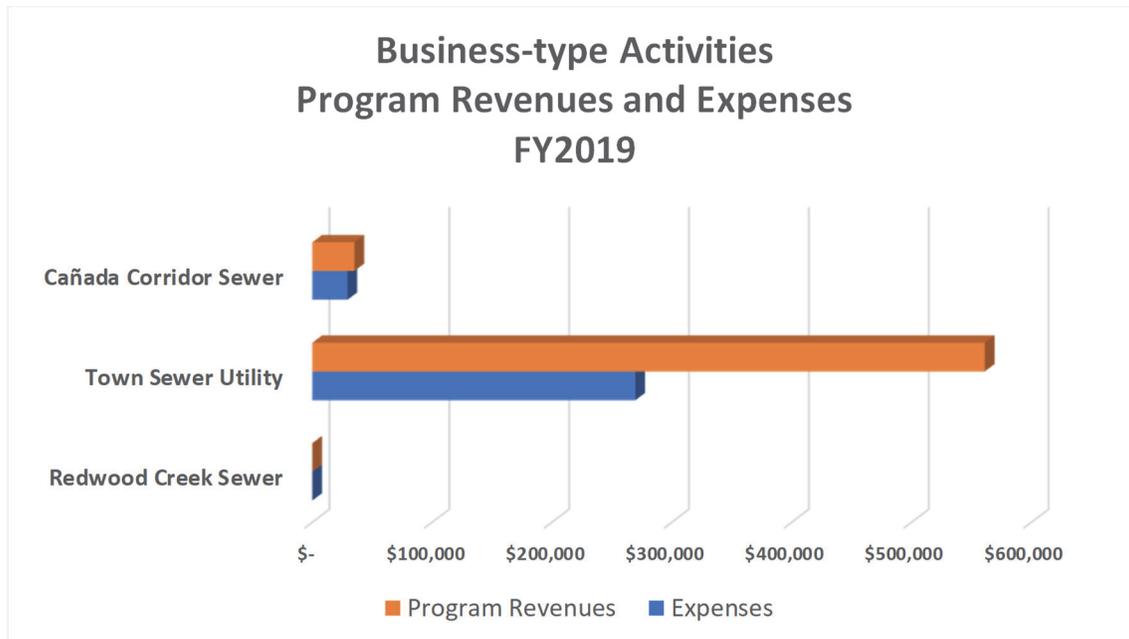


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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

**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, 2020, increased \$31,706 from FY 2019. The following table is a re-statement of the Statement of Business-type Activities outlining the components of this decrease.

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

	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
<b>Revenues:</b>				
Charges for Services	\$ 525,414	\$ 596,230	\$ (70,816)	-11.9%
Operating grants and contributions	-	-	-	100.0%
Sewer Contractor Settlement	-	-	-	100.0%
Use of money and property (interest)	11,131	10,978	153	1.4%
<b>Total</b>	<b>\$ 536,545</b>	<b>\$ 607,208</b>	<b>\$ (70,663)</b>	<b>-11.6%</b>
<b>Expenses:</b>				
Redwood Creek Sewer	\$ 44,174	\$ -	\$ 44,174	100.0%
Town Sewer Utility	368,253	288,022	80,231	27.9%
Cañada Corridor Sewer	36,412	29,344	7,068	24.1%
<b>Total</b>	<b>\$ 448,839</b>	<b>\$ 317,366</b>	<b>\$ 131,473</b>	<b>41.4%</b>
Excess (Deficiency) of revenues over expenditures before transfers	\$ 87,706	\$ 289,842	\$ (202,136)	-69.7%
Transfers	(56,000)	(38,900)	(17,100)	44.0%
<b>Change in Net Position</b>	<b>\$ 31,706</b>	<b>\$ 250,942</b>	<b>\$ (219,236)</b>	<b>-87.4%</b>

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

Business-type activities total revenue for FY 2020 is \$536,545. Revenues for this year exceeded expenses by \$31,706. These revenues are received from two sources, Charges for Sewer Services \$525,414 and LAIF Investment Earnings \$11,131. 98% of the funding received for Sewer business services is derived through charges for this service.

Charges for sewer services were down 12% or \$70,663. Even though there was an overall increase of 8.5% in residential and commercial sewer fees (a sewer utility bill paid by residents and business' through their property tax bill), there was a decrease in sewer fees most likely due to decreased use of the sewer system by commercial connections. In addition, there was not a new connection to the Town Center Sewer and there was a connection (revenue) last fiscal year of \$50,426.

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 2020 the third payment of \$100,000 was paid back to the general fund from the Town Center Sewer pump fund, \$527,028 principal balance remains.

Sewer expenses were \$131,473 higher in FY 2020. Expenses are mainly maintenance, transportation and treatment contracts that cover operations of the sewer. These expenses have increased for the Canada Sewer \$7,068 and \$80,231 for the Town Center Sewer. Other items that caused an increase were \$44,174 increase in the Redwood Creek Capital improvement which was construction of the road to the sewer which improved access. Depreciation expenses were the same year to year.

Transfers represent overhead payments to the general fund for sewer administration expenses.

**Financial Analysis of the Government's Funds**

The Town of Woodside uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide financial statements, beginning on Page 31.

The Town's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2020, the Town's governmental funds reported combined fund balances of \$10,811,746 (Page 33). This is an increase of \$566,093 or 5.4% from the balance ending FY 2019 of \$10,245,653. This increase results primarily from an increase in General Fund revenues of charges for service and increased receivables.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

- ◆ The increase of **General Fund Cash and Investments** of \$996,373 this fiscal year is mostly due to a continued overall increase in most revenues, especially intergovernmental, charges for service and property taxes.

As discussed earlier (Page 10) the **charges for service** revenue category increased \$654,652 or 27% mostly due to larger than normal Building and Planning Department permits in the first half of FY 2020.

The **property taxes and assessments** category for FY 2020 includes not only Property Tax – secured, unsecured, SB 813, prior years, but also the additional categories of Home Owner Property Tax Relief (HOPTR), and Property Tax in-lieu. FY 2020 revenue shows an increase of 3% or \$170,779 due to increased property taxes (Page 10)

- ◆ There is a slight change (decrease) in the **Library Operations Fund** balance of \$1,843. The actual expenses remained about the same for the year. 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 FY 2020, \$735,267 was added to the JPA fund through property taxes. This left the JPA Woodside balance at \$2,721,349 as of June 30, 2020.
- ◆ 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 an increase in Measure A fund balance this fiscal year of \$233,454, mostly due to \$1.1M transfer to capital projects last fiscal year and a \$517,452 transfer for FY2020 due to decreased capital project expenditures of Measure A funds.
- ◆ The **Capital Projects Fund** was a new major fund in fiscal year 2016, created to update infrastructure and spend down the General Fund balance. A 5-year \$11,030,000 capital improvement program budget was approved by Town Council in FY 2020 of which \$3,208,000 was appropriated for FY 2020. 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, Library, 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. At June 30, 2020, net capital assets of the governmental activities totaled \$16,805,809. Depreciation on capital assets is recognized in the government-wide financial statements. The following table shows the Town's Capital Assets net of depreciation:

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management’s Discussion and Analysis**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, CONTINUED**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 9,468,373	\$ 9,468,373	\$ -	\$ -
Buildings and improvements	7,095,331	7,290,306	-	-
Machinery and equipment	242,105	134,183	-	-
Pumps and collection systems	-	-	1,415,594	1,475,076
<b>Total</b>	<b>\$ 16,805,809</b>	<b>\$ 16,892,862</b>	<b>\$ 1,415,594</b>	<b>\$ 1,475,076</b>

Additional information on the Town’s capital assets can be found in Note 4 on page 68 of this report.

**Capital Asset Activity**

New governmental capital asset expense activity included: \$93,681 for a new Ram 5500 dump truck for the public works department (which replaced a 2002 Ford 650 dump truck and was auctioned for \$11,503); \$7,825 for a second speed limit trailer to reduce speed on Woodside roads; a \$6,874 race timing system purchased by recreation for the Town Fun Run; \$6,658 microfilm machine in Building and Planning public space to help the public access records more easily; and a \$7,791 pet fountain at Barkley Park. 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 68 of this report.

**Long Term Liabilities**

Governmental and Business-type Activities total for Long term liabilities increased by a total of \$284,307 or 15%. Additional information can be found in Note 6 (Page 70).

The largest increase is \$281,972 or 8% due to an increase in net pension liability. 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 (Governmental Funds) liability in their 2019 report from \$3,555,942 to \$3,846,278. See Note 10 starting on Page 74.

Compensated absences due at year end increased \$76,607 or 30%, due to employees electing to not take time off due to COVID-19 shelter in place orders.

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

**NEXT YEAR'S BUDGETED APPROPRIATIONS**

There was a decrease of \$62,950 due to a decrease in Other Postemployment Benefits (OPEB). Effective June 30, 2018 a new GASB 75 requirement stated that the Town show net Other Postemployment Benefits (or OPEB) on the Town's financial statements. The amount is calculated by using the Actuarial determined OPEB Liability of \$1,811,871, net of market value of assets (Town of Woodside's CalPERS OPEB account) of \$890,453, which is \$921,418 (\$62,950 less than FY 2019).

The adopted budget for all Town funds (excluding Sewer, Parking District, and Capital) for the new fiscal year of 2020-21 is \$10,115,321 and is summarized as follows:

	FY2020-21 (Budget)	FY2019-20 (Budget)	Amount Change	Percentage Change
<b>General fund:</b>				
Town Council	\$ 55,988	\$ 45,538	\$ 10,450	22.9%
Administration and Finance	1,445,140	1,711,425	(266,285)	-15.6%
Planning Department	1,131,872	1,263,087	(131,215)	-10.4%
Buildings and Grounds	221,745	235,138	(13,393)	-5.7%
Town-wide Overhead	451,000	461,650	(10,650)	-2.3%
Safety Services	3,525,593	2,868,405	657,188	22.9%
Trails and Stables	100,938	107,708	(6,770)	-6.3%
Barkley Fields	228,950	238,900	(9,950)	-4.2%
Public Works	1,705,500	1,790,815	(85,315)	-4.8%
Recreation and Open Space	70,500	117,000	(46,500)	-39.7%
<b>Total general fund:</b>	<b>8,937,226</b>	<b>8,839,666</b>	<b>97,560</b>	<b>1.1%</b>
<b>Special revenue funds:</b>				
Library Operations	118,559	126,059	(7,500)	-5.9%
Measure A	386,005	386,795	(790)	-0.2%
Traffic Safety	42,650	31,650	11,000	34.8%
Road Impact Fees	311,386	360,176	(48,790)	-13.5%
Gas Tax	129,495	185,667	(56,172)	-30.3%
Supplemental Law Enforcement	190,000	155,000	35,000	22.6%
<b>Total special revenue funds:</b>	<b>1,178,095</b>	<b>1,245,347</b>	<b>(67,252)</b>	<b>-5.4%</b>
<b>Total Budget:</b>	<b>\$ 10,115,321</b>	<b>\$ 10,085,013</b>	<b>\$ 30,308</b>	

**Town of Woodside, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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

1. **General Fund** – Overall there is a \$97,560 increase in the General Fund budget.

Highlights include increased spending in **Town Council** due to elections this fiscal year and no elections last fiscal year; **Safety Services** increase based on annual San Mateo County Sherriff contract increases, increase in defensible space expenses, and there were also tree removal expenses in excess of \$600,000 supported by a Federal Hazard Mitigation Grant from the Governor's office of Emergency Services (one-time grant).

Decreased spending includes **Administration and Finance** due to three special (one-time) projects last fiscal year a fee study, a sustainability consultant, and contract negotiators for a new Green Waste Recovery franchise 10-year agreement and none in FY2021; decreased spending in **Planning** is due to an architectural consultant for ASRB last year and none this fiscal year; **Building and Grounds** decreased budget FY2021 did not include last year's special project of the restoration Kite Hill and Village Hill; **Trails** decrease is based on fewer trails projects this fiscal year than last; **Recreation** decreases are due to cancelled recreation classes, activities, and May Day Fun Run for FY 2021.

Those departments that stayed the same are: **Town-wide Overhead** stayed about the same due to no new projects this year or last, **Barkley Fields** stayed about the same; continued capital spending in **Public Works** is based on the capital program 5-year capital plan kept public works about the same.

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** – These are roads taxes and permit fees and they usually remain the same year to year. In FY 2021 there is an overall decrease because of the anticipated decrease in gas tax collected by the state due to COVID-19 as well as an anticipated decrease in permit activity due to COVID-19.
5. **Supplemental Law Enforcement** - Budget from year to year remained the same.

**Requests for Information**

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

## **BASIC FINANCIAL STATEMENTS**

**Town of Woodside, California**  
**Statement of Net Position**  
**June 30, 2020**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 9,438,376	\$ 561,225	\$ 9,999,601
Receivables:			
Accounts receivable	99,233	15,500	114,733
Interest receivable	33,132	2,172	35,304
Intergovernmental receivable	27,063	-	27,063
Taxes receivable	339,839	-	339,839
Other receivable	1,871	-	1,871
Restricted cash and investments (Note 2)	1,931,007	-	1,931,007
Internal balances	527,028	(527,028)	-
Capital assets (Note 4):			
Nondepreciable	9,468,373	-	9,468,373
Depreciable	7,337,436	1,415,594	8,753,030
<b>Total assets</b>	<b>29,203,358</b>	<b>1,467,463</b>	<b>30,670,821</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Plan (Note 10)	961,006	24,641	985,647
OPEB (Note 11)	241,868	-	241,868
<b>Total deferred outflows of resources</b>	<b>1,202,874</b>	<b>24,641</b>	<b>1,227,515</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 30,406,232</b>	<b>\$ 1,492,104</b>	<b>\$ 31,898,336</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 978,092	\$ 10,956	\$ 989,048
Deposit payable	607,711	-	607,711
Compensated absences- current portion	36,616	-	36,616
Long-term liabilities (Note 6):			
Compensated absences	292,931	-	292,931
Note payable	-	41,300	41,300
Net OPEB liability (Note 11)	921,418	-	921,418
Net pension liability (Note 10)	3,750,121	96,157	3,846,278
<b>Total liabilities</b>	<b>6,586,889</b>	<b>148,413</b>	<b>6,735,302</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plan (Note 10)	224,072	5,745	229,817
OPEB (Note 11)	286,675	-	286,675
<b>Total deferred inflows of resources</b>	<b>510,747</b>	<b>5,745</b>	<b>516,492</b>
<b>NET POSITION</b>			
Net investment in capital assets	16,805,809	1,415,594	18,221,403
Restricted	3,091,806	-	3,091,806
Unrestricted	3,410,981	(77,648)	3,333,333
<b>Total Net Position</b>	<b>23,308,596</b>	<b>1,337,946</b>	<b>24,646,542</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 30,406,232</b>	<b>\$ 1,492,104</b>	<b>\$ 31,898,336</b>

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

**Town of Woodside, California**  
**Statement of Activities**  
**June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Town Council	\$ 52,085	\$ -	\$ -	\$ -
Administration and Finance	1,795,016	114,019	-	-
Planning Department	1,111,199	794,111	-	-
Buildings and Grounds	187,925	-	-	-
Town-wide Overhead	408,606	-	-	-
Safety Services	3,142,763	36,020	155,948	-
Trails and Stables	73,009	896	-	-
Barkley Fields	341,286	7,875	-	-
Library Services	147,982	-	-	-
Public Works	4,794,432	1,508,956	574,029	1,138,047
Recreation and Open Space	51,842	80,118	-	-
<b>Total governmental activities</b>	<b>12,106,145</b>	<b>2,541,995</b>	<b>729,977</b>	<b>1,138,047</b>
<b>Business-Type Activities:</b>				
Redwood Creek Sewer	44,174	-	-	-
Sewer Utility	368,253	490,271	-	-
Cañada Corridor Sewer	36,412	35,143	-	-
<b>Total business-type activities</b>	<b>448,839</b>	<b>525,414</b>	<b>-</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 12,554,984</b>	<b>\$ 3,067,409</b>	<b>\$ 729,977</b>	<b>\$ 1,138,047</b>
<b>General Revenues:</b>				
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				
<b>Total general revenues and transfers</b>				
<b>Change in net position</b>				
Net position:				
Beginning of year				
<b>Net position - Ending</b>				

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

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (52,085)	\$ -	\$ (52,085)
(1,680,997)	-	(1,680,997)
(317,088)	-	(317,088)
(187,925)	-	(187,925)
(408,606)	-	(408,606)
(2,950,795)	-	(2,950,795)
(72,113)	-	(72,113)
(333,411)	-	(333,411)
(147,982)	-	(147,982)
(1,573,400)	-	(1,573,400)
28,276	-	28,276
<b>(7,696,126)</b>	<b>-</b>	<b>(7,696,126)</b>
-	(44,174)	(44,174)
-	122,018	122,018
-	(1,269)	(1,269)
-	<b>76,575</b>	<b>76,575</b>
<b>(7,696,126)</b>	<b>76,575</b>	<b>(7,619,551)</b>
5,423,645	-	5,423,645
552,279	-	552,279
310,349	-	310,349
203,963	-	203,963
562,453	-	562,453
152,177	-	152,177
99,621	-	99,621
371,513	11,131	382,644
63,578	-	63,578
<b>7,739,578</b>	<b>11,131</b>	<b>7,750,709</b>
56,000	(56,000)	-
<b>7,795,578</b>	<b>(44,869)</b>	<b>7,750,709</b>
<b>99,452</b>	<b>31,706</b>	<b>131,158</b>
23,209,144	1,306,240	24,515,384
<b>\$ 23,308,596</b>	<b>\$ 1,337,946</b>	<b>\$ 24,646,542</b>

**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.

<b>Fund</b>	<b>Description</b>
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, 2020**

	<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	\$ 7,977,503	\$ 14,343	\$ 658,109
Receivable:			
Accounts receivable	99,233	-	-
Interest receivable	29,662	-	1,289
Intergovernmental receivable	-	-	14,496
Taxes receivable	334,478	-	-
Other receivable	-	-	-
Due from other funds	66,616	-	-
Restricted cash and investments	1,931,007	-	-
Advances to other funds	527,028	-	-
<b>Total assets</b>	<b>\$ 10,965,527</b>	<b>\$ 14,343</b>	<b>\$ 673,894</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 706,869	\$ 2,693	\$ 927
Deposits payable	607,711	-	-
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>1,314,580</b>	<b>2,693</b>	<b>927</b>
<b>Fund balances:</b>			
Nonspendable	527,028	-	-
Restricted	1,931,007	11,650	672,967
Unassigned	7,192,912	-	-
<b>Total fund balances</b>	<b>9,650,947</b>	<b>11,650</b>	<b>672,967</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,965,527</b>	<b>\$ 14,343</b>	<b>\$ 673,894</b>

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

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ -	\$ 788,421	\$ 9,438,376
-	-	99,233
-	2,181	33,132
-	12,567	27,063
5,361	-	339,839
-	1,871	1,871
-	-	66,616
-	-	1,931,007
-	-	527,028
<u>\$ 5,361</u>	<u>\$ 805,040</u>	<u>\$ 12,464,165</u>
\$ 224,785	\$ 42,818	\$ 978,092
-	-	607,711
66,616	-	66,616
<u>291,401</u>	<u>42,818</u>	<u>1,652,419</u>
-	-	527,028
-	762,222	3,377,846
(286,040)	-	6,906,872
<u>(286,040)</u>	<u>762,222</u>	<u>10,811,746</u>
<u>\$ 5,361</u>	<u>\$ 805,040</u>	<u>\$ 12,464,165</u>

**Town of Woodside, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

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<b>Fund Balances - Total Governmental Funds</b>		\$ 10,811,746
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.		16,805,809
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	\$ (329,547)	
Net OPEB liability	(921,418)	
Net pension liability	<u>(3,750,121)</u>	(5,001,086)
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	1,202,874	
Deferred inflows of resources	<u>(510,747)</u>	<u>692,127</u>
<b>Net Position of Governmental Activities</b>		<u><u>\$ 23,308,596</u></u>

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, 2020**

	Governmental Funds Balance Sheet	Reclassifications	Changes in GAAP	Statement of Net Position
<b>ASSETS</b>				
Cash and investments	\$ 11,369,383	\$ -	\$ -	\$ 11,369,383
Receivables:				
Accounts receivable	99,233	-	-	99,233
Interest receivable	33,132	-	-	33,132
Intergovernmental receivable	27,063	-	-	27,063
Taxes receivable	339,839	-	-	339,839
Other receivables	1,871	-	-	1,871
Internal balances	-	527,028	-	527,028
Due from other funds	66,616	(66,616)	-	-
Advances to other funds	527,028	(527,028)	-	-
Capital assets, net	-	-	16,805,809	16,805,809
<b>Total assets</b>	<u>12,464,165</u>	<u>(66,616)</u>	<u>16,805,809</u>	<u>29,203,358</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plan	-	-	961,006	961,006
OPEB	-	-	241,868	241,868
<b>Total assets and deferred outflows of resources</b>	<u>\$ 12,464,165</u>	<u>\$ (66,616)</u>	<u>\$ 18,008,683</u>	<u>\$ 30,406,232</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 978,092	\$ -	\$ -	\$ 978,092
Deposits payable	607,711	-	-	607,711
Due to other funds	66,616	(66,616)	-	-
Compensated absences - current	-	-	36,616	36,616
<b>Total current liabilities</b>	<u>1,652,419</u>	<u>(66,616)</u>	<u>36,616</u>	<u>1,622,419</u>
Compensated absences	-	-	292,931	292,931
Net OPEB liability	-	-	921,418	921,418
Net pension liability	-	-	3,750,121	3,750,121
<b>Total liabilities</b>	<u>1,652,419</u>	<u>(66,616)</u>	<u>5,001,086</u>	<u>6,586,889</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plan	-	-	224,072	224,072
OPEB	-	-	286,675	286,675
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>510,747</u>	<u>510,747</u>
<b>FUND BALANCES/NET POSITION</b>				
Nonspendable reported in:				
General Fund	527,028	(527,028)	-	-
Restricted reported in:				
Special revenue funds	1,446,839	(1,446,839)	-	-
Unassigned (deficit), reported in:				
General Fund	9,123,919	(9,123,919)	-	-
Special revenue funds	(286,040)	286,040	-	-
<b>Net position:</b>				
Net investment in capital assets	-	-	16,805,809	16,805,809
Restricted	-	-	1,160,799	1,160,799
Unrestricted	-	10,811,746	(5,469,758)	5,341,988
<b>Total fund balances/net position</b>	<u>10,811,746</u>	<u>-</u>	<u>12,496,850</u>	<u>23,308,596</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 12,464,165</u>	<u>\$ (66,616)</u>	<u>\$ 18,008,683</u>	<u>\$ 30,406,232</u>

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

**Town of Woodside, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2020**

	<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	\$ 6,029,293	\$ 114,500	\$ 324,798
Licenses and permits	961,345	-	-
Fines and forfeitures	51,557	-	-
Intergovernmental	810,588	-	-
Use of money and property	350,289	-	6,502
Charges for service	1,148,237	-	-
Other revenues	72,117	-	-
<b>Total revenues</b>	<b>9,423,426</b>	<b>114,500</b>	<b>331,300</b>
<b>EXPENDITURES</b>			
Current:			
Town Council	52,085	-	-
Administration and Finance	1,415,428	-	-
Planning Department	1,109,004	-	-
Buildings and Grounds	134,454	-	-
Town-wide Overhead	370,287	-	-
Safety Services	2,986,976	-	-
Trails and Stables	73,009	-	-
Barkley Fields	250,244	-	-
Library Services	-	89,343	-
Public Works	1,662,032	-	180,394
Recreation and Open Space	51,842	-	-
Capital outlay	6,874	-	-
<b>Total expenditures</b>	<b>8,112,235</b>	<b>89,343</b>	<b>180,394</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,311,191</b>	<b>25,157</b>	<b>150,906</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	364,000	-	600,000
Transfers out	(1,239,954)	(27,000)	(517,452)
<b>Total other financing sources (uses)</b>	<b>(875,954)</b>	<b>(27,000)</b>	<b>82,548</b>
<b>Net change in fund balances</b>	<b>435,237</b>	<b>(1,843)</b>	<b>233,454</b>
<b>FUND BALANCES:</b>			
Beginning of year	9,215,710	13,493	439,513
End of year	<u>\$ 9,650,947</u>	<u>\$ 11,650</u>	<u>\$ 672,967</u>

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

<b>Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ -	\$ 366,691	\$ 6,835,282
-	-	961,345
-	92,457	144,014
1,106,034	155,948	2,072,570
-	15,536	372,327
-	534,576	1,682,813
-	9,129	81,246
<u>1,106,034</u>	<u>1,174,337</u>	<u>12,149,597</u>
-	-	52,085
-	-	1,415,428
-	-	1,109,004
-	-	134,454
-	-	370,287
-	155,000	3,141,976
-	-	73,009
-	-	250,244
-	-	89,343
-	365,732	2,208,158
-	-	51,842
<u>2,736,800</u>	<u>-</u>	<u>2,743,674</u>
<u>2,736,800</u>	<u>520,732</u>	<u>11,639,504</u>
<u>(1,630,766)</u>	<u>653,605</u>	<u>510,093</u>
1,548,035	-	2,512,035
-	(671,629)	(2,456,035)
<u>1,548,035</u>	<u>(671,629)</u>	<u>56,000</u>
(82,731)	(18,024)	566,093
<u>(203,309)</u>	<u>780,246</u>	<u>10,245,653</u>
<u>\$ (286,040)</u>	<u>\$ 762,222</u>	<u>\$ 10,811,746</u>

**Town of Woodside, California**  
**Reconciliation of Fund Basis Statements to Government-wide Statement of Activities**  
**For the year ended June 30, 2020**

	<u>Fund Based Totals</u>	<u>Compensated Absences</u>	<u>Depreciation</u>	<u>Capital Asset (Additions), Retirements &amp; Adjustments</u>	<u>OPEB Expense</u>	<u>Pension Plan</u>	<u>Government- wide Totals</u>
<b>Governmental activities:</b>							
Town Council	\$ 52,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,085
Administration and Finance	1,415,428	76,607	-	-	(32,295)	335,276	1,795,016
Planning Department	1,109,004	-	2,195	-	-	-	1,111,199
Buildings and Grounds	134,454	-	53,471	-	-	-	187,925
Town-wide Overhead	370,287	-	15,173	23,146	-	-	408,606
Safety Services	3,141,976	-	787	-	-	-	3,142,763
Trails and Stables	73,009	-	-	-	-	-	73,009
Barkley Fields	250,244	-	91,042	-	-	-	341,286
Library Services	89,343	-	58,639	-	-	-	147,982
Public Works	2,208,158	-	3,749	2,582,525	-	-	4,794,432
Recreation and Open Space	51,842	-	-	-	-	-	51,842
Capital outlay	2,743,674	-	-	(2,743,674)	-	-	-
<b>Total governmental activities</b>	<u>\$ 11,639,504</u>	<u>\$ 76,607</u>	<u>\$ 225,056</u>	<u>\$ (138,003)</u>	<u>\$ (32,295)</u>	<u>\$ 335,276</u>	<u>\$ 12,106,145</u>

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

**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, 2020**

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<b>Net change in fund balances - total governmental funds</b>	\$	566,093
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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	\$ 138,003	
Depreciation expense	<u>(225,056)</u>	(87,053)

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	(76,607)	
Change in net pension liability	(335,276)	
Change in net OPEB liability	<u>32,295</u>	<u>(379,588)</u>

<b>Change in net position of governmental activities</b>	<b>\$</b>	<b><u>99,452</u></b>
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The accompanying notes are an integral part of these basic financial statements.

**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, 2020**

	<b>General Fund</b>			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 5,919,850	\$ 5,919,850	\$ 6,029,293	\$ 109,443
Licenses and permits	670,100	670,100	961,345	291,245
Fines and forfeitures	7,000	7,000	51,557	44,557
Intergovernmental	806,000	806,000	810,588	4,588
Use of money and property	186,600	186,600	350,289	163,689
Charges for services	907,500	907,500	1,148,237	240,737
Other revenues	23,750	23,750	72,117	48,367
<b>Total revenues</b>	<u>8,520,800</u>	<u>8,520,800</u>	<u>9,423,426</u>	<u>902,626</u>
<b>EXPENDITURES</b>				
Current:				
Town Council	45,538	45,538	52,085	(6,547)
Administration and Finance	1,711,425	1,711,425	1,415,428	295,997
Planning Department	1,263,087	1,263,087	1,109,004	154,083
Buildings and Grounds	235,138	235,138	134,454	100,684
Town-wide Overhead	461,650	461,650	370,287	91,363
Safety Services	2,618,405	2,868,405	2,986,976	(118,571)
Trails and Stables	107,708	107,708	73,009	34,699
Barkley Fields	218,900	238,900	250,244	(11,344)
Library Services	-	-	-	-
Public Works	1,790,815	1,790,815	1,662,032	128,783
Recreation and Open Space	117,000	117,000	51,842	65,158
Capital outlay	-	-	6,874	(6,874)
<b>Total expenditures</b>	<u>8,569,666</u>	<u>8,839,666</u>	<u>8,112,235</u>	<u>727,431</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(48,866)</u>	<u>(318,866)</u>	<u>1,311,191</u>	<u>1,630,057</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	399,000	399,000	399,000	-
Transfers (out)	(1,538,000)	(1,538,000)	(1,274,954)	263,046
<b>Total other financing sources (uses)</b>	<u>(1,139,000)</u>	<u>(1,139,000)</u>	<u>(875,954)</u>	<u>263,046</u>
<b>Net change in fund balances</b>	<u>(1,187,866)</u>	<u>(1,457,866)</u>	<u>435,237</u>	<u>1,893,103</u>
<b>FUND BALANCE:</b>				
Beginning of year	9,215,710	9,215,710	9,215,710	-
End of year	<u>\$ 8,027,844</u>	<u>\$ 7,757,844</u>	<u>\$ 9,650,947</u>	<u>\$ 1,893,103</u>

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

<b>Library Operations</b>				<b>Measure A</b>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
<u>Original</u>	<u>Final</u>			<u>Original</u>	<u>Final</u>		
\$ 140,015	\$ 140,015	\$ 114,500	\$ (25,515)	\$ 345,000	\$ 345,000	\$ 324,798	\$ (20,202)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	11,300	11,300	6,502	(4,798)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>140,015</u>	<u>140,015</u>	<u>114,500</u>	<u>(25,515)</u>	<u>356,300</u>	<u>356,300</u>	<u>331,300</u>	<u>(25,000)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
99,059	99,059	89,343	9,716	-	-	-	-
-	-	-	-	213,795	213,795	180,394	33,401
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>99,059</u>	<u>99,059</u>	<u>89,343</u>	<u>9,716</u>	<u>213,795</u>	<u>213,795</u>	<u>180,394</u>	<u>33,401</u>
40,956	40,956	25,157	(15,799)	142,505	142,505	150,906	8,401
-	-	-	-	600,000	600,000	600,000	-
(77,000)	(77,000)	(27,000)	50,000	(709,658)	(709,658)	(517,452)	192,206
(77,000)	(77,000)	(27,000)	50,000	(709,658)	(709,658)	82,548	192,206
(36,044)	(36,044)	(1,843)	34,201	(567,153)	(567,153)	233,454	200,607
13,493	13,493	13,493	-	439,513	439,513	439,513	-
<u>\$ (22,551)</u>	<u>\$ (22,551)</u>	<u>\$ 11,650</u>	<u>\$ 34,201</u>	<u>\$ (127,640)</u>	<u>\$ (127,640)</u>	<u>\$ 672,967</u>	<u>\$ 200,607</u>

**Town of Woodside, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund and Major Special Revenue Funds, Continued**  
**For the year ended June 30, 2020**

	<b>Capital Projects</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,342,400	\$ 1,342,400	\$ 1,106,034	\$ (236,366)
Use of money and property	-	-	-	-
<b>Total revenues</b>	<u>1,342,400</u>	<u>1,342,400</u>	<u>1,106,034</u>	<u>(236,366)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	-	-
Capital outlay	3,106,000	3,106,000	2,736,800	369,200
<b>Total expenditures</b>	<u>3,106,000</u>	<u>3,106,000</u>	<u>2,736,800</u>	<u>369,200</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,763,600)</u>	<u>(1,763,600)</u>	<u>(1,630,766)</u>	<u>132,834</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,688,600	1,688,600	1,548,035	(140,565)
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>1,688,600</u>	<u>1,688,600</u>	<u>1,548,035</u>	<u>(140,565)</u>
<b>Net change in funds balances</b>	<u>(75,000)</u>	<u>(75,000)</u>	<u>(82,731)</u>	<u>(7,731)</u>
<b>FUND BALANCES:</b>				
Beginning of year	(203,309)	(203,309)	(203,309)	-
End of year	<u>\$ (278,309)</u>	<u>\$ (278,309)</u>	<u>\$ (286,040)</u>	<u>\$ (7,731)</u>

## 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, 2020**

	<b>Redwood Creek Sewer</b>	<b>Sewer Utility</b>	<b>Cañada Corridor Sewer</b>	<b>Totals</b>
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and investments	\$ 213,606	\$ 255,600	\$ 92,019	\$ 561,225
Receivables:				
Accounts	-	13,470	2,030	15,500
Interest	723	1,172	277	2,172
<b>Total current assets</b>	<u>214,329</u>	<u>270,242</u>	<u>94,326</u>	<u>578,897</u>
<b>Noncurrent assets:</b>				
Capital assets, net	-	1,191,454	224,140	1,415,594
<b>Total assets</b>	<u>214,329</u>	<u>1,461,696</u>	<u>318,466</u>	<u>1,994,491</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Plan	10,713	13,928	-	24,641
<b>Total assets and deferred outflows of resources</b>	<u>\$ 225,042</u>	<u>\$ 1,475,624</u>	<u>\$ 318,466</u>	<u>\$ 2,019,132</u>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	\$ 10,956	\$ -	\$ 10,956
<b>Total current liabilities</b>	<u>-</u>	<u>10,956</u>	<u>-</u>	<u>10,956</u>
<b>Noncurrent Liabilities:</b>				
Advance from other funds	-	527,028	-	527,028
Net pension liability	27,021	69,136	-	96,157
Note payable	-	41,300	-	41,300
<b>Total Liabilities</b>	<u>27,021</u>	<u>648,420</u>	<u>-</u>	<u>675,441</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Plan	8,921	(3,176)	-	5,745
<b>Total deferred inflows of resources</b>	<u>8,921</u>	<u>(3,176)</u>	<u>-</u>	<u>5,745</u>
<b>Net Position</b>				
Net investment in capital assets	-	1,191,454	224,140	1,415,594
Restricted for capital projects	-	-	-	-
Unrestricted	189,100	(361,074)	94,326	(77,648)
<b>Total Net Position</b>	<u>189,100</u>	<u>830,380</u>	<u>318,466</u>	<u>1,337,946</u>
<b>Total liabilities, deferred inflows of resources and net position</b>	<u>\$ 225,042</u>	<u>\$ 1,475,624</u>	<u>\$ 318,466</u>	<u>\$ 2,019,132</u>

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

**Town of Woodside, California**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Enterprise Funds**  
**For the year ended June 30, 2020**

	<b>Redwood Creek Sewer</b>	<b>Sewer Utility</b>	<b>Cañada Corridor Sewer</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 438,987	\$ 35,143	\$ 474,130
Other	-	51,284	-	51,284
<b>Total operating revenues</b>	<b>-</b>	<b>490,271</b>	<b>35,143</b>	<b>525,414</b>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	-	35,971	-	35,971
Professional services	-	264,076	-	264,076
Materials and supplies	44,174	8,140	20,402	72,716
Depreciation	-	43,472	16,010	59,482
<b>Total operating expenses</b>	<b>44,174</b>	<b>351,659</b>	<b>36,412</b>	<b>432,245</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(44,174)</b>	<b>138,612</b>	<b>(1,269)</b>	<b>93,169</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest revenue	4,809	4,811	1,511	11,131
Interest expense	-	(16,594)	-	(16,594)
<b>Total non-operating revenues, net</b>	<b>4,809</b>	<b>(11,783)</b>	<b>1,511</b>	<b>(5,463)</b>
<b>NET INCOME BEFORE TRANSFERS</b>	<b>(39,365)</b>	<b>126,829</b>	<b>242</b>	<b>87,706</b>
Transfers out	-	(53,000)	(3,000)	(56,000)
<b>Total transfers</b>	<b>-</b>	<b>(53,000)</b>	<b>(3,000)</b>	<b>(56,000)</b>
<b>CHANGE IN NET POSITION</b>	<b>(39,365)</b>	<b>73,829</b>	<b>(2,758)</b>	<b>31,706</b>
<b>NET POSITION:</b>				
Beginning of year	228,465	756,551	321,224	1,306,240
End of year	<u>\$ 189,100</u>	<u>\$ 830,380</u>	<u>\$ 318,466</u>	<u>\$ 1,337,946</u>

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

**Town of Woodside, California**  
**Statement of Cash Flows**  
**Enterprise Funds**  
**For the year ended June 30, 2020**

	<u>Redwood Creek Sewer</u>	<u>Sewer Utility</u>	<u>Cañada Corridor Sewer</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received (refunds paid) from (to) customers/users for services provided	\$ 878	\$ 478,167	\$ 33,327	\$ 512,372
Cash payments to suppliers for goods and services	(44,174)	(269,175)	(20,402)	(333,751)
Cash payments to employees for services	-	(35,971)	-	(35,971.00)
<b>Net cash provided by operating activities</b>	<u>(43,296)</u>	<u>173,021</u>	<u>12,925</u>	<u>142,650</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Loan received (paid)	-	(5,900)	-	(5,900)
Advance received (paid)	-	(84,706)	-	(84,706)
Transfers received (paid)	-	(53,000)	(3,000)	(56,000)
<b>Net cash used by noncapital financing activities</b>	<u>-</u>	<u>(143,606)</u>	<u>(3,000)</u>	<u>(146,606)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	-	-	-	-
<b>Net cash (used) by capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest paid	-	(16,594)	-	(16,594)
Investment income received	4,809	4,811	1,511	11,131
<b>Net cash provided by investing activities</b>	<u>4,809</u>	<u>(11,783)</u>	<u>1,511</u>	<u>(5,463)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(38,487)</u>	<u>17,632</u>	<u>11,436</u>	<u>(9,419)</u>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	252,093	237,968	80,583	570,644
End of year	<u>\$ 213,606</u>	<u>\$ 255,600</u>	<u>\$ 92,019</u>	<u>\$ 561,225</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (44,174)	\$ 138,612	\$ (1,269)	\$ 93,169
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	-	43,472	16,010	59,482
Pension expense	-	5,925	-	5,925
(Increase) decrease in current assets:				
Accounts receivable	-	(13,260)	(2,030)	(15,290)
Interest receivable	878	1,156	214	2,248
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	-	(2,884)	-	(2,884)
<b>Net cash provided by operating activities</b>	<u>\$ (43,296)</u>	<u>\$ 173,021</u>	<u>\$ 12,925</u>	<u>\$ 142,650</u>

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

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## **FIDUCIARY FUNDS**

Fiduciary funds and individual funds held in trust for a specific purpose.

All of the Town's fiduciary funds are agency funds.

**Town of Woodside, California**  
**Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

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	<u>Totals</u>
<b>ASSETS</b>	
Cash and investments	\$ 457,603
Receivables:	
Interest	1,441
Special assessments	<u>180,000</u>
<b>Total assets</b>	<u><u>\$ 639,044</u></u>
<b>LIABILITIES</b>	
Due to others	<u>\$ 639,044</u>
<b>Total liabilities</b>	<u><u>\$ 639,044</u></u>

See accompanying notes to financial statements

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**Town of Woodside, California  
Basic Financial Statements  
For the year ended June, 30, 2020**

**Index to Notes to Basic Financial Statement**

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**Town of Woodside, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

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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.

## **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**

##### ***Agency Funds***

Agency Funds account for assets held by the Town in a purely custodial capacity. Since agency 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 agency 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.

Agency 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 agency 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 receivable 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, 2020**

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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, 2020**

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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, 2020. 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, 2019
Measurement Period	July 1, 2018 to June 30, 2019
Fiscal Year End	June 30, 2020

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**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:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
California Local Agency Investment Fund	N/A	None	\$75 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, 2020, the Town's pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

	Fair Value
<u>Cash and investments:</u>	
Pooled cash, at fair value	
Cash in bank	\$ 335,869
Petty Cash	600
Total cash in hand	336,469
State of California Local Agency Investment Fund	10,120,735
<b>Subtotal cash and investments</b>	<b>10,457,204</b>
<u>Restricted cash and investments</u>	
Mutual Funds (PARS trust)	1,931,007
<b>Subtotal restricted cash and investments</b>	<b>1,931,007</b>
<b>Total Cash and Investments</b>	<b>\$ 12,388,211</b>
<b>Amounts reported in:</b>	
Governmental activities	\$ 11,369,383
Business-type activities	561,225
Fiduciary activities- Agency Funds	457,603
<b>Total Cash and Investments</b>	<b>\$ 12,388,211</b>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**2. CASH AND INVESTMENTS, Continued**

**Interest Rate Risk**

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. Information on the fair values of the Town's investments at June 30, 2020, is provided by the following table:

	<u>12 months or less</u>
State of California Local Agency Investment Fund (a)	\$ 10,120,735
Mutual Funds (PARS trust) (b)	1,931,007
Total investments	<u>\$ 12,051,742</u>

(a) See Investment in LAIF section for more details

(b) See PARS Trust section for more details (Note 10, Page 79)

**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	\$ 10,120,735
Mutual Funds (PARS trust)	1,931,007
Total investments	<u>\$ 12,051,742</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**2. CASH AND INVESTMENTS, Continued**

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>FYTD</u>
First Quarter (7/1 - 9/30)	2.45%	\$ 65,780	\$ 65,780
Second Quarter (10/1 - 12/31)	2.29%	54,999	120,779
Third Quarter (1/1 - 3/31)	2.03%	52,148	172,927
Fourth Quarter (4/1 - 6/30)	1.47%	36,747	209,674

**Concentration of credit risk**

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. 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. There were no concentrations in any one issuer for the year.

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. See LAIF investment composition in the "Investment in LAIF" section below.

**Custodial credit risk - deposits**

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.

**Custodial credit risk - investments**

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.

At June 30, 2020, the carrying amount of the Town's deposits was \$335,869 and the balances in financial institutions were \$643,018. Of the balance in financial institutions, the amount was within the \$250,000 covered by federal depository insurance. Amounts that exceeds the federal depository insurance \$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. 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, 2020**

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**2. CASH AND INVESTMENTS, Continued**

**Investment in LAIF:**

LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. As of June 30, 2020, the total fair value amount invested by all public agencies in LAIF is \$100,978,752,029 of which the Town's fair value amount is \$10,120,735. Of the total invested, 0.64% is loans, 6.88% Commercial Paper, 4.51% Time Deposits, 13.10% CD's and Bank Notes, 18.42% Agencies, and 56.44% Treasuries. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the Town's investment in this pool is reported in the accompanying financial statements at amounts based upon the Town's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2020:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts	\$ 99,233	\$ 15,500	\$ -	\$ 114,733
Interest	33,132	2,172	1,441	36,745
Intergovernmental	27,063	-	-	27,063
Taxes	339,839	-	180,000	519,839
Other	1,871	-	-	1,871
Total accounts receivable	<u>\$501,138</u>	<u>\$17,672</u>	<u>\$ 181,441</u>	<u>\$ 700,251</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	78.4%
Individuals / Businesses	16.4%
Financial	5.2%

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

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**4. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions/ Adjustments</u>	<u>Balance</u> <u>June 30, 2020</u>
<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>-</u>	<u>9,468,373</u>
Capital assets being depreciated:				
Buildings and improvements	9,849,288	7,792	-	9,857,080
Machinery and equipment	902,873	115,038	(17,523)	1,000,388
Total capital assets being depreciated	<u>10,752,161</u>	<u>122,830</u>	<u>(17,523)</u>	<u>10,857,468</u>
Less accumulated depreciation for:				
Buildings and improvements	(2,558,982)	(203,152)	385	(2,761,749)
Machinery and equipment	(768,690)	(21,904)	32,311	(758,283)
Total accumulated depreciation	<u>(3,327,672)</u>	<u>(225,056)</u>	<u>32,696</u>	<u>(3,520,032)</u>
Total depreciable assets, net	<u>7,424,489</u>	<u>(102,226)</u>	<u>15,173</u>	<u>7,337,436</u>
Capital assets, net	<u>\$ 16,892,862</u>	<u>\$ (102,226)</u>	<u>\$ 15,173</u>	<u>\$ 16,805,809</u>

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2020</u>
<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	(2,555,591)	(59,482)	(2,615,073)
Total accumulated depreciation	<u>(2,697,297)</u>	<u>(59,482)</u>	<u>(2,756,779)</u>
Total depreciable assets, net	<u>1,475,076</u>	<u>(59,482)</u>	<u>1,415,594</u>
Capital assets, net	<u>\$ 1,475,076</u>	<u>\$ (59,482)</u>	<u>\$ 1,415,594</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**4. CAPITAL ASSETS, Continued**

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

<b>Governmental Activities</b>	
Administration and Finance	\$ -
Planning Department	2,195
Buildings and Grounds	53,471
Town-wide Overhead	15,173
Safety Services	787
Barkley Fields	91,042
Library Services	58,639
Public Works	<u>3,749</u>
Total Governmental Activities	<u>\$ 225,056</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>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2020:

	Governmental Activities	Business-type Activities	Total
Accounts payable and accrued liabilities	\$ 978,092	\$ 10,956	\$ 989,048
Deposits payable	607,711	-	607,711
Total	<u>\$ 1,585,803</u>	<u>\$ 10,956</u>	<u>\$ 1,596,759</u>

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

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2020:

	Balance 7/1/2019	Net Change	Balance 6/30/2020	Due Within One year
Compensated Absences	\$ 252,940	\$ 76,607	\$ 329,547	\$ 36,616
Net OPEB Obligation	984,368	(62,950)	921,418	-
Net Pension Liability	3,468,149	281,972	3,750,121	-
Total noncurrent liabilities	<u>\$ 4,705,457</u>	<u>\$ 295,629</u>	<u>\$ 5,001,086</u>	<u>\$ 36,616</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 Obligation**

A net OPEB obligation is the cumulative differences between annual OPEB cost and an employer's contributions to a plan. At June 30, 2020, the Town had a Net OPEB Obligation of \$921,418. 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, 2020**

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**7. NET POSITION/ FUND BALANCES**

**Net Position**

	Governmental Activities	Business-type Activities
Net investment in capital assets	\$ 16,805,809	\$ 1,415,594
Restricted	1,160,799	-
Unrestricted	5,341,988	(77,648)
Total	<u>\$ 23,290,443</u>	<u>\$ 1,337,946</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, 2020:

**Nonspendable:**

**Major funds**

General Fund	\$ 527,028
<b>Total Nonspendable:</b>	<u>\$ 527,028</u>

**Restricted:**

**Major Funds:**

Library Operations	\$ 11,650
Measure A	672,967
<b>Total Major Funds-Restricted</b>	<u>684,617</u>

**Nonmajor Funds:**

Traffic Safety	118,111
Road Impact Fees	496,921
Gas Tax	39,928
Supplemental Law Enforcement Service	103,661
California Law Enforcement Equipment Program	2,787
Measure W	814
<b>Total Nonmajor Funds-Restricted</b>	<u>762,222</u>
<b>Total Restricted</b>	<u>\$ 1,446,839</u>

**Unassigned (deficit):**

**Major Funds:**

General Fund	\$ 9,123,919
Capital Projects	(296,472)
<b>Total Major Funds-Unassigned</b>	<u>8,827,447</u>

<b>Total Fund Balance</b>	<u>\$ 10,801,314</u>
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**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**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, 2020:

**Nonmajor Special Revenue Funds:**

Capital Projects - (\$296,472) - 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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**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, 2020:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Governmental Activities</b>		
<b>Major Funds:</b>		
General Fund	\$ 364,000	\$ 1,164,954
Library Operations	-	27,000
Measure A	600,000	646,415
Capital Projects	1,548,035	-
Total Major Funds	<u>2,512,035</u>	<u>1,838,369</u>
<b>Non-major Funds:</b>		
<b>Special Revenue Funds:</b>		
Road Impact Fees	-	474,550
Gas Tax	-	143,116
Total Non-major Special Revenue Funds	<u>-</u>	<u>617,666</u>
Total Non-major Funds	<u>-</u>	<u>617,666</u>
Total Governmental Activities	<u>2,512,035</u>	<u>2,456,035</u>
<b>Business-type Activities</b>		
Sewer Utility	-	53,000
Canada Corridor Sewer	-	3,000
Total Business-type Activities	<u>-</u>	<u>56,000</u>
<b>Total Transfers</b>	<u>\$ 2,512,035</u>	<u>\$ 2,512,035</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 \$5,000,000. Through PLAN JPA, the Town has additional insurance coverage from Peleus Insurance Company and Gemini 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, 2020**

**9. RISK MANAGEMENT, Continued**

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

Amount	Coverage Provider	Payment Source
General Liability Claims:		
up to \$25,000	Self-Insured retention	Town Funds
\$25,001-\$5,000,000	PLAN JPA	Shared risk pool
\$5,000,001-\$15,000,000	Peleus Insurance Company through PLAN JPA	Alliant Insurance Services
\$15,000,001-\$30,000,000	Gemini Insurance Company through PLAN JPA	Alliant Insurance Services
Workers' Compensation Claims		
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.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 - 2.5%	1.0 - 2.5%
Required employee contribution rates	8.0%	6.75%
Required employer contribution rates	11.432%	6.985%

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**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, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>
Contributions - employer	\$ 469,749

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

As of June 30, 2020, 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	\$ 3,846,278
Total Net Pension Liability	<u>\$ 3,846,278</u>

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, 2019, 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, 2018 rolled forward to June 30, 2019 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, 2018 and 2019 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2018	0.09435%
Proportion - June 30, 2019	<u>0.03754%</u>
Change - Increase (Decrease)	<u><u>-0.05681%</u></u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

For the year ended June 30, 2020, the Town recognized pension expense of \$802,845. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 469,749	\$ -
Differences between actual and expected experience	267,140	(20,698)
Changes in assumptions	183,408	(65,017)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	139	(40,880)
Change in employer proportion	65,211	(35,977)
Net differences between projected and actual earnings on plan investments	-	(67,245)
Total	<u>\$ 985,647</u>	<u>\$ (229,817)</u>

\$469,749 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, 2021. 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 June 30	Annual Amortization
2021	\$ 283,672
2022	(44,697)
2023	33,518
2024	13,588
Total	<u>\$ 286,081</u>

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**Actuarial Assumptions** - The total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2018, actuarial accounting valuation to June 30, 2019. The June 30, 2018, total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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, 2018 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.

**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.

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

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 returns of 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 rate of return by asset class by CalPERS.

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 CAFR, 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	\$ 5,831,009
Current Discount Rate	7.15%
Net Pension Liability	\$ 3,846,278
1% Increase	8.15%
Net Pension Liability	\$ 2,208,024

***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.

The investment strategy selection for the PARS pension account is the 'Capital Appreciation Index PLUS' diversified portfolio. The portfolio's primary goal is growth of principal. The strategic ranges are as follows:

Equity:	65-85%
Fixed Income:	10-30%
Cash:	0-20%

As of June 30, 2020 the balance in the PARS trust was \$1,931,007, which is approximately 50% 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 incorporated as restricted cash with fiscal agent in General Fund, the contributing Fund.

***Subsequent Event - CalPERS Pension Contribution Rates*** - The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the Town's contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

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

**Plan Description.** The Town of Woodside Retiree Healthcare Plan (Plan) is a single-employer 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).

**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 2019, the Town contributed \$161,684 to the Plan, including \$90,786 for current benefit payments, an estimated implied subsidy of \$34,497 and \$36,401 to prefund Plan benefits.

**Employees Covered by benefit terms**

At June 30, 2020, 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, 2019 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, 2020**

**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:

Asset Class Component	CERBT	
	<u>Strategy 1</u>	<u>Rate of Return</u>
Equity	73.25%	5.65%
Fixed income	20.00%	1.39%
REITS	1.75%	5.06%
Cash	5.00%	0.00%
Total	<u>100.00%</u>	

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, 2020**

**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, 2019	\$ 1,787,731	\$ 803,363	\$ 984,368
Changes Recognized for the Measurement Period:			
Service cost	54,172	-	54,172
Interest	129,611	-	129,611
Differences between expected and actual experience	39,938	-	39,938
Changes of assumptions	(74,298)	-	(74,298)
Contributions-Employer	-	161,684	(161,684)
Net investment income	-	50,862	(50,862)
Benefit payments	(125,283)	(125,283)	-
Administrative expense	-	(173)	173
Net changes	24,140	87,090	(62,950)
Balance at June 30, 2020	\$ 1,811,871	\$ 890,453	\$ 921,418

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

The discount rate used for the fiscal year end 2020 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, 2019:

	Total OPEB Liability/(Asset)		
	1% Decrease 5.25%	Current Rate 6.25%	1% Increase 7.25%
Change in Discount Rate			
Net OPEB Liability	\$ 1,445,398	\$ 921,418	\$ 945,858

*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, 2019:

	Total OPEB Liability/(Asset)		
	1% Decrease	Current Trend	1% Increase
Change in Healthcare Cost Trend Rate			
Net OPEB Liability	\$ 939,475	\$ 921,418	\$ 1,455,012

**Town of Woodside, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**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, 2020, the Town recognized OPEB expense of \$95,192. As of fiscal year ended June 30, 2020, 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	\$ 114,381	\$ 1,040
Changes of assumptions	-	285,381
Net difference between projected and actual earnings on plan investments	-	254
Employer contributions made subsequent to the measurement date	127,487	-
Total	<u>\$ 241,868</u>	<u>\$ 286,675</u>

The \$127,487 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30	Annual Amortization
2021	\$ (28,983)
2022	(28,981)
2023	(25,934)
2024	(25,504)
2025	(27,287)
Thereafter	<u>(35,605)</u>
Total	<u>\$ (172,294)</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, in the case of GASB No. 87, Leases. The revised implementation dates are indicated below.

The GASB has issued Statement No. 84, "*Fiduciary Activities*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

#### **14. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

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. 90, "*Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Town will implement this statement, as applicable, to its financial statements for the year ending June 30, 2021.

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.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Woodside, California**  
**Required Supplementary Information – Schedule of**  
**Changes in the Net OPEB Liability and Related Ratios**  
For the Measurement Periods Ended June 30,

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/2019</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 83,302	\$ 51,592	\$ 54,172
Interest	133,804	124,981	129,611
Changes in benefit terms	-	-	-
Differences between expected and actual experience	118,115	(1,334)	39,938
Changes of assumptions	(328,057)	-	(74,298)
Benefit payments	(89,997)	(103,554)	(125,283)
<b>Net change in total OPEB liability</b>	<u>(82,833)</u>	<u>71,685</u>	<u>24,140</u>
<b>Total OPEB liability - beginning (a)</b>	1,798,879	1,716,046	1,787,731
<b>Total OPEB liability - ending (b)</b>	<u>\$ 1,716,046</u>	<u>\$ 1,787,731</u>	<u>\$ 1,811,871</u>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ 204,065	\$ 155,592	\$ 161,684
Contributions - employee	-	-	-
Net investment income	57,576	54,742	50,862
Benefit payments	(89,997)	(103,554)	(125,283)
Administrative expense	(292)	(375)	(173)
<b>Net change in plan fiduciary net position</b>	<u>171,352</u>	<u>106,405</u>	<u>87,090</u>
<b>Plan fiduciary net position - beginning ( c )</b>	525,606	696,958	803,363
<b>Plan fiduciary net position - ending (d)</b>	<u>\$ 696,958</u>	<u>\$ 803,363</u>	<u>\$ 890,453</u>
Net OPEB liability - beginning (a)-(c)	<u>\$ 1,273,273</u>	<u>\$ 1,019,088</u>	<u>\$ 984,368</u>
Net OPEB liability - ending (b)-(d)	<u>\$ 1,019,088</u>	<u>\$ 984,368</u>	<u>\$ 921,418</u>
Plan fiduciary net position as a percentage of the total OPEB liability	41%	45%	49.0%
Covered-employee payroll	<u>N/A</u>	<u>\$ 2,199,508</u>	<u>\$ 2,214,874</u>
Net OPEB liability as a percentage of covered-employee payroll	<u>N/A</u>	<u>45%</u>	<u>42%</u>

**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**  
June 30, 2020

<b>Fiscal Year Ended June 30,</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Actuarially determined contribution	\$ 169,882	\$ 127,487	\$ 127,187
Contributions to the Trust	114,068	52,038	36,401
Pay-go Payments by Employer Unreimbursed by the Trust	89,997	73,408	90,786
Active Implicit Rate Subsidy Transferred to OPEB	-	30,146	34,497
	<u>\$ 204,065</u>	<u>\$ 155,592</u>	<u>\$ 161,684</u>
Covered-employee payroll	N/A	<u>\$ 2,199,508</u>	<u>\$ 2,214,874</u>
Contributions as a percentage of covered-employee payroll	N/A	7.07%	7.30%

**Notes to Schedule:**

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

**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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially	\$ 469,749	\$ 404,929	\$ 390,376	\$ 323,181
Contributions in relation to the actuarially				
determined contributions	<u>(469,749)</u>	<u>(404,929)</u>	<u>(390,376)</u>	<u>(323,181)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<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	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, only 2016 ad 2017 were available. Additional years will be presented as they become available.

**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>6/30/2019</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)	0.03754%	0.09435%	0.09238%	0.09109%
Plan's proportion share of the Net Pension Liability (Asset)	<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>\$ 2,168,303</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	177.39%	178.45%	175.68%	158.54%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	72.29%	74.23%	71.89%	72.29%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 307,486	\$ 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, only 2016 and 2017 were available. Additional years will be presented as they become available.

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**SUPPLEMENTAL INFORMATION**

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**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, 2020**

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
<b>ASSETS</b>			
Cash and investments	\$ 116,626	\$ 497,634	\$ 28,565
Receivables:			
Interest	340	1,278	147
Intergovernmental	2,180	-	10,387
Other receivable	1,871	-	-
<b>Total assets</b>	<b>\$ 121,017</b>	<b>\$ 498,912</b>	<b>\$ 39,099</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 2,906	\$ 1,991	\$ (829)
<b>Total liabilities</b>	<b>2,906</b>	<b>1,991</b>	<b>(829)</b>
<b>Fund Balances</b>			
Restricted	118,111	496,921	39,928
<b>Total fund balances</b>	<b>118,111</b>	<b>496,921</b>	<b>39,928</b>
<b>Total liabilities and fund balances</b>	<b>\$ 121,017</b>	<b>\$ 498,912</b>	<b>\$ 39,099</b>

Special Revenue Funds				
Supplemental Law Enforcement Program	California Law Enforcement Equipment Program	Measure W	Total Non-Major Governmental Funds	
\$ 142,003	\$ 2,779	\$ 814	\$	788,421
408	8	-		2,181
-	-	-		12,567
-	-	-		1,871
<u>\$ 142,411</u>	<u>\$ 2,787</u>	<u>\$ 814</u>	<u>\$</u>	<u>805,040</u>
\$ 38,750	\$ -	\$ -	\$	42,818
<u>38,750</u>	<u>-</u>	<u>-</u>		<u>42,818</u>
<u>103,661</u>	<u>2,787</u>	<u>814</u>		<u>762,222</u>
<u>103,661</u>	<u>2,787</u>	<u>814</u>		<u>762,222</u>
<u>\$ 142,411</u>	<u>\$ 2,787</u>	<u>\$ 814</u>	<u>\$</u>	<u>805,040</u>

**Town of Woodside, California**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the year ended June 30, 2020**

	Special Revenue Funds		
	Traffic Safety	Road Impact Fees	Gas Tax
<b>REVENUES</b>			
Taxes and assessment	\$ -	\$ -	\$ 237,728
Fines and forfeitures	92,457	-	-
Intergovernmental	-	-	-
Use of money and property	1,493	9,631	958
Charges for services	-	534,576	-
Other revenues	6,629	2,500	-
<b>Total revenues</b>	<u>100,579</u>	<u>546,707</u>	<u>238,686</u>
<b>EXPENDITURES</b>			
Current:			
Safety Services	-	-	-
Public Works	29,743	224,389	111,600
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>29,743</u>	<u>224,389</u>	<u>111,600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>70,836</u>	<u>322,318</u>	<u>127,086</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	(399,550)	(143,116)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(399,550)</u>	<u>(143,116)</u>
<b>NET CHANGES IN FUND BALANCES</b>	70,836	(77,232)	(16,030)
<b>FUND BALANCES:</b>			
Beginning of year	<u>47,275</u>	<u>574,153</u>	<u>55,958</u>
End of year	<u>\$ 118,111</u>	<u>\$ 496,921</u>	<u>\$ 39,928</u>

Special Revenue Funds			Total Non-Major Governmental Funds
Supplemental Law Enforcement Service	California Law Enforcement Equipment Program	Measure W	
\$ -	\$ -	\$ 128,963	\$ 366,691
-	-	-	92,457
155,948	-	-	155,948
2,587	53	814	15,536
-	-	-	534,576
-	-	-	9,129
<u>158,535</u>	<u>53</u>	<u>129,777</u>	<u>1,174,337</u>
155,000	-	-	155,000
-	-	-	365,732
-	-	-	-
<u>155,000</u>	<u>-</u>	<u>-</u>	<u>520,732</u>
3,535	53	129,777	653,605
-	-	-	-
-	-	(128,963)	(671,629)
-	-	(128,963)	(671,629)
3,535	53	814	(18,024)
100,126	2,734	-	780,246
<u>\$ 103,661</u>	<u>\$ 2,787</u>	<u>\$ 814</u>	<u>\$ 762,222</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, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 92,457	\$ 62,457
Use of money and property	525	525	1,493	968
Other revenues	4,400	4,400	6,629	2,229
<b>Total revenues</b>	<u>34,925</u>	<u>34,925</u>	<u>100,579</u>	<u>65,654</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>31,650</u>	<u>31,650</u>	<u>29,743</u>	<u>1,907</u>
<b>Total expenditures</b>	<u>31,650</u>	<u>31,650</u>	<u>29,743</u>	<u>1,907</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>3,275</u>	<u>3,275</u>	<u>70,836</u>	<u>63,747</u>
<b>Net change in fund balances</b>	3,275	3,275	70,836	63,747
<b>FUND BALANCES:</b>				
Beginning of year	<u>47,275</u>	<u>47,275</u>	<u>47,275</u>	<u>-</u>
End of year	<u>\$ 50,550</u>	<u>\$ 50,550</u>	<u>\$ 118,111</u>	<u>\$ 63,747</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, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 14,000	\$ 14,000	\$ 9,631	\$ (4,369)
Charges for services	350,000	350,000	534,576	184,576
Other revenues			2,500	2,500
<b>Total revenues</b>	<u>364,000</u>	<u>364,000</u>	<u>546,707</u>	<u>182,707</u>
<b>EXPENDITURES</b>				
Current:				
Public works	292,176	292,176	224,389	67,787
<b>Total expenditures</b>	<u>292,176</u>	<u>292,176</u>	<u>224,389</u>	<u>67,787</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>71,824</u>	<u>71,824</u>	<u>322,318</u>	<u>114,920</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(418,000)	(418,000)	(399,550)	(18,450)
<b>Total other financing sources (uses)</b>	<u>(418,000)</u>	<u>(418,000)</u>	<u>(399,550)</u>	<u>(18,450)</u>
<b>Net change in fund balances</b>	(346,176)	(346,176)	(77,232)	96,470
<b>FUND BALANCES:</b>				
Beginning of year	574,153	574,153	574,153	-
End of year	<u>\$ 227,977</u>	<u>\$ 227,977</u>	<u>\$ 496,921</u>	<u>\$ 96,470</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, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes and assessments	\$ 248,000	\$ 248,000	\$ 237,728	\$ (10,272)
Use of money and property	1,000	1,000	958	(42)
<b>Total revenues</b>	<u>249,000</u>	<u>249,000</u>	<u>238,686</u>	<u>(10,314)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	145,667	145,667	111,600	34,067
<b>Total expenditures</b>	<u>145,667</u>	<u>145,667</u>	<u>111,600</u>	<u>34,067</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>103,333</u>	<u>103,333</u>	<u>127,086</u>	<u>(44,381)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(128,942)	(128,942)	(143,116)	14,174
<b>Total other financing sources (uses)</b>	<u>(128,942)</u>	<u>(128,942)</u>	<u>(143,116)</u>	<u>14,174</u>
<b>Net change in fund balances</b>	(25,609)	(25,609)	(16,030)	(30,207)
<b>FUND BALANCES:</b>				
Beginning of year	55,958	55,958	55,958	-
End of year	<u>\$ 30,349</u>	<u>\$ 30,349</u>	<u>\$ 39,928</u>	<u>\$ (30,207)</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, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 155,948	\$ 30,948
Use of money and property	2,800	2,800	2,587	(213)
<b>Total revenues</b>	<u>127,800</u>	<u>127,800</u>	<u>158,535</u>	<u>30,735</u>
<b>EXPENDITURES</b>				
Current:				
Safety services	155,000	155,000	155,000	-
<b>Total expenditures</b>	<u>155,000</u>	<u>155,000</u>	<u>155,000</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(27,200)</u>	<u>(27,200)</u>	<u>3,535</u>	<u>30,735</u>
<b>Net change in fund balances</b>	(27,200)	(27,200)	3,535	30,735
<b>FUND BALANCES:</b>				
Beginning of year	<u>100,126</u>	<u>100,126</u>	<u>100,126</u>	<u>-</u>
End of year	<u>\$ 72,926</u>	<u>\$ 72,926</u>	<u>\$ 103,661</u>	<u>\$ 30,735</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, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental				
Use of money and property	\$ -	\$ -	\$ 53	\$ 53
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<b>EXPENDITURES</b>				
Current:				
Safety services	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>53</u>	<u>53</u>
<b>Net change in fund balances</b>	-	-	53	53
<b>FUND BALANCES:</b>				
Beginning of year	<u>\$2,734</u>	<u>\$2,734</u>	<u>2,734</u>	<u>-</u>
End of year	<u>\$ 2,734</u>	<u>\$ 2,734</u>	<u>\$ 2,787</u>	<u>\$ 53</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, 2020**

	<b>Measure W</b>			Variance w/Final Positive (Negative)
	<u>Budgeted Amounts</u>		Actual	
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 128,963	\$ (11,037)
Use of money and property	-	-	814	814
<b>Total revenues</b>	<u>140,000</u>	<u>140,000</u>	<u>129,777</u>	<u>(10,223)</u>
<b>EXPENDITURES</b>				
Current:				
Public Works	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>140,000</u>	<u>140,000</u>	<u>129,777</u>	<u>(10,223)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(128,963)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(128,963)</u>	<u>-</u>
<b>Net change in funds balances</b>	<u>140,000</u>	<u>140,000</u>	<u>814</u>	<u>(10,223)</u>
<b>FUND BALANCES:</b>				
Beginning of year				-
End of year	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ 814</u>	<u>\$ (10,223)</u>

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

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## AGENCY FUNDS

Agency Funds account for assets held by the Town as an agent for individuals, other governments and non-public organizations.

<u>Fund Type</u>	<u>Description</u>
1999 Woodside Road/Whiskey Hill Road Parking District	This fund accounts for the payment of principal, interest, and administrative costs associated with the 1999 issuance of limited obligation improvement bonds for the construction of parking assessment district in Town Center, supported by special assessments against properties within the district.
Trail Gifts and Donations Fund	This fund accounts for donations made to the Town for the construction and maintenance of the Town's trail system.
Mathiesen House	This fund accounts for donations made to the Town for the Woodside Community Museum.
Marva Oaks	This fund accounts for deposits made for repairs of Marva Oaks Drive.
Town Hall Window Fund	This fund accounts for donations made to the Town window upgrades at Town Hall.
Barkley Reserve Deposit Fund	This fund accounts for funds contributed by the Town of Woodside to repair Barkley Fields and Park in the event of a failure to maintain or a catastrophic event.
Arts and Culture Fund	This fund accounts for deposits made to the Town for the Arts and Culture Committee.

**Town of Woodside, California**  
**Combining Statement of Assets and Liabilities**  
**Agency Funds**  
**June 30, 2020**

	1999 Woodside Road/ Whiskey Hill Road Parking District	Trail Gifts and Donations Fund	Museum
<b>ASSETS</b>			
Cash and investments	\$ 110,119	\$ 56,360	\$ 504
Receivables:			
Interest	293	282	2
Special assessments	180,000	-	-
<b>Total assets</b>	<b>\$ 290,412</b>	<b>\$ 56,642</b>	<b>\$ 506</b>
<b>LIABILITIES</b>			
Due to others	\$ 290,412	\$ 56,642	\$ 506
<b>Total liabilities</b>	<b>\$ 290,412</b>	<b>\$ 56,642</b>	<b>\$ 506</b>

<u>Marva Oaks</u>	<u>Town Hall Window Fund</u>	<u>Barkley Reserve Deposit Fund</u>	<u>Arts and Culture</u>	<u>Totals</u>
\$ 22,204	\$ 6,425	\$ 249,440	\$ 12,551	\$ 457,603
66	19	742	37	1,441
-	-	-	-	180,000
<u>\$ 22,270</u>	<u>\$ 6,444</u>	<u>\$ 250,182</u>	<u>\$ 12,588</u>	<u>\$ 639,044</u>
\$ 22,270	\$ 6,444	\$ 250,182	\$ 12,588	\$ 639,044
<u>\$ 22,270</u>	<u>\$ 6,444</u>	<u>\$ 250,182</u>	<u>\$ 12,588</u>	<u>\$ 639,044</u>

**Town of Woodside, California**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>1999 Woodside Road/Whiskey Hill Road Parking District</b>				
<b>ASSETS</b>				
Cash and investments	\$ 109,593	\$ 47,571	\$ 47,045	\$ 110,119
Receivables:				
Interest	677	293	677	293
Special assessments	210,000	-	30,000	180,000
<b>Total assets</b>	<b>\$ 320,270</b>	<b>\$ 47,864</b>	<b>\$ 77,722</b>	<b>\$ 290,412</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 44,957	\$ 44,957	\$ -
Due to others	320,270	47,187	77,045	290,412
<b>Total liabilities</b>	<b>\$ 320,270</b>	<b>\$ 92,144</b>	<b>\$ 122,002</b>	<b>\$ 290,412</b>
<b>Trails Gifts and Donations Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 55,177	\$ 164,474	\$ 163,291	\$ 56,360
Receivables:				
Interest	361	282	361	282
<b>Total assets</b>	<b>\$ 55,538</b>	<b>\$ 164,756</b>	<b>\$ 163,652</b>	<b>\$ 56,642</b>
<b>LIABILITIES</b>				
Due to others	\$ 55,538	\$ 1,104	\$ -	\$ 56,642
<b>Total liabilities</b>	<b>\$ 55,538</b>	<b>\$ 1,104</b>	<b>\$ -</b>	<b>\$ 56,642</b>
<b>Museum</b>				
<b>ASSETS</b>				
Cash and investments	\$ 536	\$ 13	\$ 45	\$ 504
Receivables:				
Interest	8	2	8	2
<b>Total assets</b>	<b>\$ 544</b>	<b>\$ 15</b>	<b>\$ 53</b>	<b>\$ 506</b>
<b>LIABILITIES</b>				
Due to others	\$ 544	\$ 3,299	\$ 3,337	\$ 506
<b>Total liabilities</b>	<b>\$ 544</b>	<b>\$ 3,299</b>	<b>\$ 3,337</b>	<b>\$ 506</b>

(Continued)

**Town of Woodside, California**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Marva Oaks</b>				
<b>ASSETS</b>				
Cash and investments	\$ 21,661	\$ 543	\$ -	\$ 22,204
Receivables:				
Interest	142	70	146	66
<b>Total assets</b>	<b>\$ 21,803</b>	<b>\$ 613</b>	<b>\$ 146</b>	<b>\$ 22,270</b>
<b>LIABILITIES</b>				
Due to others	\$ 21,803	\$ 3,757	\$ 3,290	\$ 22,270
<b>Total liabilities</b>	<b>\$ 21,803</b>	<b>\$ 3,757</b>	<b>\$ 3,290</b>	<b>\$ 22,270</b>
<b>Town Hall Window Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 6,282	\$ 143	\$ -	\$ 6,425
Receivables:				
Interest	41	19	41	19
<b>Total assets</b>	<b>\$ 6,323</b>	<b>\$ 162</b>	<b>\$ 41</b>	<b>\$ 6,444</b>
<b>LIABILITIES</b>				
Due to others	\$ 6,323	\$ 121	\$ -	\$ 6,444
<b>Total liabilities</b>	<b>\$ 6,323</b>	<b>\$ 121</b>	<b>\$ -</b>	<b>\$ 6,444</b>
<b>Barkley Reserve Deposit Fund</b>				
<b>ASSETS</b>				
Cash and investments	\$ 243,700	\$ 5,740	\$ -	\$ 249,440
Receivables:				
Interest	1,791	742	1,791	742
<b>Total assets</b>	<b>\$ 245,491</b>	<b>\$ 6,482</b>	<b>\$ 1,791</b>	<b>\$250,182</b>
<b>LIABILITIES</b>				
Due to others	\$ 245,491	\$ 6,482	\$ 1,791	\$ 250,182
<b>Total liabilities</b>	<b>\$ 245,491</b>	<b>\$ 6,482</b>	<b>\$ 1,791</b>	<b>\$ 250,182</b>

(Continued)

**Town of Woodside, California**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2020**

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>Arts and Culture</b>				
<b>ASSETS</b>				
Cash and investments	\$ 10,832	\$ 1,719	\$ -	\$ 12,551
Receivables:				
Interest	64	37	64	37
<b>Total assets</b>	<b>\$ 10,896</b>	<b>\$ 1,756</b>	<b>\$ 64</b>	<b>\$ 12,588</b>
<b>LIABILITIES</b>				
Due to others	\$ 10,896	\$ 1,692	\$ -	\$ 12,588
<b>Total liabilities</b>	<b>\$ 10,896</b>	<b>\$ 1,692</b>	<b>\$ -</b>	<b>\$ 12,588</b>
<b>TOTAL OF ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and investments	\$ 447,781	\$ 220,203	\$ 210,381	\$ 457,603
Receivables:				
Interest	3,084	1,445	3,088	1,441
Special assessments	210,000	-	30,000	180,000
<b>Total assets</b>	<b>\$ 660,865</b>	<b>\$ 221,648</b>	<b>\$ 243,469</b>	<b>\$ 639,044</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 44,957	\$ 44,957	\$ -
Due to others	660,865	63,642	85,463	639,044
<b>Total liabilities</b>	<b>\$ 660,865</b>	<b>\$ 108,599</b>	<b>\$ 130,420</b>	<b>\$ 639,044</b>

**SUPPLEMENTARY SCHEDULES**

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

**For the year ended June 30, 2020**

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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 068322360	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, 2020, and have issued our report thereon dated September 15, 2020.

***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 September 15, 2020 which is an integral part of our audit and should be read in conjunction with this report.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Maze & Associates*

Pleasant Hill, California  
September 15, 2020